

DARRELL E. ISSA, CALIFORNIA
CHAIRMAN

JOHN L. MICA, FLORIDA
MICHAEL R. TURNER, OHIO
JOHN J. DUNCAN, JR., TENNESSEE
PATRICK T. McHENRY, NORTH CAROLINA
JIM JORDAN, OHIO
JASON CHAFFETZ, UTAH
TIM WALBERG, MICHIGAN
JAMES LANKFORD, OKLAHOMA
JUSTIN AMASH, MICHIGAN
PAUL A. GOSAR, ARIZONA
PATRICK MEEHAN, PENNSYLVANIA
SCOTT DesJARLAIS, TENNESSEE
TREY GOWDY, SOUTH CAROLINA
BLAKE FARENTHOLD, TEXAS
DOC HASTINGS, WASHINGTON
CYNTHIA M. LUMMIS, WYOMING
ROB WOODALL, GEORGIA
THOMAS MASSIE, KENTUCKY
DOUG COLLINS, GEORGIA
MARK MEADOWS, NORTH CAROLINA
KERRY L. BENTIVOLIO, MICHIGAN
RON DeSANTIS, FLORIDA

LAWRENCE J. BRADY
STAFF DIRECTOR

ONE HUNDRED THIRTEENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074

FACSIMILE (202) 225-3974

MINORITY (202) 225-5051

<http://oversight.house.gov>

ELIJAH E. CUMMINGS, MARYLAND
RANKING MINORITY MEMBER

CAROLYN B. MALONEY, NEW YORK
ELEANOR HOLMES NORTON,
DISTRICT OF COLUMBIA
JOHN F. TIERNEY, MASSACHUSETTS
WM. LACY CLAY, MISSOURI
STEPHEN F. LYNCH, MASSACHUSETTS
JIM COOPER, TENNESSEE
GERALD E. CONNOLLY, VIRGINIA
JACKIE SPEIER, CALIFORNIA
MATTHEW A. CARTWRIGHT, PENNSYLVANIA
L. TAMMY DUCKWORTH, ILLINOIS
ROBIN L. KELLY, ILLINOIS
DANNY K. DAVIS, ILLINOIS
PETER WELCH, VERMONT
TONY CARDENAS, CALIFORNIA
STEVEN A. HORSFORD, NEVADA
MICHELLE LUJAN GRISHAM, NEW MEXICO
VACANCY

August 25, 2014

The Honorable Thomas E. Perez
Secretary
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, D.C. 20210

Dear Mr. Secretary:

The Committee on Oversight and Government Reform is investigating mismanagement and wasteful spending practices at the Department of Labor. On February 14, 2014, Senator Tom A. Coburn wrote to the DOL Office of Inspector General requesting an investigation into allegations of excessive spending, contracting irregularities, and misuse of agency resources.¹ More recently, documents obtained by the Committee appear to show a pattern of wasteful spending and mismanagement at DOL. To assist the Committee's investigation of these matters, I am writing to request related documents and information.

Information reviewed by the Committee appears to show that the DOL Office of Public Affairs (OPA) frivolously spends taxpayer dollars on unnecessary items. For example, between fiscal years 2010-2014, DOL racked up nearly \$25,000 in entry fees for public relations contests. Indeed, DOL appears to have submitted 168 entries—paying as much as \$2,310 per application—winning awards 83 times. In addition, taxpayers allegedly pick up the tab for senior DOL employees to travel around the country and claim the awards. In one instance, taxpayers apparently covered the cost for OPA Senior Advisor Carl Fillichio to attend the 2013 PRSA Silver Anvil Awards Ceremony in New York City. The event was billed as one of the top events in New York.² The cost to attend the ceremony was \$375 per person.³

This questionable activity has been going on for some time. As my staff has learned, in 2009, DOL began producing weekly elevator posters for the 23 passenger elevators at DOL's headquarters in Washington, D.C. According to documents obtained by the Committee, since 2009, DOL has spent \$2,637 per week producing new posters, for a total of over \$600,000.

