

United States Senate

WASHINGTON, DC 20510

December 5, 2017

John Kelly
Acting Inspector General
Office of Inspector General
Department of Homeland Security
245 Murray Lane S.W.
Washington, D.C. 20528

Dear Acting Inspector General Kelly,

We write regarding the Federal Emergency Management Agency's (FEMA) decision to award over \$30 million in contracts to Bronze Star LLC (Bronze Star)—"a newly created Florida company with an unproven record"—as part of the agency's critical hurricane recovery efforts in Puerto Rico.¹ We are concerned by reports that Bronze Star failed to deliver much-needed supplies to Puerto Rico and ultimately lost its contract—leading to major delays in the delivery of recovery services to the island.² We request that you conduct an investigation to determine how Bronze Star won this contract, and whether all relevant procurement laws, regulations, and procedures were followed in FEMA's decision to award the contract.

Hurricane Maria hit the island of Puerto Rico on September 20, 2017, a "catastrophic event" that left millions of U.S. citizens without power or access to clean drinking water.³ To date, 76 days after the hurricane's landfall, nearly 1.1 million Americans on the island still have no power and over 300,000 do not have access to clean drinking water.⁴

Hurricane Maria also resulted in billions of dollars of property damage, leaving many Puerto Ricans without roofs over their heads. To help mitigate the impacts of disasters, FEMA and the U.S. Army Corps of Engineers provide tarps and plastic sheeting to affected homeowners.⁵ To date, the U.S. Army Corps' "Operation Blue Roof" program has installed over

¹ Tami Abdollah and Michael Biesecker, "AP EXCLUSIVE: Big contracts, no storm tarps for Puerto Rico," *Associated Press* (November 28, 2017) (online at <https://www.apnews.com/cbeff1a939324610b7a02b88f30eafbb>); See search for "Bronze Star LLC" in the Federal Procurement Data System (online at https://www.fpds.gov/fpdsng_cms/index.php/en/).

² Tami Abdollah and Michael Biesecker, "AP EXCLUSIVE: Big contracts, no storm tarps for Puerto Rico," *Associated Press* (November 28, 2017) (online at <https://www.apnews.com/cbeff1a939324610b7a02b88f30eafbb>).

³ Robinson Meyer, "What's Happening With the Relief Effort in Puerto Rico?" *The Atlantic* (October 4, 2017) (online at <https://www.theatlantic.com/science/archive/2017/10/what-happened-in-puerto-rico-a-timeline-of-hurricane-maria/541956/>).

⁴ Eliza Barclay and Alexia Fernández Campbell, "New data shows hurricane deaths in Puerto Rico could be 20 times higher than the government claims," *Vox* (November 29, 2017) (online at <https://www.vox.com/policy-and-politics/2017/11/29/16623926/puerto-rico-death-toll-hurricane-maria-count>).

⁵ Federal Emergency Response Agency, "Fact Sheet: The Difference between FEMA Tarps and USACE Blue Roofs" (October 10, 2017) (online at <https://www.fema.gov/news-release/2017/10/10/fact-sheet-difference-between-fema-tarps-and-usace-blue-roofs>).

11,000 temporary roofs for eligible homeowners.⁶ FEMA, meanwhile, has awarded \$88 million in federal contracts for the provision of its “self-help tarps”: “loose-fitting sheets of waterproof material that can be tied to structures with grommets” that are installed by the homeowners themselves.⁷ Over 90,000 tarps have been delivered to Puerto Rico by FEMA contractors—but thousands of people are still without roofs.⁸ For example, in the small town of Comerío 1,689 homes lost their roofs during the storm. The town’s Mayor, Josián Santiago, requested 1,200 Blue Roof Tarps of which only 600 have been approved. To date, 70 days after Hurricane Maria ravaged the island only 100 tarps have been delivered and installed.⁹

Given the high demand for tarps in Puerto Rico, we were concerned to learn of FEMA’s decision to award Bronze Star LLC with over \$30 million worth of federal contracts. On October 5, 2017, FEMA awarded Bronze Star a \$21,193,960 contract for “tents and tarpaulins” to be delivered to Puerto Rico. On October 10, 2017, FEMA awarded the company an additional \$9,240,200 contract.¹⁰ In total, the company was commissioned to deliver 60,000 rolls of plastic sheeting and 500,000 tarps. However, recent reports reveal that Bronze Star “never delivered” the tarps it promised FEMA—leading to the contracts’ terminations on November 6, 2017 and a delay in the delivery of supplies to the island.¹¹

Bronze Star LLC is a Florida-based company that “had never before won a government contract or delivered tarps or plastic sheeting”¹²—yet it beat out at least six other companies for the Puerto Rico contracts. While the Bronze Star contracts are ultimately being filled by a

⁶ Federal Emergency Response Agency, “Frequently Asked Questions about Operation Blue Roof” (September 17, 2017) (online at <https://www.fema.gov/news-release/2017/09/17/4337/frequently-asked-questions-about-operation-blue-roof>); U.S. Army Corps of Engineers, “USACE awards two new contracts for Operation Blue Roof” (November 23, 2017) (online at <http://www.sad.usace.army.mil/Media/News-Releases/Article/1380110/usace-awards-two-new-contracts-for-operation-blue-roof/>).

