

United States Senate

WASHINGTON, DC 20510

April 20, 2023

VIA ELECTRONIC TRANSMISSION

The Honorable Anne Milgram
Administrator
Drug Enforcement Administration

Dear Administrator Milgram:

My office has received multiple credible allegations of irregular hiring and contracting practices at the Drug Enforcement Administration (DEA). If true, these allegations raise serious concerns about a potential waste of federal resources and conflicts of interest. Whistleblowers allege a practice within DEA of hiring prime contractors or instructing prime contractors to hire subcontractors with whom DEA staff are personally connected. This includes allegations of improper hiring through sole-source contracting, without those contracts meeting the requisite qualifications under federal regulations for removing them from the competitive-bidding process.¹

Whistleblowers have alleged to my office that you have longstanding personal connections with one or both of the individuals DEA contracted with to conduct the review of your oversight of foreign operations, Mr. Boyd Johnson of the WilmerHale law firm, and Mr. Jack Lawn.² As you know, Chairman Durbin and I raised serious concerns about the DEA's oversight of its foreign operations following an August 26, 2021, Department of Justice Office of Inspector General (DOJ OIG) report that showed DEA headquarters was conducting limited oversight of DEA-supported foreign law enforcement units.³ This prompted your announcement that an independent outside team would be conducting a "comprehensive" and "top to bottom" independent review of DEA's foreign operations.⁴ Despite a much longer wait than originally estimated, the report by all measures fell well short of the mark, spending most of its scant 49

¹ See 41 U.S.C. § 253(a).

² See U.S. Gen. Servs. Admin., Contract Opportunity, Foreign Operations Review, <https://sam.gov/opp/2ac82115f0714f0aa3f12c084755472e/view>.

³ Letter from Hon. Charles E. Grassley, Ranking Member, Senate Judiciary Committee, and Hon. Richard Durbin, Chair, Senate Judiciary Committee, to Hon. Anne Milgram, Administrator, Drug Enforcement Admin. (May 23, 2022), on file with Committee staff; Letter from Hon. Charles E. Grassley, Ranking Member, Senate Judiciary Committee, and Hon. Richard Durbin, Chair, Senate Judiciary Committee, to Hon. Anne Milgram, Administrator, Drug Enforcement Admin. (November 16, 2021), https://www.grassley.senate.gov/imo/media/doc/grassley_durbin_to_dea_-_oversight_of_foreign_operations.pdf.

⁴ Drug Enforcement Admin., DEA Announces Foreign Operations Review Team, Press Release (October 26, 2021), <https://www.dea.gov/press-releases/2021/10/26/dea-announces-foreign-operations-review-team>; U.S. Drug Enforcement Admin., DEA Announces Review of International Operations, Press Release (August 26, 2021), <https://www.dea.gov/press-releases/2021/08/26/dea-announces-review-international-operations>.

pages citing to publicly-available sources or the DEA's operations manuals. Rather than answering the questions we had, this only raises new ones.

The justification given for this sole source contract was that WilmerHale, as well as Mr. Johnson and Mr. Lawn, possessed special expertise, which the DEA said would allow them to quickly complete the review.⁵ However, as noted, it was subject to serious delay and resulted in underwhelming work product. This only adds weight to the allegations my office has received of contracting irregularities more generally, as it calls into question the alleged justification, citing "unusual and compelling urgency" for the sole-source contract for WilmerHale's preparation of the report.⁶ It is essential to ensure that the outside review, which was conducted at a significant cost to American taxpayers, presented a full and complete review of the facts.

