

June 21, 2005 - GAO to Investigate White House Contracts with Media

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Armstrong Williams Controversy Sparked Request by Rep. Slaughter for Inquiry

Washington, DC - Rep. Louise M. Slaughter (D-NY), Ranking Member of the House Committee on Rules, announced Tuesday morning that the General Accountability Office (GAO) has agreed to investigate possible contracts between various media and public relations entities and seven White House cabinet level departments.

"I am pleased to see the GAO has decided to move forward with my request for an investigation," said Rep. Slaughter. "We deserve to know if the White House and its cabinet level departments have engaged in this outrageous abuse and manipulation of the free press," she continued.

In January the Democratic Leadership of the House wrote a letter requesting the GAO conduct an investigation into use of government funds for covert propaganda to promote the President's legislation.

"The public should be able to trust that the news they read is unbiased and straightforward. If the Administration is paying journalists to report slanted news, the American people have the right to know," said Rep. Slaughter speaking of propaganda being passed off as legitimate journalism.

In a letter released by Rep. Slaughter, the GAO said that it would focus its review on seven different departments within the Executive Branch: Commerce, Defense, Health and Human Services, Homeland Security, Interior, Treasury and Veterans Affairs. Within each agency, the GAO will identify the contracts with media entities and what the purpose and type of work to be performed was in each contract.

"I am glad that we are finally going to get some real answers to our questions. This administration should not be able to pass off its misinformation as impartial news," said Rep. Slaughter. She continued, "I look forward to seeing the results of this report and will work to ensure that taxpayer dollars are not used to fund Administration publicity," Rep. Slaughter said.

The GAO is expected to report back with a written statement by October 17, 2005.

BACKGROUND

Rep. Louise M. Slaughter received the following letter from the GAO:

The text of the letter follows:

May 31, 2005

The Honorable Louise McIntosh Slaughter

Ranking Minority Member

Committee on Rules

House of Representatives

Subject: Contracts with Media and Public Relations Entities

This letter confirms our commitment to study contracts between federal departments and various media and public relations entities, as requested in your letter to the Comptroller General. Based on our design phase and discussions with your staff on April 15, 2005, we will complete our work and issue a written product to you by October 17, 2005. The enclosure sets forth the aspects of the study.

We look forward to working with your staff on this assignment. Should you have any questions, please contact me at (202) 512-4636, jonespl@gao.gov, at Glenn Davis, Assistant Director, on (202) 512-4301, davisg@gao.gov.

Sincerely yours,

/s

Paul L. Jones, Director

Homeland Security and Justice Team

Terms of the Work

Objectives/Key Questions

In our review of federal department contracts with media entities (i.e., public relations firms, advertising agencies, media organizations, and individual members of the media) we will address the following research questions:

- 1. How many contracts have selected departments entered into with media entities, what were the methods of award, and what were the obligations incurred for each contract?

- 2. What was the purpose of each contract entered into with each media entity and what type of work was to be performed?

Together, these two questions comprise objective (1) of the request letter. As discussed with congressional staff, objectives (2) and (3) of the request letter will be excluded from consideration in this engagement.

Scope

We will focus our review at seven departments: Commerce, Defense, Health and Human Services, Homeland Security, Interior, Treasury, and Veterans Affairs. Collectively, these departments account for 99 percent of the total obligated public relations and advertising dollars for FY 2003, according to the Federal Procurement Data System. For each department, we will obtain information on prime contracts at both the department-wide level (e.g., Office of the Secretary) and at the organizational component level (e.g., agencies, bureaus, offices). We will not obtain information on subcontracts (objective 2 of the request letter) during this engagement. Particularly since the Department of Homeland Security did not begin operations until March 2003, we will restrict our data collect effort to fiscal years 2003, 2004, and 2005 (through the end of the second quarter), rather than starting from January 1, 2001 (as indicated in the request letter).

Methodology

To address the first research question, we will ask departments and their components to identify each prime contract signed with a media entity during fiscal years 2003-2005, and to identify the type of entity to which the contract was awarded. To ensure consistency among responses, we will provide departments with standard industry definitions for the types of media entities. In gathering information on the method used to award the contract, we will ask departments and components to identify whether the contract award was competed, not competed, not available for competition, or was a follow-on to a competed action. Additionally, for each contract, we will collect information on the obligations (not expenditures) incurred for each fiscal year in our review. We will then sum the number of contracts and associated obligations by department, year, and type of media entity.

