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March 3, 2005

HENRY A. WAXMAN, CALIFORNIA,
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The Honorable Donald H. Rumsfeld
Secretary of Defense
1000 Defense Pentagon
Washington, DC 20301

Dear Mr. Secretary:

Engineered Support Systems, Incorporated (ESSI), has multiple contracts with the Department of Defense. According to a recent press account, William H.T. Bush, the President's uncle, sits on the company's board and profited from the sale of company stock.¹ William Bush reportedly exercised stock options worth approximately \$450,000 on January 18, 2005. ESSI holds Pentagon contracts to armor military vehicles, refurbish military trailers, and provide equipment, such as loading vehicles and protective shelters. Some of these contracts were awarded on a sole source basis.

According to this press account, Defense Department officials recently revealed that \$158 million in ESSI contracts were referred to the Pentagon Inspector General's office for investigation. Acting Undersecretary of Defense Michael Wynne reportedly explained that these contracts "appear to have anomalies in them." A former Pentagon official who was imprisoned for improperly aiding the Boeing Company also supervised ESSI's contracts.

These relationships and the sole source nature of the contracts raise questions about the processes by which these contracts were awarded and administered. In order to evaluate these processes, I request that you provide unredacted copies of all ESSI contracts with the Defense Department or Coalition Provisional Authority and any justification and approval documentation for sole source contracts with ESSI. In addition, I request a briefing regarding (a) the processes by which the ESSI contracts were awarded and managed and (b) the specific rationale for referring a number of ESSI contracts to the Inspector General.

Please provide the requested documents and briefing by March 21, 2005.

Sincerely,



Henry A. Waxman
Ranking Minority Member

¹ *Company's Work in Iraq Profited Bush's Uncle*, Los Angeles Times (Feb. 23, 2005).