

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

<http://oversight.house.gov>

May 19, 2017

Mr. Victor Esposito
President & Chief Executive Officer
Sallyport Global Holdings
11921 Freedom Drive, Suite 1000
Reston, VA 20190

Dear Mr. Esposito:

Protecting American troops and facilities abroad is a solemn responsibility. Recent news accounts, including one by the AP, raise questions about Sallyport Global Holdings' employees conduct and performance at the Balad Air Base in Iraq.¹ The allegations include prostitution, alcohol smuggling, timesheet fraud, concealment from Department of Defense auditors, and retaliation against employees whose duty it was to investigate these allegations.² The report noted Sallyport was awarded "nearly \$700 million in federal contracts to secure Balad Air Base," which is "home to a squadron of F-16 fighter jets as part of the U.S.-led coalition to annihilate the Islamic State."³

The AP report described a prostitution ring run out of a hotel in Iraq and alleged Sallyport employees were customers of the ring.⁴ At some point, according to the report, "[f]our Ethiopian women who had worked as prostitutes at the hotel were later hired in housekeeping by Sallyport."⁵ The report continued, alleging "Sallyport managers had either knowingly or unwittingly abetted human trafficking involving vulnerable female immigrants in a war zone, a revelation the company would be required to report to the U.S. government under federal law."⁶

Making matters worse, according to the report, Sallyport management short-circuited internal investigations and fired the employees responsible for them when they requested to interview Sallyport management suspected of wrongdoing.⁷

¹ Desmond Butler & Lori Hinnant, *US company turned blind eye to wild behavior on Iraq base*, ASSOCIATED PRESS, May 3, 2017, <https://apnews.com/ebe9f147ebcd44589749a6359dc2e462> [hereinafter Butler & Hinnant, AP]; Greg Price, *Military Fraud: Alcohol, Hookers Sent to Iraq War Base Via U.S. Contractor, Report Claims*, NEWSWEEK, May 3, 2017, <http://bit.ly/2pzBb1M>;

² Butler & Hinnant, AP.

³ *Id.*

⁴ *Id.*

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*

Federal contracting data shows Sallyport was awarded more than \$135 million in federal contracts to date in FY 2017,⁸ on top of more than \$349 million contracts in FY 2016.⁹ The company recently received a \$200 million contract modification to continue its work at Balad Air Base.¹⁰ As a result, the Committee is interested in learning about Sallyport's activities while operating under a U.S. government contract to support and safeguard Balad Air Base. To assist the Committee in better understanding these issues, please produce the following items from January 1, 2014, to present as soon as possible, but no later than noon on June 2, 2017:

1. All documents and communications referring or relating to human trafficking or prostitution, including, but not limited to:
 - i. the “[f]our Ethiopian women who had worked as prostitutes at the hotel [and] were later hired in housekeeping by Sallyport”,¹¹
 - ii. any allegations or reports of prostitution referring or relating to Sallyport employees, whether substantiated or not; and
 - iii. all previous versions of Sallyport's human trafficking policies.
2. All documents and communications referring or relating to alcohol transportation or consumption at the Balad Air Base.
3. All documents and communications referring or relating to any allegations or reports of timesheet fraud or irregularities.
4. All documents and communications referring or relating to any reporting obligations to the Department of Defense's auditors, including communications with Department of Defense auditors related to Sallyport's work at Balad Air Base.
5. All documents and communications referring or relating to former Sallyport investigator Robert Cole, including, but not limited to:

⁸ Recipient Profile, Sallyport Global Holdings Inc., *available at* <https://www.usaspending.gov/transparency/Pages/RecipientProfile.aspx?DUNSNumber=141853833&FiscalYear=2017>.

⁹ Recipient Profile, Sallyport Global Holdings Inc., *available at* <https://www.usaspending.gov/transparency/Pages/RecipientProfile.aspx?DUNSNumber=141853833&FiscalYear=2016>.

