

ORDERS FOR FRIDAY, MARCH 15,
2024

Mr. CARPER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand adjourned to convene for a pro forma session only, with no business being conducted, at 9:25 a.m. on Friday, March 15; that when the Senate adjourns on Friday, it stand adjourned until 3 p.m. on Tuesday, March 19; that on Tuesday, following the prayer and pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and morning business be closed; that upon the conclusion of morning business, the Senate proceed to executive session to resume consideration of the Berner nomination postcloture; further, that if any nominations are confirmed during Tuesday's session, the motion to reconsider be considered made and laid upon the table and the President be immediately notified of the Senate's action; finally, that the cloture motions filed during today's session ripen on Wednesday, March 20.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT

Mr. CARPER. Mr. President, if there is no further business to come before the Senate, I ask that it stand adjourned under the previous order following the remarks of my friend from Iowa, Senator GRASSLEY.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from Iowa.

CONGRESSIONAL OVERSIGHT

Mr. GRASSLEY. Mr. President, I come to the floor to give an update on my oversight work. I often speak on the floor about the importance of oversight. Now, my remarks today have some history that goes back from now back to 8 years ago, so it might not seem very important today, but I speak so the Defense Department won't make the same blunder they made over that period of time. That blunder I am talking about is the mess-up with the JEDI contract, a cloud contract.

The parable of the vineyard tells us about corrupt tenants who tried to steal someone's harvest and keep it for themselves. It is especially bad, then, when public officials try to take the fruit of the taxpayers' vineyard for private gain. We can't ignore this sort of corruption or it will surely get worse.

The 2019 planned Joint Enterprise Defense Infrastructure contract—otherwise known as JEDI—was an attempt to move the entire Defense Department to cloud, meaning cloud computing, which happened to be a very, very expensive project. It was around \$10 billion and was ultimately canceled, as it should have been.

Ten billion dollars is a lot of tempting fruit, even by Washington, DC, standards. Early on, there were allegations that various Defense Department officials were helping the big corporation of Amazon behind the scenes to gain a contracting advantage. The allegations caused the inspector general of the Department of Defense to review the matter.

My oversight work started in 2019. My oversight has centered on conflicts of interest on the one hand, and on the other hand, the inspector general's review. It is a good-government oversight inquiry.

I know Amazon didn't end up getting this particular contract, but that doesn't matter to my oversight and what I am telling you today. Even attempted efforts to steer a government contract need to be exposed. That is what the taxpayers deserve.

Sally Donnelly, a key person in my investigation—happened to be a close adviser to then-Secretary of Defense James Mattis and former Amazon consultant—is a central figure. Let me make it very clear. Sally Donnelly was a close adviser to the Secretary of Defense and a former Amazon consultant. So that is the central figure of what I am talking about today.

Throughout her time at the Defense Department, Donnelly received payments from the sale of her consulting business, which she sold right before she entered government service. She didn't disclose precisely who purchased her firm to either the Defense Department, which she should have, or to the inspector general, even when asked the identity under oath.

In late 2022, I obtained new evidence the inspector general failed to obtain during its investigation. That evidence was that the actual name of the company that purchased Donnelly's firm was VMAP—an acronym, V-M-A-P. This company was a portfolio company of C5 Capital, an Amazon-linked company.

The Defense Department inspector general claimed in its 2020 report that it found no evidence that Donnelly “had an ongoing or undisclosed financial relationship with C5 Capital or Amazon and its affiliates that would have required her to recuse.” The evidence appears to show otherwise. There was a financial relationship. Why the inspector general didn't find out about it, I don't know.

In two letters last year, I continued to press Donnelly and her then-business partner, Andre Pienaar, the CEO of C5 Capital, for answers. Now, as you might expect, both have refused to cooperate with my oversight inquiry.

The inspector general report also claimed to have found no evidence that Donnelly had any role in the JEDI contract or violated any of her ethical obligations.

For additional transparency, we need to look at Defense Department records from 2017 and 2018, when Donnelly worked there, so you are going to hear a lot of quotes from emails I got.

These records appear to show Donnelly working behind the scenes to favor Amazon. Some of this information was included in the inspector general's report. However, much of it was not included even though the inspector general had access to these government records.

Kevin Sweeney, then-chief of staff to Secretary of Defense Mattis, told the inspector general that he thought Donnelly invited an Amazon vice president responsible for public sector sales to a London dinner with Secretary Mattis in March of 2017. This dinner was shortly after Donnelly began working for the Secretary of Defense. That Amazon executive, Teresa Carlson, used the dinner to invite the Secretary to later meet Amazon CEO Jeff Bezos.