My office has received allegations of other specific contract irregularities as well, including alleged instances where DEA improperly directed the award of contracts or subcontracts.⁷ As one example, DEA entered into a contract with Mr. Jose Cordero and his company, The Cordero Group.⁸ DEA awarded The Cordero Group a sole-source contract in 2021 on the basis that the company had special skills, "including experience in rigorously identifying and analyzing data, developing and implementing crime prevention strategies, and understanding and designing technology solutions."⁹ These do not appear to be skills that are possessed by only one company, which demands explanation of why the contract was awarded outside the normal bidding process required by law. In addition, whistleblowers have alleged that even though Mr. Cordero was a contractor and not a DEA employee, DEA agents, field operations, and even Senior Executive Service (SES) employees are required to clear many of their activities through him. The Associated Press (AP) reported yesterday, and my office has confirmed, that you have a pre-existing professional connection with Mr. Cordero from before your time as administrator.¹⁰

My office has also received allegations that DEA directed prime contractors to hire specific subcontractors, outside of the usual process of allowing prime contractors to select the

⁵ See Drug Enforcement Administration, Justification for Other Than Full and Open Competition (revised March 2021), <https://sam.gov/api/prod/opps/v3/opportunities/resources/files/7f6745f0c167484d99616fa04a875c9d/download?&status=archived&token=>.

⁶ Justification for Other than Full and Open Competition, *supra* n. 5. (citing 41 U.S.C. § 3304(a)(2) and FAR 6.302-2).

⁷ 5 CFR § 2635.702.

⁸ Consulting Requirements on Formulating Law Enforcement Strategies, <https://sam.gov/opp/2ac265aa171545d79fd92dd05793338d/view>; Additional Need on Existing Order – law enforcement strategies, <https://sam.gov/opp/e9d7d641d54a4ecf8bf761032ac5df40/view>.

⁹ Consulting Requirements on Formulating Law Enforcement Strategies, *supra* n. 8.

¹⁰ Joshua Goodman and Jim Mustian, DEA chief faces probe into 'swampy' hires, no-bid contracts, Associated Press (April 19, 2023), <https://apnews.com/article/dea-corruption-fentanyl-cocaine-drugs-contracts-milgram-7fd24fe46c4b664f285773798357d418>; see also MSNBC, Transcript, The Oath with Chuck Rosenberg, Interview, Anne Milgram: A City Invincible (December 9, 2020) (quoting Ms. Milgram as saying, "I sent a senior man who worked with me, Joe Cordero, who's amazing . . . he'd been the Police Director in East Orange . . . I sent him down to basically help me run CompStat . . ."), <https://www.msnbc.com/podcast/transcript-anne-milgram-city-invincible-n1250543>.

best-suited sub-awardees to fulfill their contract responsibilities. This includes allegations that DEA directed or requested The Clearing, Inc., a prime contractor for DEA, to award subcontracts to companies led by people who have a personal connection or friendship with DEA officials.

The recent news report on potential contract irregularities at DEA adds weight to these allegations, which my office was already investigating. This report referenced subcontracts with The Clearing involving companies run by Ms. Lena Hackett, the President of Community Solutions, Inc, and Ms. Julia Pacetti, President of JPM/Verdant.¹¹ According to this report, DEA budgeted \$257 an hour for Ms. Hackett's services, triple the hourly rate for DEA's top civil servants.¹² The report also alleges a pre-existing professional relationship between you and Ms. Hackett from before your time as DEA administrator.¹³ Ms. Hackett is not a DEA employee, and it is unclear whether she has any security clearance. Nevertheless, from documents we have seen, she participated in meetings with operations policy staff and at least one Assistant Special Agent in Charge about topics ranging from Bureau of Prisons medication administration to Operation Overdrive.¹⁴ Operation Overdrive, "leverages DEA's full range of data, intelligence [and] operational resources," some of which may be classified.¹⁵ The same AP report describes Ms. Pacetti as a "New York City publicist," whose firm JPM/Verdant collected \$11,500 a month with expenses to, "write news releases, handle interview requests and arrange news conferences" for the DEA.¹⁶ But it is unclear why those services would be needed given the DEA's own Office of Public Affairs, whose job it is to, "engage[] the media, law enforcement partners, communities, and educators," regarding the DEA's work.¹⁷

These are serious allegations, and DEA must respond to them and clear the air. Congress must ensure that Executive Branch personnel and policies are transparent, following the law, and operating as good stewards of taxpayer dollars. Accordingly, in order for Congress to perform an independent and objective review, please answer and provide the following no later than May 4, 2023.

