

Congress of the United States
Washington, DC 20510

January 16, 2008

The Honorable David M. Walker
Comptroller General
United States Government Accountability Office
441 G Street, NW
Washington, D.C. 20548

Dear Comptroller General Walker:

We are concerned about recent reports that officials at the Department of Justice have directed companies to award lucrative no-bid contracts for monitoring compliance with out-of-court settlement and deferred prosecution agreements in criminal cases to former political office-holders and appointees. The Committees we chair have primary responsibility for oversight over the Department.

According to a story last week in The New York Times, New Jersey U.S. Attorney Christopher Christie directed companies involved in these types of agreements to award monitoring contracts to former Attorney General John Ashcroft's consulting firm, to two former U.S. Attorneys, and to a former Republican attorney general of New Jersey. The 18-month contract awarded without public notice or bidding to the Ashcroft Group is reported to be worth between \$28 million and \$52 million.

A story in yesterday's Washington Post makes clear that the practice of funneling these contracts to former political office-holders and appointees has become widespread, with U.S. Attorneys in Alabama, New York, and Virginia hiring former prosecutors and SEC officials with ties to President Bush, former President Bush, and other prominent Republicans. According to the Post, the number of corporate monitors has risen sevenfold since 2001 as federal prosecutors have shifted from indicting corporations to reaching settlement agreements that include the companies submitting to oversight at their own expense.

There appears to be little or no oversight of these contracts. Indeed, according to the Post, the award of these contracts and the fees paid to monitors are rarely approved by courts and rarely questioned by the companies subject to the monitoring because they fear reprisal. The manner in which these contracts have been awarded and the lack of oversight in their implementation raises questions about the role of political or personal favoritism in decisions regarding these settlement agreements

The Honorable David M. Walker
January 16, 2008
Page 2 of 2

Accordingly, we request that you perform an inquiry into the use, award, and implementation of contracts since 2001 to outside lawyers and other professionals retained by companies for monitoring compliance with out-of-court settlement and deferred prosecution agreements reached in criminal investigations between companies and the Department. Please include in your inquiry a review of all contracts awarded, the amount of each contract, the procedure followed to select the person or firm monitoring compliance, the role of the courts, if any, in overseeing and monitoring these settlements, and the manner in which the monitoring contracts are constructed, implemented, and audited, including the work being performed, by whom, and at what equivalent hourly rates.

We look forward to your research and insights on this important issue as we work to ensure that political and personal favoritism do not play a role in the Department's responsibility to enforce the law.

Sincerely,



PATRICK LEAHY
Chairman



JOHN CONYERS
Chairman

cc: The Honorable Arlen Specter
The Honorable Lamar Smith