Secretary Mattis also revealed it was Donnelly who suggested he travel to meet tech leaders, including Amazon.

Now, following that London dinner, Donnelly repeatedly pushed for the meeting between Bezos and Mattis. The inspector general report deflected by saying the Secretary's chief of staff, not Donnelly, scheduled his meetings. But that report cuts out part of an email showing that the chief of staff deferred to Donnelly on whether the Secretary should meet with Amazon's CEO.

The inspector general's report also omitted a part of Donnelly's email where she said the Secretary should meet Bezos because he was “the genius of our age.”

The inspector general's report omitted another email from an Amazon official asking Donnelly for guidance on the Secretary of Defense's Seattle visit to Amazon and what “landmines we should avoid.” That same email asked Donnelly to “put a bug in some ears” to help Amazon counter challenges from the Defense Department's Chief Information Officer.

Donnelly responded on her government email with inside advice, telling the Amazon official to emphasize “security security security of [the] cloud.”

Now, just 3 days before the visit to Seattle, a DOD official emailed Donnelly the agenda for Amazon's presentation, which included a “cloud overview” by the same Amazon official that had asked her for advice.

An email sent from another Department of Defense official to Donnelly shortly after the Secretary's visit noted that discussion of cloud technology was the centerpiece of meetings with Amazon and other tech leaders.

Donnelly also was informed by a DOD official traveling with the Secretary, on the very day of the Secretary's visit with Amazon's CEO, on August 10, 2017, that the visit “seemed to morph into an Amazon Web Services sales pitch.”

A followup email from that same official informed her that after the visit, the Secretary of Defense was “99.9% there in terms of going to the cloud.”

Despite all of this, when asked whether the Defense Department cloud

was discussed during the meeting, Donnelly swore under oath on August 15, 2019: “I don’t know. I wasn’t there.”

She also swore that she didn’t know how long Bezos was present during the visit. But the same Defense Department official traveling with the Secretary of Defense told her via email that Bezos stayed for the Secretary’s entire visit.

The inspector general, however, found no ethics violation, claiming Donnelly had no formal role in the procurement.

Now, the evidence again appears to say otherwise, and there is more.

An email, 2 weeks after the Secretary’s Amazon visit from DOD officials, spoke of the need for a memo from the Secretary to “crush the bureaucratic impediments” Amazon had been encountering.

In other words, there were a lot of people in the Defense Department who knew something was going on, and they were trying to stop it. That is the way I read that email. Of course, Donnelly and another DOD official were on that email.

In response, that DOD official, with Donnelly still copied, said: “Sally is already working angles” to crush those impediments.

On September 13, 2017, merely weeks later, the Deputy Secretary of Defense issued a memo Department-wide crushing those impediments by announcing rapid cloud adoption through “a tailored acquisition process.”

Now, I suppose “tailored acquisition process” has many definitions, but I kind of read that, as suspicious as I am, as trying to short-circuit the process of contracting so some favorable person can get it.

Now, Air Force procurement documents interpreted this memo as what I just said, the Secretary’s intention to award the contract to Amazon. Records also show that after the Secretary’s Amazon meeting, the head of the Digital Defense Service asked Donnelly for permission to “let me lead cloud tiger team.”

Donnelly didn’t respond that she had no role in the process. Instead, she told the DOD official to “Do it quick!”

Just a few weeks later, that official was appointed to lead the first phase of the JEDI contract.

Donnelly reportedly organized another dinner in Washington in January 2018. Only four people were there: The Secretary of Defense, Sally Donnelly, Teresa Carlson, and the CEO of Amazon. Carlson directly admitted to the inspector general that the dinner’s purpose was to continue the discussion from the Secretary’s Amazon visit. That visit, apparently, became a sales pitch. Carlson sent Amazon Web Services sales material to Donnelly’s government email for review just hours before that dinner.

Instead of taking this evidence head-on, the inspector general report pointed to the Government Accountability Office, or what we know as GAO around

here. The report claimed that the GAO “also reviewed whether Mrs. Donnelly should have disqualified herself from participating in the JEDI Cloud procurement.”

That same report also claimed the GAO, in resolving a bid protest, agreed with the Defense Department that “Ms. Donnelly wasn’t involved in any way with the JEDI Cloud procurement.”

