

United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

March 16, 2018

The Honorable Claire M. Grady
Under Secretary for Management
U.S. Department of Homeland Security
3801 Nebraska Ave. NW
Washington, DC 20016

Dear Ms. Grady:

The Office of the Inspector General (OIG) of the Department of Homeland Security (DHS) recently released a report on deficiencies in DHS's Suspension and Debarment Program.¹ There are serious concerns reported by the OIG regarding the lack of attention that DHS has paid to the program on all levels, from definition and instructions for DHS personnel, to inadequate tracking of suspended and debarred companies.

At a Committee roundtable on February 7, 2018, I asked you about the Department's Suspension and Debarment Program. Specifically, I noted that a company that had previously defaulted on multiple federal government contracts nevertheless continued to contract with the government—including receiving a \$156 million award from FEMA to provide 30 million meals in Puerto Rico, which was terminated after it delivered only 50,000.² I also committed to working with you and DHS to determine how to strengthen the Suspension and Debarment Program which is obviously in need of support.³

One particular concern raised by the OIG is a report from a Transportation Security Administration (TSA) official that a recommendation for debarment was ignored by the DHS Suspension and Debarment Official (SDO).⁴ The OIG reported that due to a lack of documentation, it could not determine whether the SDO's decision to use an administrative agreement instead was objective and unbiased. An administrative agreement is a less severe alternative to suspension or debarment, and DHS should be able to adequately explain its reasons

¹ Department of Homeland Security Office of Inspector General, *DHS Needs to Strengthen Its Suspension and Debarment Program* (OIG-18-41) (Jan. 25, 2018).

² *FEMA Contract Called for 30 Million Meals for Puerto Ricans. 50,000 Were Delivered*, New York Times (Feb. 6, 2018) (www.nytimes.com/2018/02/06/us/fema-contract-puerto-rico.html).

³ Senate Committee on Homeland Security and Governmental Affairs, *Roundtable – Reauthorizing DHS: Positioning DHS to Address New and Emerging Threats to the Homeland* (Feb. 7, 2018).

⁴ Department of Homeland Security Office of Inspector General, *DHS Needs to Strengthen Its Suspension and Debarment Program* (OIG-18-41) (Jan. 25, 2018).

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for employing a relatively lenient tool. The OIG also identified that DHS has not updated or added needed details to its Suspension and Debarment Instruction, and that DHS inadequately tracks and maintains records related to suspension and debarment.⁵ A lack of guidance from DHS management to staff unfortunately suggests a lack of attention by management to the Suspension and Debarment Program. The lack of coordination and standardization of suspension and debarment activity leaves DHS, and the rest of the government, vulnerable to further waste, fraud, and abuse from companies that should have been awarded contracts in the first place.

I am particularly troubled that DHS appears to neglect the suspension and debarment process, one of the most important tools that the government has to hold contractors accountable. The absence of coordination between components and headquarters to provide accurate information to contracting officials, and other government agencies puts the government at serious risk for waste, fraud, and abuse. The OIG has stated in its report that staff shortages may partially explain the failure to submit accurate, or at times, *any* reporting information to government databases.⁶ If this is the case, the Department must articulate a plan to adequately staff the Suspension and Debarment process. The department awarded \$13.8 billion in contracts in Fiscal Year (FY) 2016, and it would be irresponsible to not provide appropriate oversight and administration.⁷

To better understand the problems identified by the DHS OIG and the actions you are currently undertaking to resolve these issues, I request that your office provide the following information and a briefing to committee staff no later than April 5, 2018:

1. A list of companies that have been suspended and debarred by DHS and the date of (each) suspension or debarment;
2. A list identifying how long it took DHS to suspend or debar each company from FY 2012–FY 2017;
3. The reason the DHS Suspension and Debarment Instruction has not been updated since it was issued in May 2012, and what DHS is currently doing to update the instruction with the DHS OIG's recommended changes;

⁵ Department of Homeland Security Office of Inspector General, *DHS Needs to Strengthen Its Suspension and Debarment Program* (OIG-18-41) (Jan. 25, 2018).

⁶ Department of Homeland Security Office of Inspector General, *DHS Needs to Strengthen Its Suspension and Debarment Program* (OIG-18-41) (Jan. 25, 2018).

⁷ General Services Administration (GSA) FEDSched, DHS Agency Spending, (gsa.federalschedules.com/resources/dhs-agency-spending/) (accessed Feb. 6, 2018).

4. The reason there is no centralized DHS system to track suspension and debarment activities, and what DHS is currently doing to create an case management system to track suspension and debarment in the future;
5. The DHS officials responsible for the ensuring that suspended and debarred companies are not awarded new contracts, and why five of seven administrative agreements approved between FY 2012–FY 2017 were not adequately documented;
6. The reason the DHS SDO declined to adopt a recommendation by TSA to debar a company;
7. A list of current contracts that DHS has with the company recommended by TSA for debarment; and
8. A report on the staffing required for DHS and its components to meet its suspension and debarment responsibilities in a timely manner.

Please contact Tim Brennan at (202) 224-1839 or Tim_Brennan@hsgac.senate.gov with any questions. Please send any official correspondence relating to this request to Lucy Balcezak at Lucy_Balcezak@hsgac.senate.gov. Thank you in advance for your attention to this matter.

Sincerely,



Claire McCaskill
Ranking Member

cc: Ron Johnson
Chairman