

## Dingell, Stupak Question FDA's No-Bid Contract with PR Firm

Washington, D.C. — Reps. John D. Dingell (D-MI), the Chairman of the Committee on Energy and Commerce, and Bart Stupak (D-MI), the Chairman of the Oversight and Investigations Subcommittee, today questioned the Food and Drug Administration's (FDA) use of agency resources to hire an outside public relations firms in an attempt to repair its damaged reputation.

For Immediate Release:  
October 2, 2008

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Lawmakers Raise Concerns about Misuse of Taxpayer Dollars, Violations of Federal Contracting Laws

Washington, D.C. — Reps. John D. Dingell (D-MI), the Chairman of the Committee on Energy and Commerce, and Bart Stupak (D-MI), the Chairman of the Oversight and Investigations Subcommittee, today questioned the Food and Drug Administration's (FDA) use of agency resources to hire an outside public relations firms in an attempt to repair its damaged reputation. Both lawmakers expressed serious concerns about FDA's actions surrounding its contracting arrangement with Alaska Newspapers, Inc. (ANI) and Qorvis Communications as described in today's front page story in the Washington Post. Dingell and Stupak noted that after a series of high-profile mistakes, instead of using its limited resources to protect the public health, FDA used taxpayer dollars to wage a public relations campaign aimed at repairing its damaged reputation. In addition, numerous violations of Federal procurement and contracting laws appear to have occurred during the execution of this contract.

"This contract is yet another instance of FDA wasting precious agency resources," said Dingell. "After a series of high-profile blunders in FDA's inadequate effort to ensure food and drug safety, the agency chose to use its limited resources to save face instead of saving the public health. This recklessness affronts the American taxpayers and hard-working FDA employees. The Committee intends to conduct a thorough investigation not only into this particular contract, but also other instances in which Federal contracting laws were intentionally circumvented."

“Even more serious than the waste of taxpayer dollars is the possibility that FDA might have violated numerous Federal procurement and contracting laws during the execution of this contract,” said Stupak. “It is disturbing to see the extent to which a private company was intimately involved in the formation of a contract by a Federal agency. It is clear that the prime contractor in this case was only used as a vehicle to steer the contract to the public relations firm of FDA’s choosing.

The Committee is seeking additional information about the circumstances that led to ANI being awarded the contract on a sole source basis and how Qorvis Communications became a subcontractor. A careful review of records suggests that FDA and Qorvis worked together to intentionally circumvent Federal contracting regulations.

In letters to Michael O. Leavitt, Secretary of the U.S. Department of Health and Human Services, Michael J. Petruzzello, Managing Partner of Qorvis Communications, LLC, Carole Dunn, President Red Team Consulting, LLC, and Matthew Nicolai, President and CEO of Calista Corporation, the Members requested information about the circumstances leading up to the contracting decision.

Letter to HHS

Letter to Qorvis Communications

Letter to Red Team Consulting, LLC

Letter to Calista Corporation

On April 21, 2008, the Committee sent a letter to FDA Commissioner Dr. Andrew von Eschenbach expressing concern that FDA might be needlessly wasting critical agency resources when hiring outside public relations firms. In that letter, the Committee requested that FDA supply it with records relating to any such contract and all communications between the agency and outside public relations firms.

On August 21, 2008, FDA responded to the letter and provided some of the records requested. Although the response was woefully inadequate, the Committee did learn of an existing sole source contract between FDA and Alaska Newspapers, Inc. (ANI), in which Qorvis Communications is serving as a subcontractor. After reviewing the documents, the Committee leaders decided to investigate FDA’s actions surrounding this

contract. Due to the inadequacy of FDA's initial response, today's letter was sent to HHS.

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Prepared by the Committee on Energy and Commerce

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