

February 26, 2010

Gene L. Dodaro
Acting Comptroller General of the United States
Government Accountability Office
441 G St., NW
Washington, DC 20548

Dear Mr. Dodaro:

While the government has policies in place that attempt to ensure adequate working conditions for contracted workers – such as prevailing wage laws and procurement regulations that require contracting with only responsible companies – evidence suggests that many contracted jobs are of low quality, offer low pay, and are with firms that continue to receive federal contracts despite a history of violations. In fact, a front page article from today's NY Times discusses efforts by the Obama administration to use the government's massive purchasing power to improve the economic plight of the federally contracted workforce and strengthen the middle class.

We would like to better understand the extent and scope of this problem. While suspension and debarment requirements exist to prevent companies with multiple, flagrant abuses of labor laws from receiving federal dollars, evidence continues to point to a problem of unscrupulous firms being awarded contracts. Therefore, we respectfully request that the GAO study certain firms to determine:

- whether these companies had wage, OSHA, or NLRA violations yet continued to receive federal contracts, and what amount the contracts awarded in the time after the violations are worth;
- whether any of these companies fail to offer their workers health insurance and the value of the contracts received by such company in past five years;
- to the extent possible, the cost to taxpayers of contracting with any of these companies if they pay rock-bottom wages and/or do not offer health insurance. In other words, we'd like to quantify the taxpayer burden associated with a certain company if they pay so little that workers and their families qualify for federal safety-net benefits (ie. Medicaid, CHIP, other public health programs, housing assistance, food stamps, and the Earned Income Tax Credit). We

understand that this may not be possible to determine because of limited available information.

In addition, we would like the GAO to perform a data match that answers the following questions:

1. How many government contactors currently have cost overruns?
2. Which government contractors, already on file for cost overruns, also have labor law violations?

Sincerely,

Robert E. Andrews
Chairman
Subcommittee on Health, Employment, Labor and Pensions
House Committee on Education and Labor

Patrick J. Murphy
Member of Congress

cc: Ralph Dawn, Managing Director of Government Relations

