

United States Senate

WASHINGTON, DC 20510

May 13, 2016

The Honorable Beth Cobert
Acting Director
U.S. Office of Personnel Management
1900 E Street, NW
Washington, D.C. 20415

Dear Ms. Cobert:

On May 10, 2016, my staff was informed that Imperatis Corporation had abruptly ceased operations on its contract with the Office of Personnel Management (OPM) to overhaul OPM's secure information technology environment.¹ The reason reported for this disruption in service is Imperatis' financial distress and potential bankruptcy. I am disturbed, but not entirely surprised, by this turn of events given Imperatis' troubled history with government contracting. I write to request additional information about the Office of Personnel Management's (OPM) management of the contract and OPM's contingency plan for its Information Technology (IT) overhaul now that Imperatis has defaulted on its obligations.

On July 10, 2015, I sent a letter to your predecessor, Katherine Archuleta, requesting information about a sole source contract award to Imperatis – formerly known as Jorge Scientific Corporation – to overhaul OPM's IT infrastructure. I was concerned about OPM's decision to rush to award, and its decision to not engage in a full and open competition. In addition, the history of misbehavior of employees of Jorge Scientific in Afghanistan, lack of oversight of those employees by the contractor, and the \$134 million in costs claimed by Jorge that were questioned by the Special Inspector General for Afghanistan Reconstruction (SIGAR) raised serious concerns about the choice of contractor.

During a briefing with my staff, OPM indicated that it was unaware of SIGAR's work related to Jorge Scientific because the audit was not released until after OPM completed its contract with Imperatis.² However, a simple Internet search would have revealed news stories about employee misconduct as far back as 2012, including a lawsuit filed by former Jorge employees that was eventually settled in 2013.³ I also learned that additional information

¹ Email from the Office of Personnel Management to Permanent Subcommittee on Investigations Minority Staff (May 10, 2016).

² Briefing by Office of Personnel Management to Senate Permanent Subcommittee on Investigations Minority Staff (Nov. 11, 2015).

³ *Exclusive: Video Shows Drunk, Stoned US Defense Contractors*, ABCNews.com (online at: <http://abcnews.go.com/Blotter/video-shows-drunk-stoned-us-security-contractors/story?id=17493189>) (accessed May 11, 2016); *Whistleblower's \$47M Army Contract Misconduct Suit Nixed*, Law360.com (online at

regarding the justification for the award of the contract to Jorge is classified, which has enabled OPM to avoid further public questions regarding the process used for this award.

Although OPM may not have been aware of Imperatis' history before awarding the contract, the agency was on notice as of my July 10, 2015, letter that the company had a history of mismanagement and poor financial controls. Nevertheless, it appears that OPM failed to discover the company's financial problems before the company informed the government on May 6, 2016, that it was immediately ceasing operations. I am also concerned that Imperatis' default may now delay OPM's much-needed IT infrastructure and security fixes. In order to better understand the full extent of the consequences of Imperatis' default, I request that you provide a briefing for my staff as soon as possible, but in no event later than June 13, 2016. At the briefing, I request that you provide the following information and documents:

- (1) The current status of OPM's IT overhaul effort;
- (2) The plan to replace Imperatis, including whether OPM will seek to issue another sole source contract;
- (3) Whether any of the work Imperatis has already completed will be retained by OPM for use by a subsequent contractor;
- (4) Whether Imperatis will retain any of the intellectual property that resulted from its work with OPM;
- (5) Whether the delay required to find a new contractor will result in prolonging known vulnerabilities to the current IT infrastructure, and if so, the expected length and cost of that delay;
- (6) Any documentation related to Imperatis' performance on the contract;
- (7) Any documentation or communications to or from the contracting officer or contracting officer's representative regarding any concerns relating to performance and the financial status of Imperatis; and
- (8) Any plans to suspend and/or debar Imperatis or any of its executives.

Please contact Charlie Moskowitz at (202) 228-6471 to schedule the briefing and with any questions about this request.

<http://www.law360.com/articles/425811/whistleblower-s-47m-army-contract-misconduct-suit-nixed>) (accessed May 11, 2016).

Please contact Charlie Moskowitz at (202) 228-6471 to schedule the briefing and with any questions about this request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a large, stylized loop.

Claire McCaskill
U.S. Senator

cc: The Honorable Jeh Johnson
Secretary
Department of Homeland Security

The Honorable John Roth
Inspector General
Department of Homeland Security

Norbert Vint
Acting Inspector General
Office of Personnel Management