Attorneys for Donnelly and attorneys for C5’s CEO made that very same claim. However, there is one very big problem. Donnelly wasn’t even mentioned in the GAO’s decision.

The GAO told my office late last year that they have “no idea where the statement in the DOD Inspector General report comes from.” The GAO also told my office there is “simply no support for this statement from the decision itself or the record of the arguments raised by the protester.”

So not only did the inspector general report omit critical evidence, that I have described to Senators today, but it blatantly misstates the work of another government Agency. So we have a big problem not only with conflict of interest, but we have a problem with the inspector general not doing its job because the Inspector General Office’s work in this matter is a disgraceful example of government oversight.

Former Department of Defense Acting Inspector General Sean O’Donnell was so embarrassed by his Agency’s work that he refused to even name the staff who worked on this incompetent report.

Robert Storch, the current inspector general, has followed suit.

Donnelly has continued to refuse to cooperate with this congressional investigation, yet—can you believe this?—she still sits on the Defense Business Board, providing advice to the Secretary of Defense.

A portfolio company of C5 Capital, according to its own public statements, has gained cyber security business in Ukraine. If that is supported by taxpayers’ money, well, they shouldn’t get a penny until the CEO cooperates with Congress and clears this matter up.

Inspector General Storch must redo the investigation and rewrite relevant sections of this report, considering the clear failures of the original report.

It is time to clear the air, time to fight corruption, time to restore trust in how you negotiate contracts and how you fight conflicts of interest.

That is the history I have given you today.

Yes, I know the JEDI contract is dead, but right now, there are people in the Defense Department who are still pursuing contracts to make use of the cloud for storage. Hopefully, lessons learned from this report I have given you and what took place in the JEDI contract are lessons learned so they won’t be repeated as DOD moves ahead. These are multibillion-dollar contracts.

We need to avoid conflicts of interests like this that I just have pointed

out to you. We need to make sure there is good oversight of the expenditure of taxpayers’ money, but that ought to start with the people in the Department of Defense itself. It ought to be policed by the inspector general of the DOD. That wasn’t done in this case involving Donnelly. And, for sure, Congress shouldn’t give up any of its constitutional responsibilities to see that taxpayers’ money is spent wisely.

I yield the floor.

ADJOURNMENT UNTIL 9:25 A.M. TOMORROW

The PRESIDING OFFICER. The Senate stands adjourned until 9:25 a.m. tomorrow.

Thereupon, the Senate, at 5 p.m., adjourned until Friday, March 15, 2024, at 9:25 a.m.

NOMINATIONS

Executive nominations received by the Senate:

NATIONAL TRANSPORTATION SAFETY BOARD

JENNIFER L. HOMENDY, OF VIRGINIA, TO BE CHAIRMAN OF THE NATIONAL TRANSPORTATION SAFETY BOARD FOR A TERM OF THREE YEARS. (REAPPOINTMENT)

JENNIFER L. HOMENDY, OF VIRGINIA, TO BE A MEMBER OF THE NATIONAL TRANSPORTATION SAFETY BOARD FOR A TERM EXPIRING DECEMBER 31, 2029. (REAPPOINTMENT)

DEPARTMENT OF STATE

KELLY ADAMS-SMITH, OF NEW JERSEY, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF MOLDOVA.

PETER W. LORD, OF FLORIDA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF SENEGAL, AND TO SERVE CONCURRENTLY AND WITHOUT ADDITIONAL COMPENSATION AS AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF GUINEA-BISSAU.

JEREMY NEITZKE, OF ILLINOIS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE KINGDOM OF LESOTHO.

IN THE AIR FORCE

THE FOLLOWING NAMED AIR NATIONAL GUARD OF THE UNITED STATES OFFICER FOR APPOINTMENT AS DIRECTOR, AIR NATIONAL GUARD, AND FOR APPOINTMENT IN THE RESERVE OF THE AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTIONS 601 AND 10506:

To be lieutenant general

MAJ. GEN. DUKE A. PIRAK

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE RESERVE OF THE ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be major general

BRIG. GEN. AIDA T. BORRAS

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES MARINE CORPS TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

LT. GEN. JAMES F. GLYNN

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be rear admiral

REAR ADM. (LH) JOSEPH B. HORNBuckle

IN THE COAST GUARD

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES COAST GUARD TO THE GRADE INDICATED AS A PERMANENT COMMISSIONED OFFICER