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JOHN KENNEDY, LOUISIANA  
MARSHA BLACKBURN, TENNESSEE  
ERIC SCHMITT, MISSOURI  
KATIE BOYD BRITT, ALABAMA  
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RICHARD J. DURBIN, ILLINOIS  
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AMY KLOBUCHAR, MINNESOTA  
CHRISTOPHER A. COONS, DELAWARE  
RICHARD BLUMENTHAL, CONNECTICUT  
MAZIE HIRONO, HAWAII  
CORY A. BOOKER, NEW JERSEY  
ALEX PADILLA, CALIFORNIA  
PETER WELCH, VERMONT  
ADAM B. SCHIFF, CALIFORNIA

# United States Senate

COMMITTEE ON THE JUDICIARY

WASHINGTON, DC 20510-6275

March 18, 2025

## VIA ELECTRONIC TRANSMISSION

The Honorable Peter B. Hegseth  
Secretary  
Department of Defense

Dear Secretary Hegseth:

I've long encouraged the Department of Defense (DOD) to be more transparent and accountable. There's no doubt the swamp President Trump has vowed to drain crosses the Potomac into Arlington. The DOD has never passed an audit, despite having responsibility for a huge segment of the federal budget.<sup>1</sup> Its contract processes often avoid full competition, despite the preference in federal law for fully-competed contracting.<sup>2</sup> To make matters worse, Washington's infamous revolving door is spinning more swiftly at the DOD than almost anywhere else in the federal government.<sup>3</sup> At a very minimum, when concrete allegations of corruption are identified, DOD should take them seriously and act to instill confidence that the Department understands its responsibilities to the taxpayer. DOD's Inspector General (OIG) should leave no stone unturned investigating allegations of impropriety to restore the trust of the American people. That's not what happened with the JEDI cloud contract. That planned-contract was scrapped in 2021, but the allegations of corruption surrounding it haven't been resolved. For years, I've outlined in detail major flaws in the OIG's report on the matter.<sup>4</sup> The subjects of my investigation, Ms. Sally Donnelly and Mr. Andre Pienaar, as well as Amazon, have flatly refused to cooperate and continue to obstruct this congressional investigation.<sup>5</sup> I write today to bring your attention to the fact that Ms. Donnelly, despite this obstruction and serious and unresolved allegations of corruption related to the JEDI contract, absurdly sits on the Defense Business Board advising DOD on contract

<sup>1</sup> Sen. Charles E. Grassley, Floor Remarks before the U.S. Senate, *Grassley 'Raises Cain' Over the Pentagon's Long Time Financial Mismanagement* (Jan. 30, 2025), <https://www.grassley.senate.gov/news/remarks/grassley-raises-cain-over-the-pentagons-long-time-financial-mismanagement>; Ashley Roque, *Pentagon Fails 7<sup>th</sup> Audit in a Row, Eyes Passing Grade by 2028*, Breaking Defense (November 15, 2024), <https://breakingdefense.com/2024/11/pentagon-fails-7th-audit-in-a-row-eyes-passing-grade-by-2028/>.

<sup>2</sup> See, e.g., Rhys McCormick and Gregory Sanders, *Trends in Department of Defense Other Transaction Authority Usage*, Center for Strategic & International Studies (May 2022) at 7 (noting the "rapid growth in the DOD's usage of OTAs" with DOD increasing OTA usage from FY2015 to FY2020 by 2,030 percent), [https://csis-website-prod.s3.amazonaws.com/s3fs-public/publication/220525\\_McCormick\\_Trends\\_OTAs.pdf?VersionId=JrTKXLxEFSrSGQh.CaObBZnbZAJkWZ.i](https://csis-website-prod.s3.amazonaws.com/s3fs-public/publication/220525_McCormick_Trends_OTAs.pdf?VersionId=JrTKXLxEFSrSGQh.CaObBZnbZAJkWZ.i).

<sup>3</sup> Open Secrets, *Federal Agency Revolvers* (last accessed Mar. 5, 2025) (showing DOD behind only the White House, House of Representatives, and Department of State in the number of employees who were former lobbyists or employees who went from a government entity to lobbying firms), <https://www.opensecrets.org/revolving-door/federal-agencies>.

<sup>4</sup> Letter from Sen. Charles E. Grassley, Chairman, Senate Comm. on the Judiciary, to the Hon. Tammy Hull, Vice Chair, Council of the Inspectors General on Integrity and Efficiency (CIGIE) (Feb. 4, 2025), <https://www.grassley.senate.gov/download/grassley-to-cigie-jedi-report-peer-review>.

<sup>5</sup> Letter from Sen. Charles E. Grassley, Ranking Member, Senate Comm. on the Budget, and the Hon. Nancy Mace, Member of Congress, to Mr. Andre Pienaar, Chief Executive Officer and Founder, C5 Capital (July 13, 2023); Letter from Sen. Charles E. Grassley, Ranking Member, Senate Comm. on the Budget, and the Hon. Nancy Mace, Member of Congress, to Ms. Sally B. Donnelly, Pallas Advisors (July 13, 2023); Letter from Christopher Armstrong, Partner, Holland & Knight, Counsel for Mr. Andre Pienaar, to Sen. Charles E. Grassley and the Hon. Nancy Mace (July 27, 2023); Letter from Michael N. Levy, Partner, Ellerman Enzina Levy, PLLC, counsel for Ms. Sally Donnelly, to Sen. Charles E. Grassley and the Hon. Nancy Mace (Sept. 1, 2023); Letter from Sen. Charles E. Grassley and the Hon. Nancy Mace to Christopher J. Armstrong (Oct. 10, 2023); Letter from Sen. Charles E. Grassley and the Hon. Nancy Mace, to Michael N. Levy (Oct. 10, 2023); Letter from Michael N. Levy, to Sen. Charles E. Grassley and the Hon. Nancy Mace (Oct. 25, 2023), all linked as exhibits to Sen. Grassley's letter to CIGIE, *supra* n. 4; see also, Letter from Christopher Armstrong, to Sen. Charles E. Grassley and the Hon. Nancy Mace (Oct. 30, 2023); other emails and notes of phone conversations on file with staff.

processes.<sup>6</sup> In this role, she's entrusted with a Top Secret/SCI security clearance.<sup>7</sup> If ever there was a case of the fox guarding the henhouse, that's it. Unless she ceases her years-long obstructive conduct against Congress, Ms. Donnelly neither deserves to be on a taxpayer funded DOD advisory board nor maintain a high-level security clearance.

To inform your consideration, I'm attaching correspondence with Ms. Donnelly and Mr. Pienaar, as well as their replies through counsel. In addition, both counsels, by email and phone conversations, have refused to answer further substantive questions related to Ms. Donnelly's tenure at DOD and details surrounding her former consulting company.<sup>8</sup> This is completely unacceptable for someone holding a position of trust for DOD. I'm also attaching a speech I gave on the Senate floor, which pointed to flaws in the DOD OIG's consideration of the matter, as well as my correspondence with Amazon. Amazon has now parroted the obstruction of Ms. Donnelly and Mr. Pienaar by refusing to answer my questions and document requests.<sup>9</sup>

As you'll see from the attached correspondence, Ms. Donnelly gave misleading statements to the OIG when it asked who purchased her consulting firm, SBD Advisors, which she sold before entering DOD service in 2017. She sold her company to a shell company created by C5 Capital the day before the purchase.<sup>10</sup> This corresponds with C5 Capital's own efforts to deceive the public. It made false statements through the media, denying connection to the purchase of Ms. Donnelly's firm in 2017, and claiming it purchased the firm instead the next year, in 2018.<sup>11</sup> My oversight later revealed the identity of the C5 company that purchased the business.<sup>12</sup> That C5 Capital company continued to pay Donnelly for the purchase of her firm while she was in government service, even as Amazon continued to pay now C5-owned SBD Advisors for consulting to gain DOD cloud business.<sup>13</sup>

During Ms. Donnelly's tenure at DOD, Amazon officials used their inside access to its advantage. Amazon senior cloud sales officials worked with her to arrange a dinner with Secretary Mattis. An Amazon Vice President, Teresa Carlson, used the dinner to invite the Secretary to meet with Amazon founder and then-

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<sup>6</sup> U.S. Dep't of Defense, Defense Business Board, Biography for Sally Donnelly, Founding Partner, Pallas Advisors (last accessed March 5, 2025), <https://dbb.defense.gov/LinkClick.aspx?fileticket=5t7tr8hp5eM%3D&portalid=35>.

<sup>7</sup> Letter from Jennifer C. Walsh, U.S. Department of Defense, Performance Improvement Officer and Director of Administration and Management, to Sen. Charles E. Grassley, Chairman, Senate Comm. on the Judiciary (Feb. 25, 2025), on file with staff.

<sup>8</sup> Emails and conversation notes on file with staff.

<sup>9</sup> Letter from Shannon L. Kellogg, Vice President, AWS Public Policy, Americas, to Sen. Charles E. Grassley, Chairman, Sen. Comm. on the Judiciary (Jan. 24, 2025) [https://www.grassley.senate.gov/imo/media/doc/2025-01-24\\_amazon\\_to\\_grassley\\_-\\_amazon\\_jedi\\_record\\_request.pdf](https://www.grassley.senate.gov/imo/media/doc/2025-01-24_amazon_to_grassley_-_amazon_jedi_record_request.pdf).

<sup>10</sup> Letter from Senator Charles Grassley, Ranking Member, U.S. Senate Comm. on the Judiciary, to Lloyd J. Austin, Secretary, Dep't of Defense, and Sean O'Donnell, Acting Inspector General, Dep't of Defense, Office of the Inspector General (October 24, 2022), [https://www.grassley.senate.gov/imo/media/doc/grassley\\_to\\_defense\\_deptdefenseinspectorgeneralsbdadvisorsllconflctsofinterestrevjewl.pdf](https://www.grassley.senate.gov/imo/media/doc/grassley_to_defense_deptdefenseinspectorgeneralsbdadvisorsllconflctsofinterestrevjewl.pdf).

<sup>11</sup> *JEDI: Secretive, Influential Consulting Firm's Close Ties to Amazon Web Services and DOD Raise Additional Questions Around JEDI Contract*, The Capitol Forum, Vol. 6 No. 225 (June 8, 2018) (citing a statement by a C5 spokesperson who claimed, "[n]either C5 Capital nor any of its venture capital funds or employees bought any shares from Sally Donnelly in January 2017 when she sold her interest in the firm before commencing public service . . . Sally Donnelly did not receive any compensation from C5 or its portfolio companies while in government"), on file with staff; see also press release, *C5 Capital-backed ITC Secure Acquires US-based SBD Advisors*, Private Equity Wire (Mar. 4, 2018) (press release from C5 announcing in 2018 it purchased SBD Advisors, even though it purchased it the year before), on file with staff.

<sup>12</sup> Letter from Senator Grassley to Secretary Austin and Acting Inspector General O'Donnell, *supra* n. 10.

<sup>13</sup> See, e.g., Andrew Kerr, *Government Ethics Watchdogs Fear Amazon's Web of Influence May have Tainted Pentagon's \$10 billion JEDI Cloud Deal*, Daily Caller (August 8, 2018) (Noting Price Floyd, a principal and spokesman for SBD Advisors, said SBD Advisors "continued to consult for AWS until March or April 2018"), <https://dailycaller.com/2018/08/08/sally-donnelly-defense-department-jedi-cloud-amazon/>.



