

United States Senate

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

RICHARD J. KESSLER, STAFF DIRECTOR
KEITH B. ASHDOWN, MINORITY STAFF DIRECTOR

April 11, 2014

The Honorable John M. McHugh
Secretary of the Army
Department of Defense
101 Army Pentagon
Washington, DC 20318-9999

Dear Mr. Secretary:

On February 4, 2014, the Subcommittee on Financial and Contracting Oversight held a hearing on fraud and abuse in Army recruiting contracts, specifically focusing on the Army's now-terminated Recruiting Assistance Programs (RAPs). I thank you for your staff's testimony at this hearing as well as the cooperation and information they have provided to the Subcommittee during our investigation.

The Subcommittee's investigation of Recruiting Assistance Programs has also uncovered evidence of potential waste and abuse in other recruiting and marketing contracts, particularly with respect to sponsorships, recruiting promotional items and conferences. On February 27, 2014, the Subcommittee requested basic information related to Army recruiting and marketing contracts. I appreciate the information and the briefings that have been provided, and renew my April 8, 2014 request that all requested information be provided in full. I am now requesting additional information and briefings regarding these issues.

To assist the Subcommittee with its oversight, I request that you provide the following information and documents:

- (1) Army National Guard, Army Reserve and Regular Army recruitment needs and goals for each of the last 5 years and the next two years, including targeted demographics of desired recruits);
- (2) Army National Guard, Army Reserve, and Regular Army's prioritization of recruiting spending (e.g., recruiters, handouts, events, sponsorships, etc.);
- (3) The purpose(s) of the Army National Guard's, Army Reserve's and Regular Army's sports sponsorship and event marketing programs (e.g., lead generation, "brand" building, "influencer awareness," etc.);
- (4) Total amount of Army National Guard, Army Reserve and Regular Army spending on all recruiting activities, including overhead, for each of the last 5 years, and any planned

spending over the next two years, broken down by category (recruiters, recruiting support materials, direct response programs, awareness programs, etc.);

- (5) For each Army National Guard, Army Reserve and Regular Army direct response program (including various sports sponsorships and the Army National Guard's motorcycle/hot rod displays) over the last five years and (where applicable) over the next two years:
 - (a) Total annual spending;
 - (b) The number of leads generated annually (please include the definition or standard for a "lead");
 - (c) The number of leads converted to a contract annually;
 - (d) The cost per lead; and
 - (e) The cost per contract;
- (6) For each element of the Army National Guard's NASCAR program (Branding, Interactive Trackside Display, Mobile Event Team, Driver Visits, etc.):
 - (a) The cost or estimated cost under the contract;
 - (b) The number of leads generated annually;
 - (c) The number of leads converted to a contract annually;
 - (d) The cost per lead; and
 - (e) The cost per contract;
- (7) Other data and information sufficient to show the effectiveness of sports sponsorships in achieving the purposes of item (2), including in comparison to spending on alternatives from item (3);
- (8) Information sufficient to show the reason the Army National Guard, Army Reserve and Regular Army ended any sports sponsorships or event marketing programs over the last 10 years;
- (9) The organizational chart(s) for the Army National Guard office formerly known as the Army Strength Maintenance Division, identifying responsibility for managing sponsorship programs, recruiting promotional items, and motorcycle displays. Please include any major changes in organizational structure over the last five years;

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- (10) Information regarding the Army National Guard's motorcycles, including their contracts, cost, custodians, storage locations, servicing locations and servicing costs over the last five years;
- (11) All communications and documents related to potential abuses in Army marketing programs (to simplify production, the Army may provide the same communications and documents produced for the Investigating Officer who completed the AR 15-6 [Procedures for Investigating Officers and Boards of Officers] that was provided to the Subcommittee on January 17, 2014);

Please provide updates on the status of the National Guard Bureau (NGB) recruiting and contract policies:

- (12) Has there been a rewrite of NGR 601-1 to determine the proper purpose, use and scope of Recruiting Promotional Items (RPIs), the definition of "Centers of Influence", and which officials can and cannot receive RPIs? If so, please provide the new policies and/or definitions;
- (13) Has the National Guard established a policy requiring all personnel to receive a JAG opinion before accepting any gifts? If so, please provide the new policy;
- (14) Is state involvement with NGB programs now monitored to ensure compliance and reviewed by NGB leadership on a quarterly basis? If so, please provide the results of any review, if available;
- (15) Are actions that require coordination and/or comments from other Divisions and Directorates now staffed through the Joint Application Staff Management System?
- (16) Do NGB contracting documents now include a detailed listing and justification of specific line items in the SOW/SOO and/or Task Order?
- (17) Have NGB contract officer representatives (CORs) been removed from program offices?

I also request a briefing for the Subcommittee by the appropriate Army National Guard, Army Reserve and Regular Army official(s) responsible for sports sponsorships and event marketing. I also request interviews with [REDACTED] and [REDACTED]. Please provide these documents, information and briefings as soon as possible, but by **no later than April 16, 2014**.

I appreciate your assistance. Please contact Jackson Eaton with the Subcommittee at (202) 224-6579 with any questions. Please send any official correspondence relating to this request to Kelsey_Stroud@hsgac.senate.gov.

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Sincerely,

A handwritten signature in blue ink that reads "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" being more prominent than the last name "McCaskill".

Claire McCaskill
Chairman
Subcommittee on Financial and Contracting
Oversight

cc: Ron Johnson
Ranking Member
Subcommittee on Financial and Contracting Oversight