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United States Senate

COMMITTEE ON THE JUDICIARY

WASHINGTON, DC 20510-6275

KOLAN L. DAVIS, *Chief Counsel and Staff Director*
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October 1, 2015

VIA ELECTRONIC TRANSMISSION

The Honorable Loretta Lynch
Attorney General
United States Department of Justice

Dear Attorney General Lynch:

On March 18, 2015, I sent a letter to former Director Stacia Hylton of the U.S. Marshals Service (USMS) inquiring into questionable spending of the Assets Forfeiture Fund by officials in the Asset Forfeiture Division (AFD). On April 3, 2015, the USMS responded. In a follow-up letter dated May 6, 2015, I described how information obtained by the Committee suggests that the USMS April 3 letter was incomplete and potentially misleading. Unfortunately, the Committee has received additional whistleblower allegations that suggest further discrepancies between statements in the April 3 USMS letter and the agency's actual spending habits. In light of these new allegations, and as the investigations by the Committee and the Inspector General continue, this letter requests additional information regarding potentially wasteful expenditures by the USMS.

USMS Headquarters Relocation

In its April 3, 2015, letter, the USMS informed the Committee that it will relocate its headquarters offices in Washington, D.C., in December 2016. According to whistleblowers, the cost of the relocation has skyrocketed to approximately double original projections. The final total allegedly amounts to tens of millions of dollars and much more than the \$30.8 million apparently allotted for the work plans of all 94 U.S. Marshals Service districts in Fiscal Year 2015. The agency allegedly is paying for a private gym, personal in-office bathrooms and showers for leadership, several lucrative consultant contracts related to the build-out, expensive and unnecessary audio-visual

equipment, and office space for individuals assigned to headquarters divisions but who do not live in the commuting area of Washington, D.C.

This spending does not conform to the impression left by the April 3 letter that the relocation is aimed at saving money. The USMS stated in its April 3 letter that the move “will save \$9 million in rent annually totaling \$145 million in cost savings over the 15-year lease period.”¹ Such savings are commendable and of significant value for the agency and the taxpayer. However, they do not clearly justify the inefficient use of funds on arguably unnecessary and ballooning construction costs.

Additionally, the Committee’s original March 18, 2015, inquiry asked the agency for details about lavish spending of the Assets Forfeiture Fund on office furniture and fixtures in its Crystal City headquarters location in Arlington, Virginia, and the Asset Forfeiture Academy in Houston, Texas. In its April 3, 2015 response, the USMS explained that many of the expensive furnishings acquired for its Crystal City headquarters offices would be reused when the agency relocated to new space in December 2016. The USMS wrote that, while the fixtures would remain in the current headquarters, “[r]emovable items . . . such as the framed prints and furniture—including the [\$22,000] conference table” would be “re-used by USMS or excessed to GSA for use by the Department or other federal agencies.”²

Information obtained by the Committee demonstrates that, in fact, the USMS is buying primarily, if not entirely, new furniture for its new offices. These new purchases follow closely on the heels of allegedly excessive spending not only by the Asset Forfeiture Division but also other USMS headquarters divisions. For example, the Prisoner Operations Division (POD) allegedly acquired brand new furniture for its employees just last year—furniture that the USMS apparently will leave behind.

Asset Forfeiture Academy

The Committee’s May 6, 2015, letter also noted that the USMS’ stated reasons for building the Asset Forfeiture Academy in a downtown office building in Houston to achieve “greater consolidation and efficiency” appeared disingenuous. For example, as the letter describes, the USMS already had access to other training facilities at the time the agency built the Academy.

According to new information obtained by the Committee, the USMS also had—and still has—access to additional conference rooms for no additional charge by virtue of the rent it already pays for office space in the Allen Center in downtown Houston.

¹ Letter from William Delaney, Chief of Congressional and Public Affairs, U.S. Marshals Service to Senator Charles E. Grassley, Chairman, U.S. Senate Committee on the Judiciary (Apr. 3, 2015).

² *Id.*

These “Brookfield” conference rooms offer wi-fi internet access and audiovisual equipment, and some can accommodate up to 140 individuals. It is difficult to understand why the agency spent millions of dollars on the Academy when it already had access to ample space for training at multiple venues.

In light of the additional information received by the Committee, please provide written responses to the following requests by October 14, 2015:

1. Please provide a copy of the GSA lease agreement for the new headquarters location.
2. How much did the USMS originally budget for the headquarters relocation?
 - a. What is the current projection for all spending for the relocation?
 - b. Please provide a detailed explanation for any discrepancy.
3. Please provide a detailed cost breakdown for all obligations and all expenditures, by fiscal year, for all expenses related to the relocation. Please provide cost projections, by fiscal year, including fiscal years 2016-2017, and beyond, as applicable.
 - a. Please provide the obligations and expenditures, and future projections, by cost category, including, but not limited to, moving, furnishings, security, records management, construction, architecture, information technology, audio-visual equipment, and any other related project costs.
 - b. Please also detail the source of funds for each category of costs, specifically note which expenditures derive from the Assets Forfeiture Fund, and cite the corresponding statutory and regulatory authorization for the agency’s intended use of those funds.
4. What is the current cost savings projection for the 15-year lease period of the new USMS headquarters location?
5. What, if any, furniture or audio-visual equipment will be reused in the new headquarters location?
6. Please provide a copy of all consultant contract documents, including statements of work.
7. What use, if any, has the USMS made of the Brookfield conference rooms in Houston, Texas?

Sincerely,



Charles E. Grassley
Chairman
Senate Committee on the Judiciary

cc: The Honorable Patrick J. Leahy
Ranking Member
Senate Committee on the Judiciary

The Honorable Richard C. Shelby
Chairman
Subcommittee on Commerce, Justice, Science,
and Related Agencies
Senate Committee on Appropriations

The Honorable Barbara A. Mikulski
Ranking Member
Subcommittee on Commerce, Justice, Science,
and Related Agencies
Senate Committee on Appropriations

The Honorable John Culberson
Chairman
Subcommittee on Commerce, Justice, Science,
and Related Agencies
House Committee on Appropriations

The Honorable Chaka Fattah
Ranking Member
Subcommittee on Commerce, Justice, Science,
and Related Agencies
House Committee on Appropriations

The Honorable Michael E. Horowitz
Inspector General
U.S. Department of Justice