CEO Jeff Bezos, a meeting Donnelly pushed for afterward.<sup>14</sup> Amazon also coordinated with Ms. Donnelly on yet another dinner, between the Secretary and Mr. Bezos, held in January 2018, after the JEDI contract was announced.<sup>15</sup> Ms. Donnelly should have had no role in advancing Amazon's interest given her prior consulting for Amazon and her ongoing payments from an Amazon-linked company, but emails that were not discussed or fully considered in the OIG's JEDI report show her doing just that.<sup>16</sup> There apparently was no non-compete agreement between C5 Capital and Ms. Donnelly. She came right out of DOD service and created a carbon copy of her old firm, now named Pallas Advisors.<sup>17</sup> This raises serious questions about the nature of the payments to Ms. Donnelly that she should answer, but she continues to refuse. Mr. Pienaar likewise has refused to cooperate with my investigation. This is not simply a matter of past wrongdoing. It's an ongoing effort to cover up and to obstruct Congress's constitutionally-authorized oversight work. DOD shouldn't tolerate this conduct from personnel who provide direct advice to DOD leadership on contract processes.

I've conducted this investigation now for half a decade, and I won't stop pursuing answers for the American people. I ask you to uphold the integrity of the DOD in this process and likewise fulfill your duties to support congressional oversight. A starting point for that is to hold accountable DOD employees who are actively obstructing congressional inquiries and removing them from office. If you have any questions about this request, please contact James Layne on my Committee staff at (202) 224-5225. Thank you for your prompt consideration of this important matter.

Sincerely,



Charles E. Grassley  
Chairman  
Committee on the Judiciary

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<sup>14</sup> See, e.g., email from Sally Donnelly to Admiral Craig Faller, Subject: Why Bezos (listing seven reasons the Secretary should meet with Jeff Bezos) (April 23, 2017), on file with staff.

<sup>15</sup> See, e.g., email from Teresa Carlson to Sally Donnelly, Subject: AWS Fact Sheet (Jan. 17, 2018) (showing Carlson sending Ms. Donnelly Amazon Web Services sales materials on the same day as the January 17, 2018, dinner that included Mr. Bezos, Ms. Carlson, Mr. Pienaar, Ms. Donnelly, and Secretary Mattis), on file with staff.

<sup>16</sup> See especially the attached address of Senator Grassley on the Senate floor, During Sunshine Week, *Grassley Discusses Lessons Learned from the JEDI Cloud Procurement* (March 14, 2024), <https://www.grassley.senate.gov/news/remarks/during-sunshine-week-grassley-discusses-lessons-learned-from-the-jedi-cloud-procurement>.

<sup>17</sup> Pallas Advisors, *Our Origin Story* (last accessed on March 10, 2025) (describing the founding of the firm in 2018, and describing Ms. Donnelly and Mr. "Tony" DeMartino as both being "senior government officials in the Office of the Secretary of Defense" where they "[saw] first hand the challenges of getting innovative tech into the hands of the warfighter"), <https://www.pallasadvisors.com/>.

# Congress of the United States

Washington, DC 20515

July 13, 2023

Mr. Andre Pienaar  
Chief Executive and Founder  
C5 Capital  
1701 Pennsylvania Ave, NW  
Washington, D.C. 20006

Dear Mr. Pienaar:

Senator Grassley has led oversight efforts in Congress to better understand the Department of Defense's (DOD) ill-fated JEDI cloud computing contract. The contract's historic \$10 billion size, and the lack of clarity surrounding the role you and Ms. Sally Donnelly played in the process leading up to its award, implicate the interests of taxpayers and the public's right to know whether conflicts of interest may have clouded the process. As we described in a letter to Ms. Donnelly, significant questions remain that were not properly addressed in the Department of Defense (DOD) Inspector General's (OIG) 2020 report.<sup>1</sup> Namely the ongoing relationship C5 Capital, through its subsidiary VMAP Investor LLC (VMAP), had with Ms. Donnelly while she was a Senior Advisor to Secretary of Defense James Mattis.

Late last year, you provided access to Senator Grassley's staff to view the purchase and sale agreement between C5 subsidiary, VMAP, and Ms. Donnelly for the purchase of her consulting company, SBD Advisors.<sup>2</sup> While we appreciate your assistance in this regard, the underlying transaction raised questions that have never been sufficiently answered.

Although VMAP continued to pay Ms. Donnelly during her tenure at DOD, Ms. Donnelly only reported a single \$390,000 payment in her initial financial disclosure.<sup>3</sup> This is despite the fact that VMAP/C5 had already paid Ms. Donnelly a second installment payment of \$390,000 two months before that disclosure.<sup>4</sup> Ms. Donnelly also failed to report the purchaser of her firm to DOD's ethics officials, which would have been significant to their ethics analysis, given C5's ties to Amazon, a bidder for DOD cloud services.

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<sup>1</sup> U.S. Department of Defense, Office of the Inspector General, Report on the Joint Enterprise Defense Infrastructure (JEDI) Cloud Procurement (April 13, 2020), [https://media.defense.gov/2020/Apr/21/2002285087/-1/-1/1/REPORT%20ON%20THE%20JOINT%20ENTERPRISE%20DEFENSE%20INFRASTRUCTURE%20\(JEDI\)%20CLOUD%20PROCUREMENT%20DODIG-2020-079.PDF](https://media.defense.gov/2020/Apr/21/2002285087/-1/-1/1/REPORT%20ON%20THE%20JOINT%20ENTERPRISE%20DEFENSE%20INFRASTRUCTURE%20(JEDI)%20CLOUD%20PROCUREMENT%20DODIG-2020-079.PDF).

<sup>2</sup> Letter, from Senator Charles E. Grassley, Ranking Member, U.S. Senate Comm. on the Judiciary, to Mr. Lloyd J. Austin, Secretary of Defense, and Ms. Sean O'Donnell, Acting Inspector General, Dep't of Defense (October 24, 2022), [https://www.grassley.senate.gov/imo/media/doc/grassley\\_to\\_defense\\_deptdefenseinspectorgeneralsbdsadvisorsllconflctsofinterestreview1.pdf](https://www.grassley.senate.gov/imo/media/doc/grassley_to_defense_deptdefenseinspectorgeneralsbdsadvisorsllconflctsofinterestreview1.pdf).

<sup>3</sup> OGE Form 278, on file with staff.

<sup>4</sup> *Id.*; letter from Senator Charles E. Grassley, *supra* n. 2.



C5 Capital also continued to conceal its role in the January 2017 transaction, releasing a press release the next year saying that it had just purchased SBD Advisors, even though its own portfolio company had purchased it directly the year before.<sup>5</sup> In that release, you said that you were, “delighted with the world class SBD team joining the growing ITC Group [C5],” even though your company, C5-subsiary VMAP, had actually purchased the firm 14 months before that.<sup>6</sup> C5 followed that up by telling reporters that, “Neither C5 Capital nor any of its venture capital funds or employees bought any shares from Sally Donnelly in January 2017 when she sold her interest in the firm before commencing public service . . . Sally Donnelly did not receive any compensation from C5 or its portfolio companies while in government.”<sup>7</sup> We now know that this statement was false.

When the OIG, during the investigation of the JEDI contract, asked Ms. Donnelly who purchased her firm, she answered that: “Andre Pienaar was *the organizer of the sale* of SBD.”<sup>8</sup> The OIG allowed this response to pass without further questioning.<sup>9</sup> Ms. Donnelly agreed at that time to provide the OIG with the Purchase and Sale Agreement for SBD Advisors, but she instead provided a copy of the contract to OIG with the purchaser, the most critical piece of information in an ethics review, redacted.<sup>10</sup> It is puzzling that Acting Inspectors General Glenn Fine and Sean O’Donnell found this sufficient, despite this critical piece of information missing.

These facts taken together leave the lingering impression that Ms. Donnelly and C5 intentionally failed to disclose the fact that C5 had an ongoing relationship, through VMAP’s ongoing payments to Ms. Donnelly, while she served as a key advisor to Secretary Mattis. And that leaves the obvious question of why. While we don’t yet know the answer to that question, we do know that during Ms. Donnelly’s tenure at DOD, she played a role in arranging meetings between Amazon officials and Secretary Mattis, as well as advancing Amazon’s interests.

Accordingly, so that Congress may conduct independent oversight of your role in the JEDI Cloud procurement, and in preparation of a transcribed interview, please provide the following records<sup>11</sup> no later than July 27, 2023:

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<sup>5</sup> Press release, *C5 Capital-backed ITC Secure Acquires US-based SBD Advisors*, Private Equity Wire (March 4, 2018), <https://www.privateequitywire.co.uk/2018/04/03/262826/c5-capital-backed-itc-secure-acquires-us-based-sbd-advisors>.

<sup>6</sup> *Id.*

<sup>7</sup> *JEDI: Secretive, Influential Consulting Firm’s Close Ties to Amazon Web Services and DOD Raise Additional Questions Around JEDI Contract*, The Capitol Forum, Vol. 6 No. 225, June 8, 2018, on file with staff.

<sup>8</sup> Dep’t of Defense, Office of Inspector General, Recorded Transcription, Interview of Sally B. Donnelly, (August 15, 2019), page 6 (emphasis added), on file with staff.

<sup>9</sup> *Id.*

<sup>10</sup> *Id.* At 12; Letter from Sean W. O’Donnell, Acting Inspector General, Dep’t of Defense, Office of Inspector General, to Rep. Yvette Herrell, Member, United States House of Representatives (March 8, 2022), on file with staff.

<sup>11</sup> “Records” include any written, recorded, or graphic material of any kind, including letters, memoranda, reports, notes, electronic data (e-mails, email attachments, and any other electronically-created or stored information), calendar entries, inter-office communications, meeting minutes, phone/voice mail or recordings/records of verbal communications, and drafts (whether or not they resulted in final documents).

1. An unredacted copy of the January 2017 Purchase and Sale Agreement.
2. All records between and among you or any party associated with C5 or VMAP Investors LLC, and Sally Donnelly, Anthony DeMartino, or any DOD official, related to Amazon or the JEDI cloud procurement.
3. All records between and among you or anyone at C5 or its subsidiaries or affiliates and anyone with anyone at Amazon, related to Sally Donnelly, SBD Advisors, ITC Global, and the JEDI cloud contract.
4. Financial records reflecting any payments pursuant to the January 2017 Purchase and Sale Agreement, including but not limited to each of the purported \$390,000 payments previously referenced in the DoD OIG Report.
5. Financial records of all payments from Amazon, or any person or entity acting on behalf of Amazon, received by you, C5 Capital, or any of its subsidiaries, officers, or employees at any time from 2015 to the present.
6. Financial records relating to any consideration you paid in connection with the sale of SBD Advisors, whether pursuant to the Purchase and Sale Agreement or not.
7. All agreements and financial records relating to and consideration paid to Pallas Advisors (or any related entity) from Amazon (or any related entity), or C5 (or any related entity).
8. All records reflecting communications between and among you or your representatives and any C5 entity or person in connection with SBD Advisors.

We reserve the right to make additional document or information requests should we deem it necessary to advance this congressional investigation. Thank you for your cooperation in this important matter.