¹ Letter from Hon. Tom A. Coburn, Ranking Member, S. Comm. on Homeland Security & Gov't Affairs, to Hon. Scott S. Dahl, Inspector General, Dep't of Labor (Feb. 14, 2014), *available at* http://www.coburn.senate.gov/public//index.cfm?a=Files.Serve&File_id=82d75f3a-92ae-4767-95e1-95274d1dda18.

² See Brendan Spiegel, *New York's Top 100 Events 2014*, BIZBASH, Mar. 4, 2014, *available at* <http://www.bizbash.com/prss-silver-anvil-awards-1-pr-industry-event-1000/gallery/135543>.

³ *Id.*

According to DOL, the posters represent an effective method of communicating with employees.⁴ Media reports indicate that DOL deploys up to three communications specialists or artists to produce designs each week.⁵ DOL has also reportedly used taxpayer money to hire the Washington Nationals mascot for an agency event and spent over \$100,000 to promote a book club.⁶ Likewise, DOL employees reportedly spend an inordinate amount of time and money on an internal publication called “Frances Mag.”⁷ If this information is accurate, it raises serious questions about the lack of internal agency spending controls in a time of considerable budget constraints.

Upon learning of media reports concerning OPA’s wasteful spending practices, OPA Senior Advisor Carl Fillichio organized a meeting with OPA employees. In the meeting, Mr. Fillichio used profane language to criticize employees who allegedly contacted the media and threatened to retaliate against employees who brought OPA’s questionable spending practices to light. Mr. Fillichio’s comments are likely to have a chilling effect on OPA employees’ willingness to report waste, fraud, abuse, and mismanagement—disclosures that are protected by law in many cases.

The public expects the federal government to exercise responsible stewardship of their tax dollars. This Committee has examined numerous instances of wasteful spending at Executive Branch departments and agencies. For example, the Committee investigated a 2010 conference held by the IRS Small Business/Self-Employed Division in Anaheim, California.⁸ In that case, the agency purchased thousands of dollars’ worth of plastic squirting fish and goodie bags.⁹ Congress has highlighted these egregious examples of out-of-control agency spending in an effort to encourage all departments and agencies to curb reckless spending and act responsibly.

Similarly, in November 2011, President Obama delivered an instruction to the Executive Branch to stop wasting taxpayer dollars on items that are entirely unrelated to agencies’ missions.¹⁰ Executive Order 13589 directs agencies to cut spending on “extraneous promotional items” and “devise strategic alternatives to Government travel.” Spending taxpayer dollars on elevator posters, award contests, and unnecessary travel seems to be precisely the type of conduct President Obama intended to curtail.

As this Committee is charged with investigating waste, fraud, abuse and mismanagement in the federal government, I have initiated this oversight regarding DOL’s

⁴ See Quin Hillyer, *Wasteful High Jinks at the Labor Dep’t*, NAT’L REVIEW, Feb. 6, 2014, available at <http://www.nationalreview.com/article/370433/wasteful-high-jinks-labor-department-quin-hillyer>.

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*

⁸ See Treasury Inspector General for Tax Administration, *Review of the August 2010 Small Business/Self-Employed Division’s Conference in Anaheim, California* (May 31, 2013), available at http://www.treasury.gov/tigta/auditreports/2013reports/201310037_oa_highlights.html [hereinafter TIGTA Report]; *Collected and Wasted: The IRS Spending Culture and Conference Abuses*: Hearing Before the H. Comm. on Oversight & Gov’t Reform, 113th Cong. (June 6, 2013).

⁹ TIGTA Report.

¹⁰ Exec. Order No. 13589, 76 Fed. Reg. 70861 (Nov. 9, 2011), available at <http://www.whitehouse.gov/the-press-office/2011/11/09/executive-order-promoting-efficient-spending>.

The Honorable Thomas E. Perez

August 25, 2014

Page 3

apparent disregard for taxpayer money. Accordingly, I request the following documents and information as soon as possible, but by no later than noon on September 8, 2014:

1. All documents and information referring or relating to any DOL employees entering contests on behalf of the agency, including costs associated with attending and traveling to award ceremonies since 2009.
2. All documents and information related to DOL elevator posters, including the time and cost of DOL personnel and contractors to produce the posters.
3. All documents and information related to DOL's book club, including the time and cost of DOL personnel and contractors to promote the program.
4. All documents and information related to DOL's "Frances Mag", including the time and cost of DOL personnel and contractors to produce the magazine.