Enclosure

Terms of the Work

To address the second research question, we will ask departments and their components to provide specific information for each contract, by fiscal year. For each contract we will ask departments and their components to provide information on its purpose and the work to be performed. Our initial meetings with departments revealed that the information required for this question is contained in standard contract documentation, such as the Statement of Work.

Due to the time and complexities involved with performing extensive verification of questionnaire responses, we will take limited measures to assess the completeness and accuracy of the data. Specifically, to ensure that all appropriate department components provide information, a designated department-level coordinator will be required to provide GAO with a list identifying (a) all department components that were asked to complete the questionnaire and (b) any department components that were excluded, along with a justification. We will supplement this information with our own research on the departments' organizational structures. Additionally, we will perform limited tests to gauge the reliability of the information provided in the questionnaires. For example, we will compare the reported number of contracts and related obligation amounts with data available from other sources (e.g., the Federal Procurement Data System; FedBizOps.) These sources provide information, though limited, on the sponsoring department, the names of the contractors, the type of award, and the associated amounts of the awards.

We will conduct our work in accordance with generally accepted government auditing standards.

Product

We will issue a written product at the conclusion of our work. We will obtain agency comments on a written draft of this product prior to issuance.

Product Delivery Date(s)

The report will be issue by October 17, 2005.

Reporting on Job Status

We will be prepared to offer interim briefings as requested.

The Democratic Leadership sent this letter to the President on January 28, 2005.

The text of the letter follows:

January 28, 2005

The President

The White House

Washington, DC 20500

Dear Mr. President:

We are writing to request that you direct each department and agency of the Executive Branch to disclose to the appropriate Committee of the House of Representatives all public relations and advertising contracts signed during your Administration.

Over the past year, multiple investigations have revealed that federal agencies have employed secret publicity campaigns to promote Administration priorities.

- In separate analyses, the Government Accountability Office found that the Department of Health and Human Services and the White House Office of National Drug Control Policy violated the congressional prohibition on publicity and propaganda by distributing fabricated video news reports.[i]

- An investigative report by USA Today revealed that the Department of Education paid a conservative commentator to support the No Child Left Behind Act in television and radio appearances.[ii]

- Earlier this week, the Washington Post reported the Department of Health and Human Services had a contract with a syndicated columnist who promoted the President's marriage initiative.[iii]

- A newly released congressional report found that public relations spending has more than doubled during the Bush Administration.[iv]

- And today, USA Today, the Los Angeles Times, and Salon.com reported that the Department of Health and Human Services paid another conservative commentator thousands of dollars to support the marriage initiative, including by speaking about the importance of marriage to churches and community organizations.[v]

These developments raise serious concerns. The covert propaganda campaigns disclosed to date used tax dollars to mislead the American people about public policy and deceive the news media and press about the credibility of critiques of Administration policies. These covert propaganda campaigns are unethical and illegal. We very much hope the contracts revealed to this point are an aberration and not part of a pattern across federal agencies.

To assist us in understanding the scope of public relations and propaganda contracted for by the Department, we request that you provide to the Democratic Leader, and to the appropriate Committee of jurisdiction, the following:

- (1) All contracts executed during the Bush Administration with public relations firms, advertising agencies, public opinion research firms, media organizations, and individual members of the media, including any modifications of such contracts.

- (2) All subcontracts executed under the contracts identified under (1), including any modifications of such subcontracts.

- (3) Any documents or communications that describe or assess the work performed under these contracts and subcontracts.

- (4) A copy of the justification and approval documents for any of these contracts entered into using less than full and open competition.

The possibility of a widespread practice of covert propaganda raises the most serious of concerns. The Congress, the press, and the American people all deserve a full disclosure of the Administration's policy on such propaganda.