¹⁰ *In The News: Sallyport to Continue Iraq Air Base Operations Support Under \$200m FMS Contract Modification*, Sallyport Global Holdings, Feb. 9, 2017, *available at* <http://www.sallyportglobal.com/?news=news-sallyport-continue-iraq-air-base-operations-support-200m-fms-contract-modification>.

¹¹ Butler & Hinnant, AP.

- i. any employment action; and
 - ii. each investigative file on which he worked in any capacity.
6. All documents and communications referring or relating to former Sallyport investigator Kristie King, including, but not limited to:
 - i. any employment action; and
 - ii. each investigative file on which she worked in any capacity.
7. All documents and communications referring or relating to the alleged October 2015 “theft of a Toyota SUV that Sallyport had assigned to bodyguards to drive VIPs around the base.”¹²
8. All documents and communications referring or relating to the Kataib Imam Ali militia.
9. All documents and communications referring or relating to the theft of generators from the Balad Air Base on or about November 15, 2016.
10. All documents and communications referring or relating to the contract file(s) for Sallyport services to support the Balad Air Base.
11. All documents and communications referring or relating to evaluations or assessments of the performance of the contractor and its subcontractors for services to support the Balad Air Base.
12. All contract performance or status reports, schedules and invoices for the contract(s) for Sallyport services to support the Balad Air Base.
13. Any audits, reviews, or other investigations of contract performance or compliance for any contract(s) between Sallyport and DOD to support the Balad Air Base.

Please arrange to brief Committee staff on these issues no later than 5:00 p.m. on June 9, 2017, following the production of the requested documents. The briefing should include the number of investigations (i) conducted by Sallyport or (ii) conducted by the Department of Defense, law enforcement, or any other government agency by year and type from January 1, 2014 to present.

¹² *Id.*

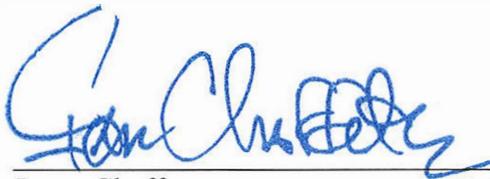
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When producing documents to the Committee, please deliver production sets to the Majority Staff in Room 2157 of the Rayburn House Office Building and the Minority Staff in Room 2471 of the Rayburn House Office Building. The Committee prefers, if possible, to receive all documents in electronic format. An attachment to this letter provides additional information about responding to the Committee's request. Please note that Committee Rule 16(b) requires counsel representing an individual or entity before the Committee or any of its subcommittees, whether in connection with a request, subpoena or testimony, promptly submit the attached notice of appearance to the Committee.

The Committee on Oversight and Government Reform is the principal oversight committee of the House of Representatives and has broad authority to investigate "any matter" at "any time" under House Rule X.

Please contact Cordell Hull of the Majority staff at (202) 225-5074, or Kapil Longani of the Minority staff at (202) 225-5051, with any questions about this request. Thank you for your attention to this matter.

Sincerely,



Jason Chaffetz
Chairman



Elijah E. Cummings
Ranking Member

Enclosures

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.

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.

**COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
U.S. HOUSE OF REPRESENTATIVES
115TH CONGRESS**

NOTICE OF APPEARANCE OF COUNSEL

Counsel submitting: _____

Bar number: _____ **State/District of admission:** _____

Attorney for: _____

Address: _____

Telephone: (_____) _____ - _____

Pursuant to Rule 16 of the Committee Rules, notice is hereby given of the entry of the undersigned as counsel for _____ in (select one):

All matters before the Committee

The following matters (describe the scope of representation):

All further notice and copies of papers and other material relevant to this action should be directed to and served upon:

Attorney's name: _____

Attorney's email address: _____

Firm name (where applicable): _____

Complete Mailing Address: _____

I agree to notify the Committee within 1 business day of any change in representation.

Signature of Attorney

Date