The Committee on Oversight and Government Reform is the principal oversight committee of the House of Representatives and may at "any time" investigate "any matter" as set forth in House Rule X. An attachment to this letter provides additional information about responding to the Committee's request.

Please deliver your responses to the Majority Staff in room 2157 of the Rayburn House Office Building and the Minority Staff in room 2471 of the Rayburn House Office Building. The Committee prefers to receive all documents in electronic format.

Please contact Lamar Echols or Caroline Ingram of the Committee staff at (202) 225-5074 with any questions about this request. Thank you for your attention to this matter.

Sincerely,



Darrell Issa
Chairman

Enclosure

cc: The Honorable Elijah Cummings, Ranking Minority Member
Committee on Oversight and Government Reform
U.S. House of Representatives

The Honorable Tom A. Coburn, M.D., Ranking Member
Committee on Homeland Security and Governmental Affairs
U.S. Senate

ONE HUNDRED THIRTEENTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
2157 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6143

Majority (202) 225-5074
Minority (202) 225-5051

Responding to Committee Document Requests

1. In complying with this request, you are required to produce all responsive documents that are in your possession, custody, or control, whether held by you or your past or present agents, employees, and representatives acting on your behalf. You should also produce documents that you have a legal right to obtain, that you have a right to copy or to which you have access, as well as documents that you have placed in the temporary possession, custody, or control of any third party. Requested records, documents, data or information should not be destroyed, modified, removed, transferred or otherwise made inaccessible to the Committee.
2. In the event that any entity, organization or individual denoted in this request has been, or is also known by any other name than that herein denoted, the request shall be read also to include that alternative identification.
3. The Committee's preference is to receive documents in electronic form (i.e., CD, memory stick, or thumb drive) in lieu of paper productions.
4. Documents produced in electronic format should also be organized, identified, and indexed electronically.
5. Electronic document productions should be prepared according to the following standards:
 - (a) The production should consist of single page Tagged Image File ("TIF"), files accompanied by a Concordance-format load file, an Opticon reference file, and a file defining the fields and character lengths of the load file.
 - (b) Document numbers in the load file should match document Bates numbers and TIF file names.
 - (c) If the production is completed through a series of multiple partial productions, field names and file order in all load files should match.
 - (d) All electronic documents produced to the Committee should include the following fields of metadata specific to each document;

BEGDOC, ENDDOC, TEXT, BEGATTACH, ENDATTACH,
PAGECOUNT, CUSTODIAN, RECORDTYPE, DATE, TIME, SENTDATE,
SENTTIME, BEGINDATE, BEGINTIME, ENDDATE, ENDTIME, AUTHOR, FROM,

CC, TO, BCC, SUBJECT, TITLE, FILENAME, FILEEXT, FILESIZE, DATECREATED, TIMECREATED, DATELASTMOD, TIMELASTMOD, INTMSGID, INTMSGHEADER, NATIVELINK, INTFILPATH, EXCEPTION, BEGATTACH.

6. Documents produced to the Committee should include an index describing the contents of the production. To the extent more than one CD, hard drive, memory stick, thumb drive, box or folder is produced, each CD, hard drive, memory stick, thumb drive, box or folder should contain an index describing its contents.
7. Documents produced in response to this request shall be produced together with copies of file labels, dividers or identifying markers with which they were associated when the request was served.
8. When you produce documents, you should identify the paragraph in the Committee's schedule to which the documents respond.
9. It shall not be a basis for refusal to produce documents that any other person or entity also possesses non-identical or identical copies of the same documents.
10. If any of the requested information is only reasonably available in machine-readable form (such as on a computer server, hard drive, or computer backup tape), you should consult with the Committee staff to determine the appropriate format in which to produce the information.
11. If compliance with the request cannot be made in full by the specified return date, compliance shall be made to the extent possible by that date. An explanation of why full compliance is not possible shall be provided along with any partial production.
12. In the event that a document is withheld on the basis of privilege, provide a privilege log containing the following information concerning any such document: (a) the privilege asserted; (b) the type of document; (c) the general subject matter; (d) the date, author and addressee; and (e) the relationship of the author and addressee to each other.
13. If any document responsive to this request was, but no longer is, in your possession, custody, or control, identify the document (stating its date, author, subject and recipients) and explain the circumstances under which the document ceased to be in your possession, custody, or control.
14. If a date or other descriptive detail set forth in this request referring to a document is inaccurate, but the actual date or other descriptive detail is known to you or is otherwise apparent from the context of the request, you are required to produce all documents which would be responsive as if the date or other descriptive detail were correct.
15. Unless otherwise specified, the time period covered by this request is from January 1, 2009 to the present.
16. This request is continuing in nature and applies to any newly-discovered information. Any record, document, compilation of data or information, not produced because it has not been