Sincerely,



Charles E. Grassley  
Ranking Member  
Committee on the Budget



Nancy Mace  
Member of Congress  
Committee on Oversight & Accountability



# Congress of the United States

Washington, DC 20515

July 13, 2023

Ms. Sally B. Donnelly  
Pallas Advisors  
1050 Connecticut Ave NW Suite 1080  
Washington, D.C. 20036

Dear Ms. Donnelly:

Five years have passed since you resigned your role as Senior Advisor to Secretary James Mattis, ending a tenure now shrouded in controversy.<sup>1</sup> Questions remain about your role in the JEDI cloud contract, at the time the largest federal procurement in history. The DOD's Office of Inspector General (OIG) report didn't shed much light on the matter. Rather, it selectively quoted source documents, glossed over critical issues, and left lingering doubts in the minds of many as to whether your role in the initial selection of Amazon for this \$10 billion "tailored" cloud contract with DOD was appropriate and ethical.<sup>2</sup> For the sake of good government, these lingering questions cannot go unanswered.

Certain public elements of this story are by now well known, but others are still shrouded in mystery. For example, questions remain about why you and Amazon-partner C5 Capital did not disclose the identity of the purchaser of your consulting company, SBD Advisors, by what we later learned was a newly-formed, and apparently tailor-made C5 subsidiary, VMAP Investor LLC. This transaction occurred just days before you joined DOD in January 2017 as a senior advisor to Secretary Mattis.

Days before you began your role at the Department of Defense (DOD) in January 2017, you sold your partial ownership share in SBD Advisors to VMAP for a reported sum of \$1.56 million.<sup>3</sup> Amazon-partner C5 Capital, just a day before that, formed VMAP apparently for the sole purpose of this transaction. On your initial financial disclosure, which you filed upon entering service at DOD, you were required to report details of your income and transactions that may have caused a conflict of interest with your work at DOD.<sup>4</sup> You failed to disclose the

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<sup>1</sup> U.S. Department of Defense, Office of the Inspector General, Report on the Joint Enterprise Defense Infrastructure (JEDI) Cloud Procurement (April 13, 2020) at 192, [https://media.defense.gov/2020/Apr/21/2002285087/-1/-1/1/REPORT%20ON%20THE%20JOINT%20ENTERPRISE%20DEFENSE%20INFRASTRUCTURE%20\(JEDI\)%20CLOUD%20PROCUREMENT%20DODIG-2020-079.PDF](https://media.defense.gov/2020/Apr/21/2002285087/-1/-1/1/REPORT%20ON%20THE%20JOINT%20ENTERPRISE%20DEFENSE%20INFRASTRUCTURE%20(JEDI)%20CLOUD%20PROCUREMENT%20DODIG-2020-079.PDF).

<sup>2</sup> Letter from Senator Charles E. Grassley, Ranking Member, Senate Committee on the Judiciary, to the Hon. Sean O'Donnell, Acting Inspector General, U.S. Dep't of Defense (January 7, 2022), [https://www.grassley.senate.gov/imo/media/doc/grassley\\_to\\_defense\\_dept\\_inspectorgeneraljedicontract.pdf](https://www.grassley.senate.gov/imo/media/doc/grassley_to_defense_dept_inspectorgeneraljedicontract.pdf).

<sup>3</sup> Dep't of Defense, *supra* n.1 at 189.

<sup>4</sup> U.S. Office of Gov't Ethics, OGE Form 278 Executive Branch Personnel Public Financial Disclosure Report, Instructions for Completing OGE Form 278 (noting that, "A basic premise of the statutory financial disclosure requirements is that those having responsibility for review of reports filed pursuant to the Ethics in Government Act



purchaser of SBD Advisors, and you didn't reference expected payments of \$1.17 million, the remaining balance due to you from VMAP/C5. This was already an asset in your possession, as VMAP was contractually obligated to pay you for the acquisition. You failed to disclose these ongoing payments despite the fact that two months before you filed your initial financial disclosure, four months after starting at DOD, C5 had already paid you another \$390,000 installment payment toward its remaining balance.<sup>5</sup>

C5 Capital also continued to conceal its role in the January 2017 transaction, releasing a bizarre press release the next year saying that it had just purchased SBD Advisors, even though its own portfolio company had purchased it directly from you the year before.<sup>6</sup> Mr. Pienaar, in the release, said that he was, "delighted with the world class SBD team joining the growing ITC Group [C5]," even though he and C5 had actually purchased the firm 14 months before that.<sup>7</sup> C5 followed that up by telling reporters that, "Neither C5 Capital nor any of its venture capital funds or employees bought any shares from Sally Donnelly in January 2017 when she sold her interest in the firm before commencing public service . . . Sally Donnelly did not receive any compensation from C5 or its portfolio companies while in government."<sup>8</sup> We now know that this statement was false.

You did not disclose the continued payments you received from VMAP and C5 while you were at DOD until you left the Department, in your termination disclosure.<sup>9</sup> When the OIG questioned you about the divestiture of your firm, even after ethics concerns had been raised and an investigation launched, you again failed to disclose the purchaser in response to a direct query.<sup>10</sup> Instead, you replied that, "Andre Pienaar was *the organizer of the sale* of SBD," a non-answer that the OIG allowed to pass without further questioning.<sup>11</sup> You agreed at that time to provide the OIG with the Purchase and Sale Agreement for SBD Advisors, but you instead provided a copy of the contract to OIG with the purchaser, the most critical piece of information

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or permitted public access to reports must be given sufficient information by reporting individuals concerning the nature of their outside interests and activities so that an informed judgment can be made with respect to compliance with applicable conflict of interest laws and standards of conduct regulations." ),  
[https://www.oge.gov/Web/OGEnsf/0/A7FBDC0209B57819852585B6005A06C4/\\$FILE/8c47512231004e2d98b6966829afebfb4.pdf](https://www.oge.gov/Web/OGEnsf/0/A7FBDC0209B57819852585B6005A06C4/$FILE/8c47512231004e2d98b6966829afebfb4.pdf).

<sup>5</sup> Letter from Senator Charles Grassley, Ranking Member, U.S. Senate Comm. on the Judiciary, to Lloyd J. Austin, Secretary, U.S. Dep't of Defense, and Sean O'Donnell, Acting Inspector General, Dep't of Defense, Office of the Inspector General (October 24, 2022),  
[https://www.grassley.senate.gov/imo/media/doc/grassley\\_to\\_defense\\_deptdefenseinspectorgeneralsbdeadvisorsllconflctsofinterestreview1.pdf](https://www.grassley.senate.gov/imo/media/doc/grassley_to_defense_deptdefenseinspectorgeneralsbdeadvisorsllconflctsofinterestreview1.pdf).

<sup>6</sup> Press release, *C5 Capital-backed ITC Secure Acquires US-based SBD Advisors*, Private Equity Wire (March 4, 2018), <https://www.privateequitywire.co.uk/2018/04/03/262826/c5-capital-backed-itc-secure-acquires-us-based-sbd-advisors>.

<sup>7</sup> *Id.*

<sup>8</sup> *JEDI: Secretive, Influential Consulting Firm's Close Ties to Amazon Web Services and DOD Raise Additional Questions Around JEDI Contract*, The Capitol Forum, Vol. 6 No. 225, June 8, 2018, on file with staff.

<sup>9</sup> Dep't of Defense, *supra* n. 1 at 192-93.

<sup>10</sup> Dep't of Defense, Office of Inspector General, Recorded Transcription, Interview of Sally B. Donnelly, (August 15, 2019), page 6, on file with staff.

<sup>11</sup> *Id.* (Emphasis added.)



in an ethics review, redacted.<sup>12</sup> Yet again, the OIG, then led by Acting Inspector General Glenn Fine and later by Acting Inspector General Sean O'Donnell, looked the other way.

It was not until Mr. Pienaar provided access to the written agreement to Senator Grassley's staff last year, to be viewed in camera, that a new element of the story came to light: VMAP Investor, a subsidiary of C5 Capital, a business partner of Amazon, was formed days before you joined DOD and entered an agreement to purchase SBD Advisors and continue payments to you during your time at the Department.<sup>13</sup> Your resistance to disclosing this ongoing financial relationship with C5 to DOD ethics officials at the outset, which would have allowed them to conduct a more thorough ethics analysis, and later to the OIG in the course of its official investigation, set off alarm bells that are still ringing, and leaves us with the obvious question: why? The OIG never got to the bottom of these questions, leaving Congress with the task of picking up the pieces and attempting to re-assemble them.

After you left DOD, in August 2018, you formed Pallas Advisors, along with Anthony DeMartino, who had worked for you at SBD Advisors and went with you to DOD.<sup>14</sup> Mr. DeMartino apparently took part in certain matters related to JEDI procurement at DOD as well.<sup>15</sup> It seems that Pallas Advisors is practically identical to the former SBD Advisors, which raises the question of why Mr. Pienaar and C5 Capital would agree to purchase your consulting firm without a non-compete agreement, allowing you to return to the private sector and potentially gain back the clients from your former firm.<sup>16</sup> This fact pattern is especially worrisome given the conduct of other conflicted DOD officials.

When you entered service at DOD in 2017, given your proximity to Secretary Mattis as one of his most trusted advisors, you were in a position potentially to have an outsized influence over DOD policy or procurement, and provide direct access to the secretary. And all of this followed on the heels of your paid consulting work for both Amazon and Amazon-associated C5 and Andre Pienaar, selling Amazon Web Services (AWS) to DOD.<sup>17</sup> We must determine whether this attempt to sell AWS services to DOD continued when you entered government service, and make sure that your inside access was used in the public's interest.

Accordingly, so that Congress may conduct independent oversight of your role in the

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<sup>12</sup> *Id.* At 12; Letter from Sean W. O'Donnell, Acting Inspector General, Dep't of Defense, Office of Inspector General, to Rep. Yvette Herrell, Member, United States House of Representatives (March 8, 2022), on file with staff.

<sup>13</sup> Letter from Senator Charles Grassley, *supra* n. 5.

<sup>14</sup> Dep't of Defense, *supra* n. 1 at 190.

<sup>15</sup> *Id.* at 204-206.

<sup>16</sup> Pallas Advisors, *About Us* (last accessed May 5, 2023) (describing Pallas Advisors as "a strategic advisory firm specializing in navigating complex national and international security dynamics"), <https://www.pallasadvisors.com/>.

<sup>17</sup> Dep't of Defense, Office of Inspector General, Recorded Transcription, Interview of Sally B. Donnelly, (August 15, 2019), page 7-9, on file with staff.

