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ONE HUNDRED TENTH CONGRESS

U.S. House of Representatives
Committee on Energy and Commerce
Washington, DC 20515-6115

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September 6, 2007

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The Honorable David M. Walker
Comptroller General
U.S. Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Comptroller General Walker:

Under Rules X and XI of the Rules of the United States House of Representatives, the Committee on Energy and Commerce and its Subcommittee on Oversight and Investigations are investigating the compensation practices of the Food and Drug Administration (FDA). As part of that inquiry, the Committee requested certain records from the FDA regarding bonuses paid FDA employees that exceed \$5,000 per year from 2002 forward. FDA has provided these records.

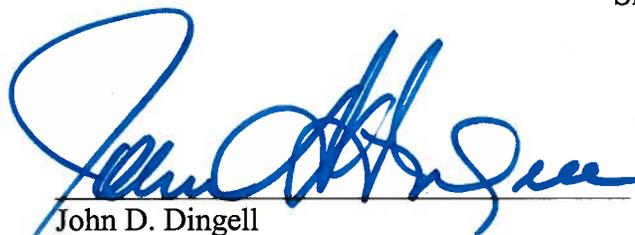
A cursory review of the Office of Personnel Management rules regarding the payment of such bonuses indicates that the managers who recommended and approved at least some of these bonuses may have been in blatant violation of the applicable rules. Further, in some cases, the recipients held positions of such a managerial level that they knew or should have known the bonuses were being paid in violation of such rules. We have asked the Department of Health and Human Services Inspector General to explore the legality and propriety of the bonus payments at FDA.

We write for your assistance in examining the compensation practices of all agencies under the jurisdiction of the Committee on Energy and Commerce. In particular, we are interested in the use by agencies of Title 42 consultant compensation and other mechanisms to boost compensation above base salary, including retention, locality, and performance bonuses, or any other salary enhancement awards. Please survey each agency to ascertain the following information:

1. All agency employees receiving higher total compensation (including salary, bonuses, cash awards, or other cash enhancements) greater than the highest Senior Executive Services salary grade or the salary of an Admiral in the Public Health Service (currently \$168,120 per annum) if in a senior management position, or the highest General Schedule (GS) salary grade (currently \$154,600 per annum), if paid under GS scales;
2. All agency employees, regardless of total compensation or position, who have received retention, locality, or performance bonuses, or cash awards, or other extraordinary payments in excess of \$1,000 in any given year and the amounts of such bonuses, awards, or other extraordinary payments since January 1, 2002;
3. The legality of such bonuses and whether the Government can recover these bonuses, if they are inappropriate or illegal; and
4. The impact of these bonuses on the budget for each agency or department.

The Committee appreciates your attention to this important issue. Please coordinate your efforts through David Nelson of the majority Committee staff at (202) 226-2424 or Alan Slobodin of the minority Committee staff at (202) 225-3641.

Sincerely,



John D. Dingell
Chairman



Joe Barton
Ranking Member



Bart Stupak
Chairman
Subcommittee on Oversight and Investigations



Ed Whitfield
Ranking Member
Subcommittee on Oversight and Investigations