1. A list of all individuals involved in the DEA foreign operations review, whether government or non-government, a description of any personal relationship you or any senior officials at DEA have with the individuals involved, including any personal connections with Mr. Boyd Johnson and Mr. Jack Lawn. Please include a copy of any correspondence relating to the review where any such relationship is referenced;

¹¹ Joshua Goodman and Jim Mustian, *supra* n. 10.

¹² *Id.*

¹³ *Id.*; see also C-SPAN, Video of New York University Law School Forum on Mental Health and Criminal Justice, Part 3 (April 13, 2018) (calling Ms. Hackett "my first contact with the great City of Indianapolis," and one of two "main points of contact" for work Ms. Milgram did in Indianapolis), <https://www.c-span.org/video/?443207-4/legal-panelists-discuss-mental-health-criminal-justice>.

¹⁴ Documents on file with Committee staff.

¹⁵ Drug Enforcement Admin., DEA Overdose & Violence Reduction Enforcement Initiative (Feb. 2022), https://admin.dea.gov/sites/default/files/2022-02/20220207-DEA_Operation_Overdrive_Fact_Sheet.pdf.

¹⁶ Joshua Goodman and Jim Mustian, *supra* n. 10.

¹⁷ Drug Enforcement Admin., The Office of Public Affairs (accessed on April 19, 2023), <https://www.dea.gov/contact/cpa>.

2. Any correspondence to or from WilmerHale, including emails, text messages, voice messages, or other transmissions of any type, where DEA issued instructions, made recommendations, or in any way requested Mr. Johnson, Mr. Lawn, or anyone at WilmerHale, to make any addition, edit, deletion, or alteration of any kind to WilmerHale's foreign operations report;
3. The exact date the DEA received the completed WilmerHale report, before DEA made any edits or factual corrections to it;
4. Descriptions of all approved sole-source contracts the DEA entered into during your tenure. In your description of each, please include a copy of the contract, the amount of the contract, the reasons why sole source procurement was necessary, all deliverables associated with the contract, the reasons why permanent DEA staff could not fulfill the same duties as the contractor, and details regarding any personal connections to the contractor or employees of the contractor with any DEA official that extends beyond that official's formal capacity at DEA;
5. All contracts, subcontracts, invoices, expense reporting, and billable hour reporting for The Clearing, Inc., JMP Verdant Communications, Community Solutions, Lena Hackett, and Julia Pacetti;
6. All communications between and among DEA employees or contractors and The Clearing, Inc., JMP Verdant Communications, Community Solutions, Lena Hackett, and Julia Pacetti;
7. Please identify the individuals from The Clearing, Inc., JMP Verdant Communications, and Community Solutions who worked on DEA matters, along with their role, a breakdown of their work product, and an explanation of their security clearance. To the extent classified documents or information were provided to these individuals, please provide the same information and documents they were provided;
8. Please explain any personal or professional relationship (outside the provision of the services that are the subject of this letter) that DEA leadership has or has ever had with management of The Clearing, Inc., JMP Verdant Communications, Community Solutions, or any other DEA contractor or subcontractor;
9. Have you or any DEA official during your tenure ever ordered, requested, or recommended that a DEA contractor hire a specific subcontractor? If yes, please explain and provide all records¹⁸ related to those requests and their associated subcontracts.

¹⁸ "Records" include any written, recorded, or graphic material of any kind, including letters, memoranda, reports, notes, electronic data (e-mails, email attachments, and any other electronically-created or stored information),

Thank you for your attention to this important matter. If you have any questions, please contact James Layne on my Committee staff at (202) 224-0642.

Sincerely,



Charles E. Grassley
Ranking Member
Committee on the Budget

Cc: The Honorable Michael Horowitz
Inspector General
U.S. Department of Justice