

**LURITA A. DOAN, General Services Administration**

In May 2006, Lurita A. Doan took over as administrator of the General Services Administration (“GSA”), with responsibility for overseeing the management of \$56 billion worth of government contracts each year.<sup>1</sup> Prior to serving as administrator of the GSA, Ms. Doan was the owner of New Technology Management Inc, a firm that contracts with the Department of Homeland Security to provide surveillance equipment for border security.<sup>2</sup>

In December 2006, Ms. Doan proposed cutting \$5 million from the budget of GSA’s Office of the Inspector General (“IG”) for reviewing government contracts for fraud and waste.<sup>3</sup> Her proposal included shifting some responsibility for contract reviews to small private auditors.<sup>4</sup> In recent years, IG audits have helped the agency recover billions of dollars from fraudulent contracts.<sup>5</sup> According to Ms. Doan, however, the IG’s work is “intimidating to the workforce.”<sup>6</sup> Ms. Doan has also criticized GSA Inspector General Brian D. Miller for not supporting her plan to streamline the agency’s contracting efforts, stating: “There are two kinds of terrorism in the US: the external kind; and internally, the IGs have terrorized the Regional Administrators.”<sup>7</sup>

On October 20, 2006, Senator Charles Grassley (R-IA), chairman of the Senate Finance Committee, sent a letter to Ms. Doan objecting to her proposal to contract out the IG’s audit function.<sup>8</sup> Senate Grassley stated, “[b]y making cuts in the OIG budget, particularly the proposed complete elimination of reimbursable audits and investigations, your office is essentially removing the IG’s independence and preventing the initiation of those audits and

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<sup>1</sup> Scott Highman and Robert O’Harrow Jr., GSA Chief Seeks to Cut Budget for Audits, *The Washington Post*, December 2, 2006 (Exhibit 1); Scott Highman and Robert O’Harrow Jr., GSA Chief Scrutinized For Deal With Friend, *The Washington Post*, January 19, 2007. (Exhibit 2)

<sup>2</sup> Melinda Ligos, For Her, U.S. Borders Are Profit Centers, *The New York Times*, January 29, 2004 (Exhibit 3); White House Press Release, Personnel Announcement, April 6, 2006. (Exhibit 4)

<sup>3</sup> Highman and O’Harrow, *The Washington Post*, Dec. 2, 2006.

<sup>4</sup> Id.

<sup>5</sup> Id.

<sup>6</sup> Id.

<sup>7</sup> Highman and O’Harrow, *The Washington Post*, Dec. 2, 2006.

<sup>8</sup> Letter from Charles Grassley, Chairman, Senate Committee on Finance, to GSA Administrator Lurita A. Doan (Oct. 20, 2006). (Exhibit 5)

investigations.”<sup>9</sup> Ms. Doan sent a response to Sen. Grassley claiming that one of her top priorities is greater transparency at GSA and her focus is on balancing the agency’s budget.<sup>10</sup>

On January 19, 2007, the House Committee on Oversight and Government Reform opened an investigation into some of Ms. Doan’s activities.<sup>11</sup> The committee has begun investigating reports that Ms. Doan attempted to award a no-bid contract to Public Affairs Group Inc., a company founded and operated by a friend, thereby sidestepping federal laws and regulations.<sup>12</sup> As reported in *The Washington Post*, Ms. Doan personally signed a deal to pay her friend’s public relations firm \$20,000 for a 24-page report promoting minority and woman-owned businesses used by the GSA.<sup>13</sup> The contract was terminated by agency lawyers and officials because of possible violations, including the failure to justify the no-bid contract and to have it reviewed by procurement officers.<sup>14</sup> The IG opened an investigation into the matter and briefed Justice Department officials.<sup>15</sup>

The committee is also investigating Ms. Doan’s intervention in proceedings to consider suspension or debarment of five major contractors.<sup>16</sup> KPMG, Ernst and Young, PricewaterhouseCoopers, Booz Allen Hamilton and BearingPoint Inc. paid over \$66 million to settle allegations that the firms kept travel rebates that should have gone to GSA.<sup>17</sup> On September 7, 2006, the GSA debarment office asked the firms for letters explaining why they should not be suspended or debarred from doing business with the federal government.<sup>18</sup> Three days later, Ms. Doan sent an e-mail to senior GSA officials stating, “I do not recall this issue EVER coming up in a single management meeting or any meeting for that matter,” and asking

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<sup>9</sup> Id.

<sup>10</sup> Letter from GSA Administrator Lurita Doan to Senator Charles Grassley (Oct. 30, 2006). (Exhibit 6)

<sup>11</sup> Letter from Henry Waxman, Chairman, House Committee on Oversight and Government Reform to GSA Administrator Lurita A. Doan (Jan. 19, 2007) [hereinafter “Waxman Letter”]. (Exhibit 7)

<sup>12</sup> Id.; see also Highman and O’Harrow, *The Washington Post*, Jan. 19, 2007.

<sup>13</sup> Highman and O’Harrow, *The Washington Post*, Jan. 19, 2007.

<sup>14</sup> Id.

<sup>15</sup> Id.

<sup>16</sup> Waxman Letter.

<sup>17</sup> Highman and O’Harrow, *The Washington Post*, Jan. 19, 2007.

<sup>18</sup> Id.

for the process to be “stopped until cooler heads can prevail.”<sup>19</sup>

Finally, the committee is investigating concerns about Ms. Doan’s interactions with the OIG.<sup>20</sup> Of note, Ms. Doan proposed to cut OIG’s contract audit review budget after that office opened an investigation into the no-bid contract she approved with Public Affairs Group Inc.<sup>21</sup>

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<sup>19</sup> Id.

<sup>20</sup> Waxman Letter.

<sup>21</sup> Id.