JEDI Cloud procurement, and in preparation of a transcribed interview, please provide the following records<sup>18</sup> no later than July 27, 2023:

1. All records between you and any person or entity related to the JEDI contract and its procurement process. This request includes records in the possession of SBD Advisors and Pallas Advisors.
2. An unredacted copy of the January 2017 Purchase and Sale Agreement and any other agreements relating to purchase or sale of all, or any portion of, SBD Advisors.
3. All financial records reflecting all payments received pursuant to the January 2017 Purchase and Sale Agreement, including but not limited to each of the purported \$390,000 payments previously referenced in the DOD OIG Report.
4. A list of all persons employed by SBD Advisors in January 2017, and a list of all persons employed at Pallas Advisors within the last year.
5. A list of all clients of SBD Advisors in 2016 and 2017 and a list of all clients of Pallas Advisors within the last year.
6. All records between and among you and Andre Pienaar or any of his agents or related parties, and between and among you and any party associated with C5, VMAP Investor LLC, and any subsidiary or affiliate of C5 or VMAP investor LLC.
7. All records between and among you and Amazon or any of its agents, employees, and related parties, in any way related to the Department of Defense from December 2016 through your tenure at the Department.
8. All financial records relating to any financial consideration you received, directly or indirectly, from Amazon (or any Amazon entity or related party); and/or C5 (or any C5 entity or related party) whether pursuant to the Purchase and Sale Agreement or not, whether before, during, or after your tenure at DOD.
9. All agreements between Pallas Advisors (or any related entity or agent) and Amazon (and any related entity or agent), and financial records relating to any consideration paid to Pallas Advisors (or any agent or related entity) from Amazon (or any agent or related entity) or C5 (or any agent or related entity).

We reserve the right to make additional document or information requests should we deem it necessary to advance this investigation. Thank you for your cooperation in this important matter.

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<sup>18</sup> "Records" include any written, recorded, or graphic material of any kind, including letters, memoranda, reports, notes, electronic data (e-mails, email attachments, and any other electronically-created or stored information), calendar entries, inter-office communications, meeting minutes, phone/voice mail or recordings/records of verbal communications, and drafts (whether or not they resulted in final documents).



Sincerely,



Charles E. Grassley  
Ranking Member  
Committee on the Budget



Nancy Mace  
Member of Congress  
Committee on Oversight & Accountability

# Holland & Knight

800 17th Street N.W., Suite 1100 | Washington, DC 20006 | T 202.955.3000 | F 202.955.5564  
Holland & Knight LLP | [www.hklaw.com](http://www.hklaw.com)

Christopher J. Armstrong

July 27, 2023

*Via E-mail* [REDACTED]

The Honorable Charles E. Grassley  
United States Senate  
135 Hart Senate Office Building  
Washington, D.C. 20510

The Honorable Nancy Mace  
United States House of Representatives  
1728 Longworth House Office Building  
Washington, DC 20515

Re: July 13, 2023 letter to André Pienaar

Dear Senator Grassley and Congresswoman Mace:

On behalf of my client, André Pienaar, I write in response to your letter of July 13, 2023. As you note in your letter, Mr. Pienaar has provided assistance to previous inquiries related to the Department of Defense (“DoD”) Inspector General’s (“DoD IG”) 2020 report on the Joint Enterprise Defense Infrastructure (“JEDI”) Cloud Procurement. This matter has been fully reviewed by the DoD IG, the Government Accountability Office (“GAO”), the U.S. Court of Federal Claims, and the U.S. Court of Appeals for the Federal Circuit—and all relevant claims have been dismissed. Nevertheless, we appreciate this opportunity to further respond to questions on this matter and dispel the continued falsehoods being disseminated by the Oracle Corporation (“Oracle”).

Oracle has lobbied for years to secure congressional support for a debunked conspiracy theory that in reality is a common business grievance against a competitor, Amazon. Oracle has also aired these grievances with the Office of Management and Budget, the Council of Inspectors General on Integrity and Efficiency, and the Department of Justice. Each relevant authority rejected this debunked conspiracy theory.



Our letter states the facts of the matter in question, responds to statements in Senator Grassley's October 24, 2022 letter to Secretary Lloyd J. Austin and Acting Inspector General Sean O'Donnell, and also responds to your request.

## **The Facts**

The allegation at the root of the debunked conspiracy is that Mr. Pienaar sought to obtain an improper advantage for Amazon Web Services ("AWS"), of which his wife, Teresa Carlson, was an executive, in connection with the JEDI Cloud Procurement. This allegation is based on the well-established falsehood that Mr. Pienaar sought this influence by purchasing Sally Donnelly's business, SBD Advisors, when she joined DoD as an advisor to Secretary Jim Mattis. This claim has been widely circulated by Oracle in an effort to show why the company lost the since-cancelled JEDI contract, which AWS also lost (it was awarded to Microsoft).<sup>1</sup> The claim is completely and totally false. It has been debunked by every neutral arbiter who has reviewed the matter, including:

- The DoD OIG concluded—in a 300+ page report issued after conducting more than 80 interviews and reviewing 32 gigabytes of documents and information—that there is “no evidence that Ms. Donnelly gave Amazon officials greater or more frequent access to meetings with Secretary Mattis than Amazon’s competitors who requested to meet with him”; that there is “no evidence that Ms. Donnelly was involved in or influenced any aspect of the JEDI Cloud procurement”; and that there was no evidence to substantiate complaints of ethical improprieties against Ms. Donnelly.<sup>2</sup>
- The DoD OIG, in response to questions from Senator Grassley, reiterated its conclusions—and the extensive investigation of which they were the product—and specifically explained that it “found no evidence that Secretary Mattis’ meetings with Amazon differed substantively from similar meetings with Amazon’s industry competitors,” that Ms. Donnelly did not have “any role” in “shaping or developing the JEDI Cloud acquisition,” and that Ms. Donnelly “complied with her disclosure

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<sup>1</sup> It would not be in the best interests of our country's national security to allow an Oracle-driven propaganda campaign focused on a repeatedly debunked conspiracy theory to distract from the reality that Oracle has simply been unable to compete effectively in the free market. In a recent report by MarketWatch, one analyst made clear that “Amazon remains the de facto cloud provider, but Azure does not appear far behind,” Thill said, noting that 48% of CIOs surveyed reported that AWS was their primary cloud provider, while 43% said Azure, 8% said GCP and 3% said Oracle.” Available at <https://www.marketwatch.com/story/ai-is-driving-big-gains-in-tech-but-it-is-not-as-great-a-factor-in-cloud-spending-9bcab5c3>.

<sup>2</sup> Inspector General of the Department of Defense, Report on the Joint Enterprise Defense Infrastructure (JEDI) Cloud Procurement 7, 9, 200-01 (Apr. 13, 2020) [hereinafter, “Inspector General JEDI Report”], available at [https://media.defense.gov/2020/Apr/21/2002285087/-1/-1/1/REPORT%20ON%20THE%20JOINT%20ENTERPRISE%20DEFENSE%20INFRASTRUCTURE%20\(JEDI\)%20CLOUD%20PROCUREMENT%20DODIG-2020-079.PDF](https://media.defense.gov/2020/Apr/21/2002285087/-1/-1/1/REPORT%20ON%20THE%20JOINT%20ENTERPRISE%20DEFENSE%20INFRASTRUCTURE%20(JEDI)%20CLOUD%20PROCUREMENT%20DODIG-2020-079.PDF)

obligations.”<sup>3</sup> It also specifically rejected the accusation that “the DoD OIG downplayed Ms. Donnelly’s involvement in a ‘sales pitch’ meeting between Secretary Mattis and Amazon and Mr. Bezos in August 2017, and that this meeting had broader implications on the formation of the JEDI Cloud procurement process.”<sup>4</sup>

- The GAO rejected Oracle’s protest of the JEDI Cloud Procurement and specifically rejected Oracle’s assertion that conflicts of interest gave Amazon/AWS an unfair competitive advantage in the Procurement.<sup>5</sup>
- The Court of Federal Claims likewise rejected Oracle’s protest of the JEDI Cloud Procurement, specifically affirming as “reasonable and well supported” the Contracting Officer’s conclusion that Amazon/AWS did not obtain any improper “competitive advantage.”<sup>6</sup>
- The U.S. Court of Appeals for the Federal Circuit affirmed the Court of Federal Claims’ decision rejecting Oracle’s protest of the JEDI Cloud Procurement, specifically rejecting “the extensive array of claims raised by Oracle.”<sup>7</sup>
- Oracle also presented its same allegations that conflicts of interest gave an unfair competitive advantage to Amazon/AWS in the JEDI Cloud Procurement process to the Acting Director of the Office of Management and Budget (on April 20, 2020), the Executive Chair of the Council of Inspectors General on Integrity and Efficiency (on April 20, 2020), the U.S. Attorney’s Office for the Eastern District of Virginia (on June 23, 2020), and the Public Integrity Section of the Department of Justice’s Criminal Division (on September 17, 2020), and those offices all appropriately rejected Oracle’s claims.

Mr. Pienaar’s work to arrange the sale of SBD Advisors was done to assist Ms. Donnelly in her diligent efforts to comply with all applicable ethics rules. At no point was this effort intended to benefit AWS in any federal contract, at no point did it benefit AWS in any federal contract, and any claims to the contrary are false. We are also currently unaware of any instance in which any relevant information that was required to be disclosed was withheld during this process. None of these facts have prevented Oracle from attempting to spread its conspiracy theories through Congress and in the media.

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<sup>3</sup> Letter from Sean W. O’Donnell (Acting Inspector General, Department of Defense) to Hon. Charles Grassley & Hon. Richard Durbin at 3-4 (Sept. 15, 2021) [hereinafter “Inspector General Letter to Sen. Grassley”], available at [https://www.grassley.senate.gov/imo/media/doc/defense\\_dept\\_inspectorgeneraltograssleyjedireview.pdf](https://www.grassley.senate.gov/imo/media/doc/defense_dept_inspectorgeneraltograssleyjedireview.pdf).

<sup>4</sup> *Id.* at 3.

<sup>5</sup> In re Oracle America, Inc., B-416657; B-416657.2; B-416657.3; B-416657.4 (GAO Nov. 14, 2018), available at <https://www.gao.gov/assets/b-416657%2Cb-416657.2%2Cb-416657.3%2Cb-416657.4.pdf>.

<sup>6</sup> Oracle Am., Inc. v. United States, 144 Fed. Cl. 88, 125-26 (2019).

<sup>7</sup> Oracle Am., Inc. v. United States, 975 F.3d 1279, 1302-03 (Fed. Cir. 2020).



Due to reasons known only to Oracle and its leadership, rather than devoting its resources to taking on their competitors and providing superior service to the federal government and taxpayers, Oracle has chosen to spend its time, resources, and reputation on Capitol Hill to attack my client, Mr. Pienaar, his wife Teresa Carlson, and public servants such as Ms. Donnelly.

**Senator Grassley's June 24, 2022 Letter to Mr. Pienaar and October 24, 2022 Letter to Secretary Austin**

On June 24, 2022, Senator Grassley wrote to Mr. Pienaar requesting certain information related to the sale of SBD Advisors.<sup>8</sup> Following my client's full cooperation with this inquiry, including an in-depth briefing from counsel on July 26, 2022, Senator Grassley wrote to Secretary of Defense Lloyd J. Austin and Department of Defense Acting Inspector General Sean O'Donnell on October 24, 2022 ("October letter") relaying his views on these transactions and their alleged relationship with the Department of Defense's former JEDI Cloud procurement.

