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September 11, 2014

The Honorable Jeh Johnson
Secretary
U.S. Department of Homeland Security
Nebraska Avenue Complex
3801 Nebraska Avenue, N.W.
Washington, D.C. 20528

Dear Secretary Johnson:

I am concerned about the U.S. Department of Homeland Security's (DHS) recent decision to award a \$190 million contract to U.S. Investigation Services, Inc. (USIS). This contract would allow USIS to provide field office support services to U.S. Citizenship and Immigration Services (USCIS). I urge you to follow the lead of the U.S. Office of Personal Management (OPM) which announced just this week, in response to poor (and at times illegal) past performance, that it will terminate all current USIS contracts on September 30, 2014. Moreover, it will not renew any USIS contract for fiscal year 2015.

I find it troubling that DHS would award such a large contract to an entity that has performed so poorly; and even more troubling that it could do so within two months of OPM's decision to bar the entity entirely from contract renewals. I strongly urge your agency to reexamine its contracting practices, particularly if those practices continue to result in companies such as USIS being deemed "responsible" contractors. When the USCIS field office support contract was awarded to USIS, were you aware of, and did you consider, all of USIS's past performance and misconduct? If not, why not? If so, what led your agency award the contract to USIS?

While USIS was bidding for the contract your agency ultimately awarded to it, the U.S. Department of Justice (DOJ) brought a civil action against USIS in the U.S. District Court for the Middle District of Alabama (the complaint was submitted on January 22, 2014). 'Civil Action No. 11-CV-527-WKW' states:

The United States brings this civil action to recover treble damages and penalties under the False Claims Act, 31 U.S.C. §§ 3729-33 (FCA), and to recover damages and other monetary relief for breach of contract. This action arises from false statements and claims that Defendant U.S. Investigations Services, Inc. (USIS) knowingly presented to, or caused to be presented to, the United States and the United States Office of Personnel

Management (OPM) related to background investigations that were not reviewed in accordance with the requirements of the parties' contracts, in violation of the FCA and the common law.

How on earth did DHS arrive to the conclusion that it was best to award a contract for background investigations to USIS, when USIS was actively being sued by the Justice Department for not performing background investigations in accordance with existing contracts? It is alleged in the complaint that USIS falsely stated it had completed more than *half a million* background checks it did not complete, and that these phantom investigations comprised almost 40 percent of the investigations conducted by USIS during a four-and-a-half year period. Was your agency aware of these facts? If not, why not? Further, it is also alleged that USIS misused a separate OPM support services contract to learn the timing of OPM's auditing schedules. This, of course, was done in an effort to conceal USIS's misconduct. Again, according to DOJ's complaint:

USIS management devised and executed a scheme to deliberately circumvent contractually required quality reviews of completed background investigations in order to increase the company's revenues and profits.

Apparently, the scheme worked – for a time. Over the years of 2008, 2009, and 2010, USIS's fraudulent conduct led to almost \$12 million in performance awards that it otherwise would not have obtained. Again, was DHS aware of this fact when awarding its most recent contract to USIS?

Unfortunately, USIS's penchant for underwhelming performance (when not engaging in illegal activity) has continued since it was awarded the contract for USCIS field office support on July 2nd. Recently, it suffered a data breach that comprised the personal information of more than 25,000 government employees, including those at DHS headquarters, Immigration and Customs Enforcement (ICE), and Customs and Border Patrol (CBP). I do not find it comforting that a company paid to vet private and personal information on behalf of some of our nation's largest security agencies cannot keep its own self secure. I would urge DHS, in the future, to avoid contracting with any entity whose record displays such a flagrant disregard for the law, best practices, and standard business practices more generally.

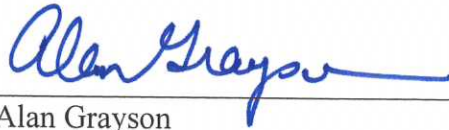
In closing, I wish to draw your attention to the fact that I have offered an amendment to every appropriations bill that has come to the floor of the U.S. House of Representatives during the 113th Congress that reads, in relevant part, as follows:

None of the funds made available by this Act may be used to enter into a contract with any offeror or any of its principals if the offeror certifies, as required by Federal Acquisition Regulation, that the offeror or any of its principals...[is] presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of...fraud...in connection with...performing a public (Federal, State, or local) contract or subcontract.

This amendment has passed in every instance, unanimously, by voice vote. Obviously, USIS satisfies as an offending party. Next year, when I offer this same amendment to the Department of Homeland Security Appropriations bill, I intend to use USIS as an example of the type of corporation with which the federal government should not be contracting. I strongly urge DHS, as well as USCIS, to vigorously and expeditiously review every interaction it has had with USIS, the work USIS has claimed to complete on each agency's behalf, and all awards that have been or may be made to the company. At the conclusion of this review, I insist that USIS's performance record be updated accordingly.

Thank you for your attention to this matter. If you have any questions or concerns regarding this letter, please do not hesitate to contact me or David Bagby of my staff at david.bagby@mail.house.gov or (202) 225-9889.

Sincerely,

A handwritten signature in blue ink that reads "Alan Grayson". The signature is written in a cursive style and extends to the right of the line.

Alan Grayson
Member of Congress