

July 19, 2007

Dr. Robert M. Gates
Secretary
Department of Defense
1000 Defense Pentagon
Washington, DC 20301-1000

Dear Secretary Gates,

As you know, federal law (31 U.S.C. 1352) requires recipients of federal funding to complete a form, known as SF-LLL, to disclose lobbying activities. The filing of a SF-LLL form is required of all recipients of federal contracts, grants, loans, and cooperative agreements. The law requires "a certification" that no federal funds were used to lobby the federal government.

This was passed, in part, to ensure that taxpayer dollars are not spent to hire lobbyists or lobby for additional taxpayer assistance.

When my office requested the SF-LLL form filed by a company receiving federal grants and earmarks from the Department of Defense, no such form could be produced for inspection by the Department.

On July 12, 2007, investigators from my office requested the SF-LLL form for 21st Century Systems, Inc. (21CSI), a Nebraska-based company, that has received more than \$36 million in federal contracts since fiscal year 2000. After nearly a week of back and forth, my office was told by a liaison of the Department on July 18, "[W]hile we are aware of this form it is not something we are provided a copy of, so ESC (Hanscom AFB) does not have a copy on file. My recommendation which may come from a lack of understanding of the real use of this document would be to go to the contractor and request a copy."

When my office did contact 21CSI, the company referred questions to a registered lobbyist in the company's Arlington, Virginia office. On July 12, Bill Berl, the company's registered lobbyist, called back. When Mr. Berl was asked for very basic information about the company's earmark in the defense authorization bill, he did not provide any answers and stated "I'm not sure this process works in our favor."

The truth is, it does not appear that this process works in the taxpayers' favor.

This is a very simple, one page document that is required by law to be filed by law and available to the public. The form itself states that "This information will be available for public inspection." The law states "The head of each Federal agency shall take such actions as are necessary to ensure that the provisions of this section are vigorously implemented and enforced in such agency."

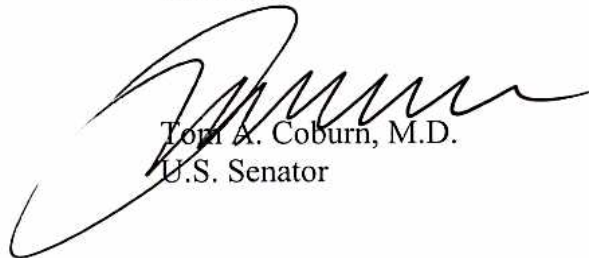
Based upon this situation, it is my concern that recipients of federal funds may not be complying with the law requiring disclosure of lobbying activities and federal agencies may not be vigorously enforcing this law or properly collecting, filing or even verifying the accuracy of the forms.

Please provide the following:

- A full listing of all funds provided to 21CSI by the Department itemized by year, purpose, and criteria for selection;
- Copies of each form SF-LLL submitted by 21CSI with a notation if a form was not filed or is not available for each allocation of funding by the Department;
- Each certification filed by 21CSI that federal funding was not expended for purposes of hiring lobbyists or influencing official government decisions;
- A detailed description of how the Department handles collection and storage of SF-LLL forms;
- A detailed description of how, or if, the Department verifies the content of SF-LLL forms, noting specifically if any SF-LLL forms have ever been reviewed for accuracy or if any fines have ever been imposed as a result of failure to comply with 31 U.S.C. 1352.

Thank you for your attention to this matter. I look forward to a timely response.

Sincerely,



Tom A. Coburn, M.D.
U.S. Senator