Because your offices show continued interest in this matter, I will first address a number of matters from the Senator's October letter:

1. On the first page of the October letter, Senator Grassley wrote "[a]s disclosed in her [Office of Government Ethics ("OGE")] Form 278e, dated May 17, 2017, Ms. Donnelly reported a payment related to the sale of SBD Advisors LLC for \$390,000. On her second OGE Form 278e, dated May 4, 2018, and filed two months after her resignation from the DoD, Ms. Donnelly reported the second, third, and final partial payments from the sale of SBD Advisors LLC totaling \$1,170,000, which she received while in federal service. Notably, both of Ms. Donnelly's OGE Forms failed to disclose the identity of the purchaser of SBD Advisors LLC."
  - a. It is important to note that OGE Form 278e does not require the filer to disclose purchasers, nor does it provide any indication that such information is required or expected.<sup>9</sup>
  - b. On pages 49-50 of Ms. Donnelly's interview with the DoD OIG: "Q: And who did you sell SBD Advisors to? A: André Pienaar was the organizer of the sale of SBD."<sup>10</sup>
  - c. On page 200 of the DoD OIG report, "Ms. Donnelly legally divested all of her SBD Advisors membership units before she accepted the position as Senior

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<sup>8</sup> Letter to Secretary Austin and Acting Inspector General O'Donnell, available at [https://www.grassley.senate.gov/imo/media/doc/grassley\\_to\\_defense\\_deptdefenseinspectorgeneralsb dadadvisorsllcconflictsofinterestreview1.pdf](https://www.grassley.senate.gov/imo/media/doc/grassley_to_defense_deptdefenseinspectorgeneralsb dadadvisorsllcconflictsofinterestreview1.pdf).

<sup>9</sup> Available at <https://www.oge.gov>

<sup>10</sup> Available at [https://www.dodig.mil/Portals/48/DODOIG-2020-001050%201st%20Interim%20response%20records\\_1.pdf](https://www.dodig.mil/Portals/48/DODOIG-2020-001050%201st%20Interim%20response%20records_1.pdf)

Advisor to Secretary Mattis, and partial payments for selling her stake in the company continued to come to her during her DoD employment. She disclosed those payments on her OGE 278 forms, as required.”<sup>11</sup>

2. The October letter also states on its second page that, “[k]nowledge of the entity that purchased Ms. Donnelly’s firm is a relevant and central to the question of whether a conflict of interest existed and could have substantively affected the protocols required to wall off Ms. Donnelly from potential and actual conflicts of interest while employed at DoD.”
  - a. Per the OIG report on page 194, there was already a process in place to wall off Ms. Donnelly from potential conflicts: “Ms. Donnelly was not Secretary Mattis’s scheduler, nor was she the decision-maker regarding his acceptance of meeting or dinner invitations.” There was a process where members of Sec. Mattis’ staff would receive input from parts of the office, including the Defense Standards of Conduct Office (“SOCO”) ethics officials, to make sure there were legal/ethical purposes satisfied. Chief of Staff Sweeney would vet the request after that, and refer to Sec. Mattis for final approval. Scheduling and logistics of meetings happen thereafter.
  - b. That same protocol protected from any potential conflict of interest with AWS, per page 195 of the OIG report: “As an example of Ms. Donnelly’s actions regarding Amazon access to Secretary Mattis, on April 17, 2017, an Amazon representative e-mailed Mr. Anthony DeMartino, former Chief of Staff to Deputy Secretary Shanahan and former Deputy Chief of Staff to Secretary Mattis, and asked for an April 27, 2017, meeting between Secretary Mattis and Mr. Bezos. Mr. DeMartino subsequently consulted Ms. Donnelly about Amazon’s request. On April 18, 2017, Ms. Donnelly sent Mr. DeMartino an e-mail stating, “We should stand back and let the [Secretary of Defense’s] schedule process work—we should take no action to help. Not our place, not proper.” Mr. DeMartino replied to Ms. Donnelly, “Roger. My thoughts exactly.”
3. According to Ms. Donnelly’s sworn testimony to the DoD OIG, “André Pienaar was the organizer of the sale of SBD.” DoD OIG never asked Ms. Donnelly to expand on what she meant by “organizer” of the sale.
  - a. André Pienaar did not have interest in purchasing Ms. Donnelly’s company. Pienaar was helping a longstanding business partner who needed to sell her company quickly to comply within DoD ethics rules. Pienaar agreed to organize

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<sup>11</sup> DoD IG report, at 200.



the sale in less than three days with the intention of selling all shares to other investors, which Pienaar subsequently did.

- i. In sworn testimony with DoD OIG Donnelly was asked “Q: So, you said you sold 80 percent of SBD. Was there another partner? A: Yes, ma' am. It was André Pienaar.”
4. Page four of the letter states, “[o]n January 19, 2017, three days before she entered federal service, Ms. Donnelly sold her 80 percent stake in SBD Advisors LLC to VMAP Investor LLC for \$1,560,000 paid in two installments of \$780,000. According to the Purchase and Sale Agreement, the first payment was supposed to be made within two weeks of execution of the Agreement and the second payment within six months of the first payment. However, according to DoD OIG, Ms. Donnelly ‘did not receive payment for SBD Advisors LLC as indicated in the Purchase and Sale Agreement,’ but instead received four installments of \$390,000 paid on January 2017, March 2017, July 2017, and March 2018.”
  - a. Ms. Donnelly sold her 80% stake (100% of her shares) and was free and clear of SBD Advisers when she joined the DOD.
  - b. The payments she received subsequently were unrelated to the performance of SBD Advisers and due to her regardless of what happened to the business.
  - c. On January 19, 2017, Donnelly received the first payment of \$390,000 before entering the DOD.
  - d. André Pienaar had to find additional investors to raise the capital needed to complete the financing of the sale, which is why the deal was structured with additional installments. Ms. Donnelly had no idea and no financial interest in who those investors might be; she was owed a set amount via installment payments from the entity that purchased SBD Advisors no matter who VMAP may have turned to later in order to finance that purchase.
  - e. As detailed on pages 190-91 of the DoD OIG report, Donnelly received the installments of the remainder of the initial deal in March of 2017 (\$390,000), July 2017 (\$390,000) and March of 2018 (\$390,000).
5. Page 5 of the October letter states that “[d]espite repeated requests, Mr. Pienaar’s counsel refused to identify this investor, but described him or her as someone with experience in the mining industry who may have also served on the board of C5 Capital.”

- a. Again, Mr. Pienaar agreed to fully cooperate with Sen. Grassley and his legal counsel met with Senator Grassley's staff on July 26, 2022, and gave them access to an unredacted copy of the agreement the day prior, on July 25.
6. Page six of the letter states, "[f]or example, according to DoD OIG, '[s]ometime in March 2017, Ms. Donnelly received the second partial payment of \$390,000 from her sale of SBD Advisors membership units."
  - a. This was scheduled from the sale of the SBD Advisors prior to Donnelly entering DoD and not a new payment.
  - b. Per the OIG report pg. 202 "Ms. Donnelly legally divested all of her SBD Advisors membership units before she accepted the position as Senior Advisor to Secretary Mattis, and partial payments for selling her stake in the company continued to come to her during her DoD employment. She disclosed those payments on her OGE 278 forms, as required."
7. Page six also states, "[a]round this same time, Ms. Donnelly attended a dinner in the United Kingdom with Secretary James Mattis, Mr. Pienaar, and Theresa Carlson, then-Vice President of Amazon Worldwide Public Sector Business, among others."
  - a. The dinner was hosted in honor of the late Duke of Westminster with whom Secretary Mattis worked on a voluntary basis to build the new UK Defense and Rehabilitation Center (DNRC). Secretary Mattis had missed the Duke's Memorial Service because of his engagement with the Trump transition team.
  - b. General Lamb is listed as the Host of this dinner , and the invitation and attendees worked its way through the ordinary course for approval at DoD. No cloud discussion occurred during the dinner, per Kevin Sweeney, the DoD Chief of Staff.<sup>12</sup>
  - c. Page 173 of the DoD OIG report states that, in reviewing the itinerary for the UK trip, "The SOCO Attorney wrote in an e-mail, "no ethics objections" for Secretary Mattis' itinerary and the dinner in the U.K. with the named attendees."
8. Page six also states: "Notably, at this dinner, Ms. Carlson, on behalf of Mr. Jeff Bezos, then-President and Chief Executive Officer of Amazon, requested a meeting with Secretary Mattis for the purposes of discussing Mr. Bezos' 'thoughts/observations on DoD's relationship with the tech [technology] sector.'" This suggests that Ms. Carlson made this request.

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<sup>12</sup> DoD IG report, at 173.



- a. The quoted text is from an email sent by an Amazon representative on April 17, 2017 - it is not a quote from Ms. Carlson, per page 176 of the DoD OIG report.
  - b. Secretary Mattis told OIG investigators that he did not recall “a single mention of the cloud or of Amazon” at the dinner, per page 173 of the DoD OIG report.
  - c. Admiral Craig Faller, who attended the dinner, told DoD OIG investigators that he “heard no discussion about cloud computing during the dinner,” per page 174 of the DoD OIG report.
  - d. When Ms. Carlson was introduced to Sec. Mattis, she was introduced as part of AWS Cloud computing, to which Mattis then responded, “that he could not envision the DoD moving to the cloud because of potential security issues,” per page 174 of the DoD OIG report.
9. Page six also quotes an AWS Public Sector Blog post stating, “AWS is also one of several organizations that support two C5 startup accelerator programs, the Peacetechn Accelerator in Washington, D.C. and the Cloud 10 Scalerator in Bahrain, to help early-stage businesses with mentorship, training on cloud computing skills, and access to potential investors.... C5 [also] became part of the AWS Partner Network Channel Reseller Program for one deal supporting the Bahrain Information and eGovernment Authority,’ in April 2017.”
  - a. The Peacetechn Accelerator was partnered with the United States Institute for Peace to support the entrepreneurs from conflict or post conflict countries to build startups that could help bring peace to their countries. The Bahrain accelerator was focused on supporting female startup entrepreneurs in the Gulf region.
  - b. Amazon is the fifth-largest company in the world. It has hundreds, if not thousands, of partners. Amazon is one of several companies that supported the Peacetechn and Cloud 10 Scalerator.
  - c. Regarding the Bahrain Information and eGovernment Authority, this involved one payment of \$3,000 related to Amazon Cloud for use in the Bahrain accelerator.
10. Finally, the report states: “Taken together, while in government service, Ms. Donnelly received payments from VMAP Investor LLC—an entity directly linked to two senior C5 officials, a company connected to Amazon. These facts were not included in DoD or DoD OIG’s conflicts analysis.”
  - a. The DoD OIG’s conflict analysis extensively details both of these facts on pages 188-201.

- b. The OIG Conclusion summary of the report refutes these claims. On page 200, the DoD OIG writes, “[w]e did not find evidence that she failed to disclose payments from SBD Advisors on her OGE 278e, provided preferential treatment to Amazon, or improperly participated in the JEDI Cloud procurement because of her prior associations with Amazon, SBD Advisors, and C5 Capital.”
- c. On page 201, the DoD OIG concludes, “with regard to financial disclosures and SBD Advisors consulting relationships with C5 Capital and AWS, we found that Ms. Donnelly sold her SBD Advisors membership units and properly annotated both her initial and termination financial disclosure forms to reflect the total proceeds she received from the sale of SBD Advisors. She sought ethics advice on how to complete this documentation, and submitted the appropriate reports as required. In addition to the disclosure of SBD Advisors, she submitted a Periodic Report consistent with OGE procedure to disclose financial information involving an entity not related to AWS or SBD Advisors and had no connection to the JEDI Cloud procurement. We likewise found no evidence that she had an ongoing or undisclosed financial relationship with C5 Capital or Amazon and its affiliates that would have required her to recuse from any of her official duties during her service in the DoD.”