located or discovered by the return date, shall be produced immediately upon subsequent location or discovery.

17. All documents shall be Bates-stamped sequentially and produced sequentially.
18. Two sets of documents shall be delivered, one set to the Majority Staff and one set to the Minority Staff. When documents are produced to the Committee, production sets shall be delivered to the Majority Staff in Room 2157 of the Rayburn House Office Building and the Minority Staff in Room 2471 of the Rayburn House Office Building.
19. Upon completion of the document production, you should submit a written certification, signed by you or your counsel, stating that: (1) a diligent search has been completed of all documents in your possession, custody, or control which reasonably could contain responsive documents; and (2) all documents located during the search that are responsive have been produced to the Committee.

Schedule Definitions

1. The term “document” means any written, recorded, or graphic matter of any nature whatsoever, regardless of how recorded, and whether original or copy, including, but not limited to, the following: memoranda, reports, expense reports, books, manuals, instructions, financial reports, working papers, records, notes, letters, notices, confirmations, telegrams, receipts, appraisals, pamphlets, magazines, newspapers, prospectuses, inter-office and intra-office communications, electronic mail (e-mail), contracts, cables, notations of any type of conversation, telephone call, meeting or other communication, bulletins, printed matter, computer printouts, teletypes, invoices, transcripts, diaries, analyses, returns, summaries, minutes, bills, accounts, estimates, projections, comparisons, messages, correspondence, press releases, circulars, financial statements, reviews, opinions, offers, studies and investigations, questionnaires and surveys, and work sheets (and all drafts, preliminary versions, alterations, modifications, revisions, changes, and amendments of any of the foregoing, as well as any attachments or appendices thereto), and graphic or oral records or representations of any kind (including without limitation, photographs, charts, graphs, microfiche, microfilm, videotape, recordings and motion pictures), and electronic, mechanical, and electric records or representations of any kind (including, without limitation, tapes, cassettes, disks, and recordings) and other written, printed, typed, or other graphic or recorded matter of any kind or nature, however produced or reproduced, and whether preserved in writing, film, tape, disk, videotape or otherwise. A document bearing any notation not a part of the original text is to be considered a separate document. A draft or non-identical copy is a separate document within the meaning of this term.
2. The term “communication” means each manner or means of disclosure or exchange of information, regardless of means utilized, whether oral, electronic, by document or otherwise, and whether in a meeting, by telephone, facsimile, email (desktop or mobile device), text message, instant message, MMS or SMS message, regular mail, telexes, releases, or otherwise.

3. The terms “and” and “or” shall be construed broadly and either conjunctively or disjunctively to bring within the scope of this request any information which might otherwise be construed to be outside its scope. The singular includes plural number, and vice versa. The masculine includes the feminine and neuter genders.
4. The terms “person” or “persons” mean natural persons, firms, partnerships, associations, corporations, subsidiaries, divisions, departments, joint ventures, proprietorships, syndicates, or other legal, business or government entities, and all subsidiaries, affiliates, divisions, departments, branches, or other units thereof.
5. The term “identify,” when used in a question about individuals, means to provide the following information: (a) the individual's complete name and title; and (b) the individual's business address and phone number.
6. The term “referring or relating,” with respect to any given subject, means anything that constitutes, contains, embodies, reflects, identifies, states, refers to, deals with or is pertinent to that subject in any manner whatsoever.
7. The term “employee” means agent, borrowed employee, casual employee, consultant, contractor, de facto employee, independent contractor, joint adventurer, loaned employee, part-time employee, permanent employee, provisional employee, subcontractor, or any other type of service provider.