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# United States Senate

COMMITTEE ON  
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS  
WASHINGTON, DC 20510-6250

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December 15, 2017

Lieutenant General Todd T. Semonite  
Commanding General and Chief of Engineers  
U.S. Army Corps of Engineers  
441 G St. NW  
Washington, DC 20314

Dear Lt. Gen. Semonite:

I write to follow up on a letter I sent to you November 15, 2017, regarding four contracts totaling nearly \$1 billion that the U.S. Army Corps of Engineers (USACE) awarded to assist in restoring the electric grid in Puerto Rico. I understand that you plan to provide a response no later than December 22, 2017, and I appreciate your cooperation with this important oversight matter.

As I await your response, I have become aware of an additional \$860 million award to the Louis Berger Group, Inc., “to support critically needed temporary power” in Puerto Rico and the U.S. Virgin Islands.<sup>1</sup> USACE reportedly received two bids for the work, which is tasked for completion by September 30, 2018.<sup>2</sup>

In the past, the Louis Berger Group had serious problems with its performance on a number of government contracts. Derish Wolff, the former president, CEO, and chairman of the board at the Louis Berger Group was sentenced to 12 months of home confinement and fined \$4.5 million in 2015 for his involvement in a conspiracy to defraud the U.S. Agency for International Development (USAID) with respect to billions of dollars in contracts over a period of 20 years.<sup>3</sup> According to the Department of Justice, Mr. Wolff and numerous Louis Berger Group employees systematically overbilled USAID for contracts related to reconstruction work

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<sup>1</sup> U.S. Department of Defense: *Contracts for Nov. 22, 2017* (CR-226-17) (Nov. 22, 2017).

<sup>2</sup> *Id.* To date, USACE has also awarded contracts to Weston Solutions to provide emergency temporary power generation to the Palo Seco Power Plant in San Juan, to Fluor Corporation and PowerSecure to repair transmission and distribution lines throughout the island, and to Aptim Federal Services, LLC, to install a 25-megawatt generator at the Yabucoa Power Plant in southeast Puerto Rico. Additionally, the Puerto Rico Electric Power Authority (PREPA) has awarded contracts to Whitefish Energy Holdings, LLC, and Cobra Acquisitions, LLC, for electric grid repairs and restoration.

<sup>3</sup> Department of Justice: *Former Louis Berger Group Inc. Chairman, CEO, and President Sentenced to One Year of Home Confinement, Fined \$4.5 Million, for 20-Year Conspiracy to Defraud Federal Government* (May 8, 2015).

in Iraq and Afghanistan. The Louis Berger Group fraudulently sought payment for employee work hours that were not completed and unrelated overhead expenses. In 2010, the company paid \$18.7 million in criminal penalties and settled a civil lawsuit for \$50.6 million but was not suspended, debarred, or prevented from future work with the federal government.<sup>4</sup>

Nearly three months after Hurricane Maria made landfall, approximately one-third of Puerto Rico still lacks power.<sup>5</sup> Given the magnitude of repairs that are needed in the Commonwealth and the serious issues involving the Louis Berger Group's past performance, I ask that you provide a written response to the following questions no later than January 12, 2018:

1. Please provide a copy of the base contract between USACE and the Louis Berger Group (W911WN-15-D-0001) and a copy of the recent \$860 million contract modification (P00011) along with all documents related to USACE's justification for the modification.
2. What is the funding source that will be used to pay for the contract modification?
3. How do the contracted services of the Louis Berger Group relate to the contracted services of Weston, Fluor, PowerSecure, and Aptim? How do they relate to services provided by Whitefish and Cobra through contracts with PREPA?
4. What, if any, consideration was given to the Louis Berger Group's past performance—specifically, the company's attempts to defraud the federal government—prior to the \$860 million contract modification? Please explain.
5. Please provide sufficient information to understand USACE's plans for monitoring the Louis Berger Group's performance. Specifically, how will USACE ensure that work hours and overhead expenses are accurately reported?
6. To what extent were Derish Wolff, Salvatore Pepe, Precy Pellettieri, or any other employees involved with the Louis Berger Group's scheme to defraud USAID between 1990 and 2009 involved in negotiations over the recent \$860 million contract modification with USACE? Please provide copies of any and all correspondence and communications that exist between USACE officials and Mr. Wolff, Mr. Pepe, and/or Ms. Pellettieri in relation to the contract modification.

If for any reason you are unable to provide this information under the timeline I have requested, or, should you have any questions, please contact Joel Walsh with my staff at (202) 224-2627 or [Joel\\_Walsh@hsgac.senate.gov](mailto:Joel_Walsh@hsgac.senate.gov). Please send any official correspondence related to this request to Lucy Balcezak at [Lucy\\_Balcezak@hsgac.senate.gov](mailto:Lucy_Balcezak@hsgac.senate.gov). Thank you for your prompt attention to this matter.

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<sup>4</sup> *Id.*

<sup>5</sup> StatusPR, Home Page ([www.status.pr/](http://www.status.pr/)) (accessed Dec. 8, 2017).

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Sincerely,

A handwritten signature in blue ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill  
Ranking Member

cc: Ron Johnson  
Chairman