### **Your July 13, 2023 Request**

Your recent letter requests a large amount of information, most of which is already known. Nonetheless, we are happy to respond to these requests.

- The first request is for an unredacted copy of the January 2017 Purchase and Sale Agreement. This can be easily found as Exhibit D in Senator Grassley’s October letter. We previously shared an unredacted copy in confidence on July 25, 2022 – in an effort to protect the privacy of individuals who had no business before the United States government - only to find it published online. If you are unable to read that text please let us know and we can provide it yet again.
- The second request is for “[a]ll records between and among you or any party associated with C5 or VMAP Investors LLC, and Sally Donnelly, Anthony DeMartino, or any DOD official, related to Amazon or the JEDI cloud procurement.” After an extensive search, we found no relevant records.
- The third request is for “[a]ll records between and among you or anyone at C5 or its subsidiaries or affiliates and anyone with anyone at Amazon, related to Sally Donnelly, SBD Advisors, ITC Global, and the JEDI cloud contract.” After an extensive search, we found no relevant records.



- Your fourth request is for “[f]inancial records reflecting any payments pursuant to the January 2017 Purchase and Sale Agreement, including but not limited to each of the purported \$390,000 payments previously referenced in the DoD OIG Report.” Details of all the relevant payments are already in your possession and in the public domain. No payments were made other than those already disclosed by Sally Donnelly to the DOD.
- Your fifth request is for “financial records of all payments from Amazon, or any person or entity acting on behalf of Amazon, received by you, C5 Capital, or any of its subsidiaries, officers, or employees at any time from 2015 to the present.” C5 Capital has never received any funds of any kind from Amazon. C5 Accelerate, the division of C5 that ran C5’s accelerator programs, received matched funds from Amazon in line with its standard accelerator support program. In other words, to receive these funds from Amazon, C5 Accelerate had to spend an equivalent amount on the accelerator program. In Bahrain this was \$340,000 in 2017 and for the Peacetech Accelerator \$300,000 in 2018.
- Your sixth request is for “financial records relating to any consideration you paid in connection with the sale of SBD Advisors....” We have already briefed Senator Grassley’s staff on this issue and have no new information.
- Your seventh request is for “all agreements and financial records relating to and consideration paid to Pallas Advisors (or any related entity) from Amazon (or any related entity), or C5 (or any related entity).” C5 has never had any dealings with Pallas Advisors.
- Your eighth, and final request, is impossibly broad. The request is for “all records reflecting communications between and among you or your representatives and any CS entity or person in connection with SBD Advisors.” I welcome clarification on what this request means.

Thank you for this opportunity to clarify the facts on this matter.



Christopher J. Armstrong

The Honorable Charles E. Grassley

The Honorable Nancy Mace

July 27, 2023

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1050 30th Street, NW  
Washington, DC 20007  
+1.202.753.5553 (o)  
+ [REDACTED] (c)  
[www.eellaw.com](http://www.eellaw.com)

Michael N. Levy  
Partner  
[REDACTED]

September 1, 2023

Senator Charles E. Grassley  
Congresswoman Nancy Mace  
United States Congress  
Washington, DC 20515

*Via Electronic Mail*

Re: JEDI Cloud Procurement

Dear Senator Grassley and Congresswoman Mace:

I am writing in response to your July 13, 2023 letter to my client Sally Donnelly.<sup>1</sup> Sadly, entities with a financial interest in the Department of Defense's cloud computing contract have continued to wage a long-standing battle of disinformation, and my client is an unwarranted victim.<sup>2</sup> I appreciate this opportunity to correct some of the misleading and inaccurate premises upon which this false narrative is constructed.

As you know, shortly before he became Secretary of Defense, General James Mattis asked Ms. Donnelly if she would serve as his Senior Advisor. Called again to public service, Ms. Donnelly sold the business she had built, SBD Advisors, and joined Secretary Mattis's staff. Ms. Donnelly was honored to serve alongside the men and women of the Department of Defense for 14 months and is rightfully proud of her service. She adhered to all ethical and legal obligations and always acted in the best interest of the national security of the United States.

Your letter asserts that in her initial financial disclosure report (OGE Form 278e) Ms. Donnelly "failed to disclose" the purchaser of SBD Advisors and the remaining balance due on that sale. The Department of Defense Inspector General thoroughly investigated these same

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<sup>1</sup> Although I have been representing Ms. Donnelly in connection with this matter for more than five years, Senator Grassley's staff only sent a copy of this letter to me after 7:00 pm on August 10, less than 24 hours before I was scheduled to begin a long-planned August vacation. As I explained at that time, I am responding upon my return to the office.

<sup>2</sup> *Someone Is Waging a Secret War to Undermine the Pentagon's Huge Cloud Contract*, Defense One, August 20, 2018, <https://www.defenseone.com/technology/2018/08/someone-waging-secret-war-undermine-pentagons-huge-cloud-contract/150685/>.



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allegations and issued an extensive report more than three years ago completely exonerating Ms. Donnelly.<sup>3</sup> As the Inspector General found, Ms. Donnelly worked closely with experts from the Department of Defense Standards of Conduct Office (“SOCO”) to complete her Form 278e properly. As required, she disclosed to SOCO and on her Form 278e that, prior to re-entering government service, she sold the entirety of her partial ownership stake in SBD Advisors. She disclosed that, prior to re-entering government service, she had thus far received as income from that sale \$390,000 toward the full value of her partial ownership stake in SBD Advisors, which she disclosed – pursuant to the Form 278e – was worth between \$1 million and \$5 million. She also disclosed to SOCO and on her Form 278e that, while at SBD Advisors, she had received more than \$5,000 annually in compensation from consulting services provided to both Amazon Web Services and C5 Capital. When Ms. Donnelly left the Department of Defense the following year, again working closely with the experts at SOCO, she filed a “termination” Form 278e that expressly disclosed the remaining \$1,170,000 in payments she received pursuant to the sale of SBD Advisors.

The Inspector General’s investigation was professional, exhaustive, and objective. A multi-disciplinary team interviewed 80 individuals and carefully reviewed more than 32 gigabytes of emails and other documents.<sup>4</sup> Their final report was more than 300 pages long. Their conclusions about Ms. Donnelly’s conduct were unambiguous: “We determined that Ms. Donnelly did not violate any ethical agreements and obligations regarding Office of Government Ethics financial disclosures.”<sup>5</sup> The Inspector General made that determination because it is true.

Indeed, notwithstanding your suggestions to the contrary, the Inspector General understood that Secretary Mattis had given Ms. Donnelly very little advance notice of his request to join the Department, that Ms. Donnelly logically had turned to the other owner of an equity interest in SBD Advisors, Andre Pienaar, and sold her interest in the business to him at the same valuation that she last had purchased part of Mr. Pienaar’s interest in the business from him.<sup>6</sup> All of these facts were included in the Inspector General’s report and considered as part of the Inspector General’s conclusion that Ms. Donnelly complied with her ethical obligations and made all required financial disclosures:

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<sup>3</sup> Inspector General, U.S. Department of Defense, Report on the Joint Enterprise Defense Infrastructure (JEDI) Cloud Procurement (April 13, 2020), [https://media.defense.gov/2020/Apr/21/2002285087/-1/-1/1/REPORT%20ON%20THE%20JOINT%20ENTERPRISE%20DEFENSE%20INFRASTRUCTURE%20\(JEDI\)%20CLOUD%20PROCUREMENT%20DODIG-2020-079.PDF](https://media.defense.gov/2020/Apr/21/2002285087/-1/-1/1/REPORT%20ON%20THE%20JOINT%20ENTERPRISE%20DEFENSE%20INFRASTRUCTURE%20(JEDI)%20CLOUD%20PROCUREMENT%20DODIG-2020-079.PDF) (“IG Report”).

<sup>4</sup> *Id.* at 5-6.

<sup>5</sup> *Id.* at 9 (emphasis added).

<sup>6</sup> *Id.* at 169 n.144 (“Ms. Donnelly and Mr. Pienaar co-owned SBD Advisors. Ms. Donnelly sold her share of ownership of SBD Advisors to Mr. Pienaar in January 2017, prior to entering on duty with the DoD.”); *id.* at 190 (noting that, in January 2017, “Ms. Donnelly owned 80 percent of all SBD Advisors membership units.”); *id.* at 191-92 (quoting an August 2017 email from a SOCO attorney describing how, in 2016, Ms. Donnelly had purchased a 20% interest in SBD Advisors from Mr. Pienaar for \$390,000).

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We did not find evidence that she failed to disclose payments from SBD Advisors on her OGE 278e .... We found that the DoD SOCO worked closely with Ms. Donnelly on her OGE 278e form submissions and that SOCO determined that Ms. Donnelly complied with her ethics agreements and her ethical obligations regarding financial disclosures. Ms. Donnelly legally divested all of her SBD Advisors membership units before she accepted the position as Senior Advisor to Secretary Mattis, and partial payments for selling her stake in the company continued to come to her during her DoD employment. She disclosed those payments on her OGE 278 forms, as required....

With regard to financial disclosures and SBD Advisors consulting relationships with C5 Capital and AWS, we found that Ms. Donnelly sold her SBD Advisors membership units and properly annotated both her initial and termination financial disclosure forms to reflect the total proceeds she received from the sale of SBD Advisors. She sought ethics advice on how to complete this documentation, and submitted the appropriate reports as required.<sup>7</sup>

As the Inspector General informed Congress when asked about these issues more than a year ago, “neither the purchaser nor the purchase vehicle of Ms. Donnelly’s [company] was relevant to whether she complied with her ethical obligations.”<sup>8</sup> Once Ms. Donnelly sold her interest in SBD Advisors, she had no further financial interest in the performance of that company. Whether the company performed well or poorly was irrelevant to Ms. Donnelly. Moreover, having acquired Ms. Donnelly’s interest in SBD Advisors, the purchasers were free in turn to sell all or part of the company to anyone else of their choosing at any time without Ms. Donnelly knowing about it. As the Inspector General properly understood, for ethical purposes the ownership of SBD Advisors – whether on January 22, 2017, or October 12, 2017, or March 1, 2018, or any other date – whatever it was, was simply irrelevant.<sup>9</sup>

The Inspector General’s investigation also thoroughly refuted the repeated false allegations that Ms. Donnelly may have attempted to influence the JEDI cloud procurement to

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<sup>7</sup> *Id.* at 200-01 (emphasis added).

<sup>8</sup> Letter from Senator Charles E. Grassley to Secretary Lloyd J. Austin and Acting Inspector Gen. Sean O’Donnell, Dep’t of Def. (October 24, 2022), [https://www.grassley.senate.gov/imo/media/doc/grassley\\_to\\_defense\\_deptdefenseinspectorgeneralsbdadvisorsllconflctsofinterestreview1.pdf](https://www.grassley.senate.gov/imo/media/doc/grassley_to_defense_deptdefenseinspectorgeneralsbdadvisorsllconflctsofinterestreview1.pdf), at 2, *quoting* Letter from Acting Inspector Gen. Sean O’Donnell, Dep’t of Def., to Congresswoman Yvette Herrell at 10 (Mar. 8, 2022).