It has already been nearly one month since the Democratic Leader and Ranking Members Henry Waxman, George Miller, David Obey, and Elijah Cummings wrote to you requesting full disclosure of these contracts.[vi] To date, we have received no reply to that inquiry. Now that there have been additional revelations, we would appreciate your cooperation with this inquiry, and would appreciate a complete response by March 1, 2005.

Sincerely,

/s

Rep. Louise M. Slaughter

The Democratic Leadership sent this letter to the Comptroller General of the GAO on January 11, 2005.

The text of the letter follows:

January 11, 2005

The Honorable David M. Walker

Comptroller General

U.S. Government Accountability Office

441 G Street, NW

Washington, DC 20548

Dear Mr. Walker:

We are writing to request that the Government Accountability Office examines the use of covert propaganda by departments and agencies under the Bush Administration.

In the past year, GAO has released two legal analyses finding that the Department of Health and Human Services and the White House Office of National Drug Control Policy violated the congressional prohibition on the publicity and propaganda by distributing fabricated video news reports. Last week, we learned that the Department of Education paid a conservative commentator to support the No Child Left Behind Act in television and radio appearances.

The federal use of covert propaganda is unethical, damaging to our democracy and open society, and, as you know, illegal. While the three incidents described above are deeply troubling and are a cause for concern in their own right, it would be abhorrent to our system of government if these incidents were part of a pattern of covert propaganda funded with taxpayer dollars.

In particular, we request that GAO:

- (1) Survey federal departments and agencies to identify and describe all contracts signed since January 1, 2001, with public relations firms, advertising agencies, media organizations, and individual members of the media. Please include in the description (a) the costs of each contract, (b) a summary of the purposes of the contract, (c) the method by which the contract was awarded, and (d) a description of the work performed under the contract.

- (2) In the case of any contract identified under (1) that relies on subcontracts, identify and describe the subcontracts. Please include in the description (a) the costs of each subcontract, (b) a summary of the purposes of the subcontract, (c) the method by which the subcontract was awarded, and (d) a description of the work performed under the subcontract.

(3) Assess whether the contracts and subcontracts comply with the prohibitions on requirements of the Anti-Lobbying Act.

publicity and prop

We recognize that a comprehensive survey of federal departments and agencies may be a large undertaking. We ask that you focus your initial attention on covert propaganda related to the following seven topics:

The No Child Left Behind Act and its implementation;

The Medicare Modernization Act and its implementation;

Tax legislation signed or proposed by President Bush;

Social Security reform;

The war in Iraq;

Homeland security;

Energy and the environment.

We are available to work with you to refine this request as you proceed with the investigative work.

Sincerely,

Nancy Pelosi

Henry A. Waxman

George Miller

Democratic Leader

Ranking Minority Member

Ranking Minority Member

Committee on Government

Committee on Education and the

Reform

Workforce

David. R. Obey

Elijah E. Cummings

John D. Dingell

Ranking Minority Member

Ranking Minority Member

Ranking Minority Member

Committee on

Subcommittee on Criminal

Committee on Energy and

Appropriations

Justice, Drug Policy & Commerce

Human Resources

Committee on Government

Reform

Louise McIntosh Slaughter

Bennie G. Thompson

Ranking Minority Member

Ranking Minority Member

Committee on Rules

Committee on Homeland Security

[i] U.S. Government Accountability Office, Department of Health and Human Services, Centers for Medicare & Medicaid Services - Video News Releases (May 19, 2004) (GAO/B-302710). U.S. Government Accountability Office, Office of National Drug Control Policy - Video News Release (Jan. 4, 2005) (GAO/B-303495).

[ii] White House Paid Commentator to Promote Law, USA Today, (Jan. 7, 2005).

[iii] Writer Backing Bush Plan had Gotten Federal Contract, Washington Post (Jan. 25, 2005).

[iv] House Committee on Government Reform, Federal Public Relations Spending, (January 26, 2005).

[v] HHS says it paid columnist for help, USA Today, (January 28, 2005); Federal Contracts With Columnists Prompt Change in Policy, Los Angeles Times, (January 28, 2005); Third columnist caught with hand in the Bush till, Salon.com, (January 27, 2005).

[vi] Letter from House Democratic Leader Nancy Pelosi et al. to the President (Jan. 7, 2005).