⁷ Federal Emergency Response Agency, “Fact Sheet: The Difference between FEMA Tarps and USACE Blue Roofs” (October 10, 2017) (online at <https://www.fema.gov/news-release/2017/10/10/fact-sheet-difference-between-fema-tarps-and-usace-blue-roofs>); Tami Abdollah and Michael Biesecker, “AP EXCLUSIVE: Big contracts, no storm tarps for Puerto Rico,” *Associated Press* (November 28, 2017) (online at <https://www.apnews.com/cbeff1a939324610b7a02b88f30eafbb>).

⁸ Tami Abdollah and Michael Biesecker, “AP EXCLUSIVE: Big contracts, no storm tarps for Puerto Rico,” *Associated Press* (November 28, 2017) (online at <https://www.apnews.com/cbeff1a939324610b7a02b88f30eafbb>); Eliza Barclay and Alexia Fernández Campbell, “New data shows hurricane deaths in Puerto Rico could be 20 times higher than the government claims,” *Vox* (November 29, 2017) (online at <https://www.vox.com/policy-and-politics/2017/11/29/16623926/puerto-rico-death-toll-hurricane-maria-count>).

⁹ Jose Delgado, “Alcalde de Comerio alega que es lenta la recuperación tras Maria” *El Nuevo Día* (November 29, 2017) (online at <https://www.elnuevodia.com/noticias/locales/nota/alcaldedecomerioalegaqueeslentalarecuperaciontrasmaria-2378250/>).

¹⁰ See search for “Bronze Star LLC” in the Federal Procurement Data System (online at https://www.fpds.gov/fpdsng_cms/index.php/en/).

¹¹ Tami Abdollah and Michael Biesecker, “AP EXCLUSIVE: Big contracts, no storm tarps for Puerto Rico,” *Associated Press* (November 28, 2017) (online at <https://www.apnews.com/cbeff1a939324610b7a02b88f30eafbb>); See search for “Bronze Star LLC” in the Federal Procurement Data System (online at https://www.fpds.gov/fpdsng_cms/index.php/en/).

¹² Tami Abdollah and Michael Biesecker, “AP EXCLUSIVE: Big contracts, no storm tarps for Puerto Rico,” *Associated Press* (November 28, 2017) (online at <https://www.apnews.com/cbeff1a939324610b7a02b88f30eafbb>); See search for “Bronze Star LLC” in the Federal Procurement Data System (online at https://www.fpds.gov/fpdsng_cms/index.php/en/).

company with “roughly two decades of federal contracting experience,” it is problematic and concerning that FEMA awarded Bronze Star contracts in the first place.


More than two months after the Hurricane devastated Puerto Rico, rain continues to fall regularly and thousands of people have not been able to return to their roofless homes. Faulty contracting procedures have only delayed relief to the people of Puerto Rico, and we find this unacceptable. We therefore ask you to conduct an investigation of the following questions:

1. What was the process by which Bronze Star was awarded the FEMA contracts?
2. What steps did FEMA take to determine whether Bronze Star was capable of fulfilling the contracts it was issued on October 5th and October 10th? What findings did FEMA make regarding the company’s track record, its infrastructure, its inventory and production processes, and its financial capabilities?
3. What steps did FEMA take to determine whether the other companies bidding on the contracts were capable of fulfilling them? Why did FEMA choose Bronze Star over these other companies? If—as FEMA has told the media—the “potential contractors are objectively evaluated, and a contract is awarded based on the highest-rated submission,”¹³ what were the objective criteria, the technical evaluations of each bidder, and the ratings of each bidder?
4. Did FEMA follow all relevant laws, regulations, and procedures in awarding Bronze Star its contracts?
5. Did FEMA recover all funds paid to Bronze Star under the contracts that were cancelled?
6. Has FEMA cancelled other contracts for supplies to Puerto Rico, including but not limited to tarps and plastic sheeting, due to a contractor’s inability to fulfill the contract?
7. What steps has FEMA taken in the wake of the Bronze Star terminations to analyze and improve its contracting processes?

Please do not hesitate to contact Alex Blenkinsopp of Senator Warren’s staff at 202-224-4543 or Angel Colón-Rivera of Senator Menendez’s at 202-224-4744 with any questions or concerns.

¹³ Tami Abdollah and Michael Biesecker, “AP EXCLUSIVE: Big contracts, no storm tarps for Puerto Rico,” *Associated Press* (November 28, 2017) (online at <https://www.apnews.com/cbeff1a939324610b7a02b88f30eafbb>); See search for “Bronze Star LLC” in the Federal Procurement Data System (online at <https://www.fpds.gov/fpdsng/cms/index.php/en/>).

Sincerely,



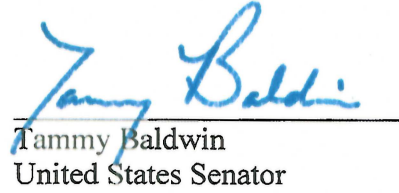
Elizabeth Warren
United States Senator



Robert Menendez
United States Senator



Richard Blumenthal
United States Senator



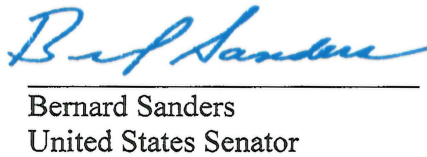
Tammy Baldwin
United States Senator



Catherine Cortez Masto
United States Senator



Richard J. Durbin
United States Senator



Bernard Sanders
United States Senator