<sup>9</sup> These dates are merely illustrative. Consistent with the basic tenets of private property, Ms. Donnelly does not know who owned all or part of SBD Advisors at any given time after she sold her interest. Following that sale, SBD Advisors also was free to work (or not work) with whatever clients it chose; Ms. Donnelly was no longer privy to or concerned with its client list.

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favor her (again, properly disclosed) former client Amazon Web Services.<sup>10</sup> While at the Department of Defense, Ms. Donnelly had no role in acquisition or procurement. She played no role, and exercised no influence, in connection with any government contract, including – as the Department of Defense has confirmed repeatedly – the JEDI procurement. To suggest otherwise not only flies in the face of the most fundamental procedures of government contracting but also denigrates the roles of the dedicated career men and women at the Department of Defense who have spent countless hours developing and refining that and hundreds of other contracts with the sole purpose of protecting the safety and security of the United States.

The Inspector General looked thoroughly at all suggestions that Ms. Donnelly may have played a role in the JEDI procurement and, based on the evidence, not biased supposition, flatly rejected all of them. As the Inspector General summarized his lengthy and detailed findings in his April 2020 report:

We did not substantiate any of the allegations regarding Ms. Donnelly. We did not find evidence that she ... provided preferential treatment to Amazon, or improperly participated in the JEDI Cloud procurement because of her prior associations with Amazon, SBD Advisors, and C5 Capital.

We found ... no evidence that Ms. Donnelly gave Amazon officials greater or more frequent access to meetings with Secretary Mattis than Amazon's competitors who requested to meet with him. On the contrary, we found that Ms. Donnelly encouraged and helped organize Secretary Mattis' August 2017 trip to Washington and California to meet with officials from Amazon, Microsoft, Apple, and Google so he could hear perspectives from each company on corporate cultures, innovative technology risk-taking, and cloud data security.

Moreover, Ms. Donnelly was not Secretary Mattis' scheduler, and did not screen his invitations to decide which invitations should be presented to him for consideration. Mr. Sweeney, the Chief of Staff, had that duty. Once an invitation came to Secretary Mattis, Mr. Sweeney or Secretary Mattis' scheduler assisted him by requesting ethics opinions before Secretary Mattis accepted invitations. After he accepted invitations, Ms. Donnelly assisted the staff in organizing and facilitating his attendance and any associated travel, which did not favor Amazon or any other company.

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<sup>10</sup> Although your July 13, 2023 letter states that you “must determine” whether Ms. Donnelly attempted to sell AWS services to the Department of Defense while she served as Senior Advisor to Secretary Mattis (as the IG concluded, she did not) and expresses a purported need to “conduct independent oversight of [her] role in the JEDI Cloud procurement” (as the IG concluded, she played no role), your questions relate almost entirely to Ms. Donnelly's private business affairs and not to your proffered legislative purpose. To the extent any of your questions relate to Ms. Donnelly's service at the Department of Defense, responsive materials would be housed there.



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We also found no evidence that Ms. Donnelly was involved in or influenced any aspect of the JEDI Cloud procurement. She did not participate in drafting or reviewing any procurement-related documents, was not a member of the CESG or any factor evaluation panels. None of the witnesses told us she participated in any of the 27 common acquisition activities we queried them about, and none ever met or engaged with her on the procurement. The [Procuring Contracting Officer] investigation and [Government Accountability Office] review each reached the same conclusion that Ms. Donnelly played no role in the JEDI cloud procurement, and her prior consulting ties with AWS and C5 Capital while she owned SBD Advisors did not affect the integrity of the procurement....

In sum, we determined that Ms. Donnelly did not violate any ethical agreements and obligations regarding OGE financial disclosures, did not give preferential treatment to Amazon officials or restrict access to Secretary Mattis for other industry leaders, and did not violate any post-Government employment standards.<sup>11</sup>

In the three years since the release of that report, the Inspector General has been unwavering in the face of repeated efforts to recycle these rejected allegations, including in multiple letters to Senator Grassley and other members of Congress. No matter how one tries to twist the facts, while working at the Department of Defense Ms. Donnelly simply did not provide preferential treatment or greater access to Amazon or anyone else and played no role in the JEDI or any other procurement.

It is also worth noting that, at its most basic level, the foundational premise of your letter is wrong. Your letter begins by referencing questions about Ms. Donnelly's alleged role "in the initial selection of Amazon for this \$10 billion 'tailored' cloud contract with DOD." Amazon Web Services, of course, was not actually selected (initially or otherwise) to receive the \$10 billion JEDI contract. Microsoft was selected but, as you know, never received the contract because the Department of Defense cancelled the JEDI cloud procurement in July 2021.<sup>12</sup> Not only was Amazon not selected for the JEDI contract, but in the end no one was.

These allegations about Amazon, Ms. Donnelly, and the JEDI procurement have been raised, again and again, for more than five years. They have been universally rejected, again and again. They were raised before the JEDI Cloud Procuring Contracting Officer in July 2018 and rejected. They were raised before the Government Accountability Office in November 2018 and

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<sup>11</sup> IG Report at 200-01.

<sup>12</sup> See DOD Aims for New Enterprise-Wide Cloud by 2022, Dep't of Def. (July 7, 2021), <https://www.defense.gov/News/News-Stories/Article/Article/2684754/dod-aims-for-new-enterprise-wide-cloud-by-2022/>.

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rejected. They were raised before the U.S. Court of Federal Claims and rejected in July 2019. The U.S. Court of Appeals for the Federal Circuit affirmed that rejection in September 2020, and the U.S. Supreme Court denied Oracle's request for further review in October 2021. They were raised before the Department of Defense Inspector General, which issued a comprehensive 313-page report in April 2020 rejecting them. They were raised before the Acting Director of the Office of Management and Budget in April 2020 and rejected. They were raised before the Council of the Inspectors General on Integrity and Efficiency in April 2020 and rejected. They were raised before the U.S. Attorney's Office for the Eastern District of Virginia, where the Pentagon is located, in June 2020 and rejected. They were raised before the Public Integrity Section of the Department of Justice in September 2020 and rejected. These allegations have been rejected, over and over and over again, because there simply is not – and never has been – any there there.

In light of all of the foregoing, I feel confident saying that your questions about Ms. Donnelly's alleged influence (that never occurred) more than half a decade ago, with respect to a contract (for which Amazon was not selected) that was never even awarded, does nothing to protect our courageous warfighters or our national security. It is long past time to stop indulging these financially-motivated, counter-factual diversions about the cancelled JEDI procurement and focus instead on the Joint Warfighting Cloud Capability contract that actually *was* awarded last year<sup>13</sup> to ensure it is appropriate for the task and implemented properly. Self-interested squabbles over the JEDI cloud procurement already have delayed our military's technological development in a world in which cloud services and artificial intelligence become more critical by the day. They should not be allowed any longer to distract the Congress, the Department of Defense, or our country from a task so central to our national safety and security.

Sincerely,



Michael N. Levy

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<sup>13</sup> The Department replaced the cancelled JEDI procurement with the multi-provider Joint Warfighting Cloud Capability program. See Department of Defense Announces Joint Warfighting Cloud Capability Procurement, Dep't of Def. (December 7, 2022), <https://www.defense.gov/News/Releases/Release/Article/3239378/department-of-defense-announces-joint-warfighting-cloud-capability-procurement/>.

**Congress of the United States**  
**Washington, DC 20515**

October 10, 2023

**VIA ELECTRONIC TRANSMISSION**

Mr. Christopher J. Armstrong  
Partner  
Holland & Knight  
800 17<sup>th</sup> St. NW  
Washington, DC 20006

Dear Mr. Armstrong:

Thank you for your July 27<sup>th</sup> letter responding to our JEDI inquiry. However, your response on Mr. Pienaar's behalf is seriously deficient, and it misrepresents a number of key points. And no records backing up your assertions were provided. This is an opportunity for Mr. Pienaar to give his version of the facts and to support them with records. It's not Congress's duty to defer to a single Department of Defense Office of Inspector General (OIG) investigation, and its report, which was riddled with problems. Congress has authority to independently review the matter and the OIG's work, especially since we possess new information that the OIG failed to obtain. It's within your client's power to provide answers and records that would help us reach the truth, but your client has declined to do so. We welcome information from *any* source that furthers the public interest and gets us closer to the truth, and we're conducting an independent investigation following the facts wherever they lead.

Any claim that "[t]his matter has been fully reviewed by . . . the Government Accountability Office ('GAO'), the U.S. Court of Federal Claims, and the U.S. Court of Appeals for the Federal Circuit" isn't accurate. Neither Mr. Pienaar nor Ms. Donnelly is mentioned even once in the final decisions in any of those proceedings.<sup>1</sup> And of course, Mr. Pienaar's disclosure late last year that a C5 company, VMAP, was formed for the purpose of buying Ms. Donnelly's consulting firm, was new information that couldn't have been analyzed in those proceedings because of Ms. Donnelly's and C5's successful efforts to conceal that fact from the public eye. Given information that is new, and unanswered questions that are old, this matter is ripe for examination to complete the public record.

While it would be unwieldy to respond to every comment in your eleven-page letter, many of which don't directly relate to your client, it's helpful to look at some of the main points. We'll start off by noting that almost all of your letter responds to Senator Grassley's October 2022 letter to Secretary Austin and Acting Inspector General O'Donnell, and not to our recent joint letter. Your letter also attempts to speak on behalf of Ms. Donnelly, who isn't your client,

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<sup>1</sup> U.S. Gov't Accountability Office, Decision in the Matter of Oracle America, Inc. (November 14, 2018), <https://www.gao.gov/assets/b-416657/b-416657.2,b-416657.3,b-416657.4.pdf>; *Oracle Am., Inc. v. United States*, 144 Fed. Cl. 88 (2019), *aff'd*, 975 F.3d 1279 (Fed. Cir. 2020).



even making claims about her state of mind. Although there are plenty of reasons to call many of your assertions into question, we'll only address matters with you that involve your client.

Your letter claims that you're, "currently unaware of any instance in which any relevant information that was required to be disclosed was withheld during this process [of the sale of SBD Advisors and subsequent proceedings]." If this were true, it would mean there's no legal obligation to candidly answer a direct question in an OIG investigation. As our previous letter noted, Ms. Donnelly was directly asked in the course of an official OIG interview who purchased her company, and rather than truthfully revealing the role your client's business, C5 Capital and VMAP, played in the purchase, she instead claimed that, "Andre Pienaar was *the organizer* of the sale of SBD." (Emphasis added.) While you're correct that the OIG didn't ask Ms. Donnelly to expand on her statement, that doesn't excuse her for offering a non-answer, and it also illustrates why this congressional investigation is necessary. She also had the duty to correct the misunderstanding her evasive answer created. The OIG understood Ms. Donnelly to mean that your client personally was the purchaser of her firm, as evidenced by the OIG's next question:

Q: And who did you sell SBD Advisors to?

A: Andre Pienaar was the organizer of the sale of SBD.

Q: Do you remember the date *that you sold the company to Andre Pienaar*?

A: I believe *we signed the documents* on the 19th of January, 2017, but I probably owe you a confirmation if I can find the paperwork.<sup>2</sup>

Ms. Donnelly not only didn't correct this false impression, but she answered as though that understanding was correct. We need to know whether your client had any role in Ms. Donnelly's decision to hide the identity of the purchaser and represent your client as merely "the organizer," and if so, why he wanted information concealed linking C5 and VMAP to the purchase.

Your letter also touches on the March 31, 2017, U.K. dinner, at which your client, Ms. Teresa Carlson, Ms. Donnelly, Secretary Mattis, and others were present. Because your client was present at this dinner, we'll address some of your points here as well. You selectively quote, as did the OIG, the DOD Standards of Conduct Office (SOCO) attorney who wrote that there was, "no ethics objection" regarding the dinner. This perfectly illustrates yet again why your reliance on the OIG report, and your expectation that we should do so, is misguided. The email you refer to was sent March 24, 2017, from DOD Office of General Counsel (OGC), and it didn't indicate that a full ethics screening had been performed. Instead, the email focused upon whether the Secretary "may accept the 'gift' of the meal," and which ethics exemptions would allow that gift.<sup>3</sup>

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<sup>2</sup> U.S. Dep't of Defense, Office of Inspector Gen., Interview of Sally B. Donnelly (August 15, 2019) at 6 (emphasis added), [https://www.dodig.mil/Portals/48/DODOIG-2020-001050%201st%20Interim%20response%20records\\_1.pdf](https://www.dodig.mil/Portals/48/DODOIG-2020-001050%201st%20Interim%20response%20records_1.pdf).

<sup>3</sup> Email from redacted sender, Senior Attorney and Deputy Designated Agency Ethics Official, Standards of Conduct Office, Office of General Counsel, U.S. Dep't of Defense, to redacted recipient in Office of the Secretary of Defense (March 27, 2017 at 5:19 p.m.), on file with staff.

For the UK dinner, the exemption from the gift restrictions outlined above would apply in the same manner. Additionally, there is a special exception for "meals in foreign areas" that would provide an alternate basis to authorize attendance if the "formal" presentation of information is less likely.

Indeed, the email to OGC ethics official regarding the dinner, which prompted the SOCO email, didn't even identify either your client's or Ms. Carlson's business affiliations, which would have been necessary to conduct a full and complete ethics review.

From: (b) (6) CIV SD  
Sent: Friday, March 24, 2017 9:15 AM  
To: (b) (6) CIV OSD OGC (US) (b) (6) (b) (6)  
Cc: (b) (6) CIV SD (b) (6) (b) (6) (b) (6) CIV SD (b) (6) (b) (6)  
Subject: dinners we spoke of...

Hi (b) (6),

For the boss' upcoming trip to NYC and UK, the FO asked that I get your scrub on the attendees for the two dinners we spoke of. Context: He is -- in a sense -- the guest of honor at both events which were arranged and assembled by the hosts. He has personal relationships with most - if not all - of the attendees of the Friday dinner in the UK

Here are the attendees as I have them:

Friday (UK)  
18:30 - 20:00

**Dinner**

Principal, Faller, Donnelly  
General Graeme Lamb - Host: assembled guest list  
General David Richards  
Major General James Chiswell  
Minister Tobias Ellwood  
Cheryl Plumridge  
Teresa Carlson  
Andrew Pienaar

**Off the Record - Listening Mode**

This is unlike the list of attendees supplied for the New York dinner (which the Secretary attended on his way to the U.K.), which did include attendees' corporate affiliations.

**Bloomberg Dinner**

Principal. Faller, Donnelly  
Michael Bloomberg - Host, assembling guest list  
James Gorman, CEO, MorganStanley  
Gerald Hassell, CEO, Bank of New York  
Stephen Schwarzman, CEO, Blackstone  
Urusla Burns, Chairman of the Board, Xerox  
Mike Corbat, CEO, Citigroup  
Anne Finucane, Vice Chairman, Bank of America  
Tim Geithner, Former Secretary of the Treasury  
Stephen Ross, Chairman, Related Companies

Ms. Donnelly, at the time, also had not disclosed her ongoing payments from your client's company because she hadn't filed an ethics disclosure yet and wouldn't file it until nearly two months after the U.K. dinner. Accordingly, ethics officials couldn't have considered that information.<sup>4</sup> Ms. Donnelly's former company, SBD Advisors, reportedly maintained Amazon as a client throughout Ms. Donnelly's time at the DOD, which if true means that Ms. Donnelly was being paid for the purchase even as funds reportedly came in to SBD Advisors from Amazon.<sup>5</sup>

It is also important to note that the U.K. dinner laid the groundwork for the JEDI contract, as it led to the August 10, 2017, meeting between Mr. Bezos and Secretary Mattis that was behind the Secretary's decision to move the DOD to the cloud, apparently with the intent to award the massive contract without competition solely to Amazon.<sup>6</sup> While you repeatedly allude to the fact that Microsoft ultimately was awarded the JEDI contract, that fact isn't dispositive as to the questions we are investigating, which is whether serious conflicts were allowed to exist at DOD and whether your client or Ms. Donnelly improperly attempted to use her role at DOD for private gain.

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<sup>4</sup> Letter from Senator Charles Grassley, Ranking Member, U.S. Senate Comm. On the Judiciary, to Lloyd Austin, Secretary, U.S. Dep't of Defense, and Sean O'Donnell, Acting Inspector General, Dep't of Defense, Office of the Inspector General, Exhibit A, Sally Donnelly New Entrant Report, OGE Form 278e, (October 24, 2022), [https://www.grassley.senate.gov/imo/media/doc/grassley\\_to\\_defense\\_deptdefenseinspectorgeneralsbdadvisorsllconflctsofinterestreview1.pdf](https://www.grassley.senate.gov/imo/media/doc/grassley_to_defense_deptdefenseinspectorgeneralsbdadvisorsllconflctsofinterestreview1.pdf).

<sup>5</sup> The Daily Caller, Andrew Kerr, Government Ethics Watchdogs Fear Amazon's Web of Influence May Have Tainted Pentagon's \$10 Billion JEDI Cloud Deal (August 8, 2018), <https://dailycaller.com/2018/08/08/sally-donnelly-defense-department-jedi-cloud-amazon/>.

<sup>6</sup> See, e.g., email, William Roper, United States Air Force, to Pat Shanahan, Deputy Secretary of Defense, and Ellen Lord, Undersecretary for Acquisitions (August 12, 2017) (reporting on Secretary Mattis's August 10, 2017 Amazon visit and noting that Secretary Mattis made an "important decision" on that trip, and that the Secretary, "now believe[d] in Cloud tech and wants to move the Departments to it"), forwarded to Ms. Donnelly by Anthony DeMartino (August 14, 2017 at 7:20 a.m.); email, Jennifer Chronis, Amazon Web Services, to Joshua J. Marcuse, Office of the Secretary of Defense (September 6, 2017 at 7:07 a.m.) (referencing "cost estimates [from Amazon] for a notional DoD move to the cloud"); memo, Patrick Shanahan, Deputy Secretary of Defense (co-authored by Anthony DeMartino), for secretaries of the military departments, Chairman of the Joint Chiefs of Staff, Under Secretaries of Defense, et alia, Subject: Accelerating Enterprise Cloud Adoption (September 13, 2013) (directing the "use of a tailored acquisition process to acquire a modern enterprise cloud services solution that can support unclassified, secret, and top-secret information," a directive that later is referenced in Air Force acquisition documents as meaning that, "The AWS Cloud Solution is a DoD priority as per the Secretary of Defense Memorandum dated 13 Sep. 2017 . . ."), all documents on file with staff.



Indeed, three weeks following the U.K. dinner, at which your client's then-partner, Teresa Carlson, an AWS vice president responsible for AWS sales to DOD, invited Secretary Mattis to meet with Amazon CEO Jeff Bezos, Donnelly continued singing the praises of Amazon, which the "Why Bezos" email below clearly illustrates, and pushed hard for the meeting between Mr. Bezos and Secretary Mattis that was first offered in your client's presence.<sup>7</sup>

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**From:** "Donnelly, Sally SES SD" <SD/EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/RECIPIENTS/DONNELLY, SALLY258>  
**Sent:** 4/23/2017 2:17:20 AM -0400  
**To:** "Faller, Craig RADM SD" (b) (6) >  
**Subject:** Why Bezos

Why meet Bezos.

- 1) He asked (via Theresa Carlson at the dinner in London).
- 2) Amazon is one of the most successful starts up in the history of the US economy: in 20 years Amazon has surpassed Wal-Mart in market capitalization.
- 3) Amazon has revolutionized delivery and consumer service—based on deep knowledge of predictive analytics and technology. Innovation is the organizing principle of the company and Bezos is famous for mandating his staff produce plain English problem statements prior to every senior meeting at the company.
- 4) Amazon's success based on technical excellence and security. The Amazon cloud is the foundation of all Amazon's businesses and allows unprecedented speed. Amazon's cloud is one of four hyperscale cloud providers (the others are Google, Facebook, Microsoft). Amazon's focus on security (they have hired many former USG/NSA/CIA experts) was so convincing to CIA that the Agency two years ago took the surprising step of migrating the bulk of its secure work to Amazon. By all accounts, the CIA remains pleased with its work.
- 5) Bezos has also built from scratch a space company(Blue Origin) which, along with SpaceX, is transforming space flight through reusable rockets (of note, Blue Origin has a productive/symbiotic relationship w/the United Launch Alliance (Boeing, etc.), as opposed to SpaceX, which is challenging ULA head on.
- 6) Bezos owns the Washington Post, so has influence beyond the business world.
- 7) Bezos serves on the Defense Innovation Board.

She also offered advice to an Amazon official in preparation for the Secretary's meeting with Mr. Bezos days before it occurred, in response to the salesperson's request for "general guidance," and any, "landmines [Amazon] should avoid," during Amazon's presentation to the Secretary.<sup>8</sup> The meeting between Secretary Mattis and Mr. Bezos resulted in the JEDI procurement, as it was the catalyst for Secretary Mattis's decision to move DOD data to the cloud.<sup>9</sup>

When a DOD official notified Ms. Donnelly that the August meeting between Mattis and Bezos had "morph[ed] into an AWS sales pitch," that made the official uneasy ("I didn't get a good vibe out of it"), but that Secretary Mattis left the meeting "'99.9% there' in terms of going

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<sup>7</sup> Email, Sally B. Donnelly to Craig Faller, Subject: Why Bezos (April 23, 2017 at 2:17 a.m.), on file with staff.

<sup>8</sup> Email, Jennifer Chronis, General Manager, Amazon Web Services, to Sally Donnelly, Subject: SecDef Visit Next Week (August 4, 2017 at 10:19 p.m.) (the email from Ms. Chronis also asks Ms. Donnelly to "put a bug in some ears" about resistance Amazon is receiving from DOD CIO with reference to, "cloud and major policy blockers"); reply email, Sally Donnelly to Jennifer Chronis (August 4, 2017 at 4:40 p.m.) (Donnelly gives advice for Amazon's presentation to Secretary Mattis, advising Amazon that, "[u]sing one example of DOD obstacles to cloud (if that is what below) would be helpful. Also security security security of cloud. Oh yeah, and if we see power point, that will not be helpful. :)"), on file with staff.

<sup>9</sup> *Supra* n. 6.

to the cloud,” Donnelly responded: “Excellent.”<sup>10</sup> So much for Ms. Donnelly being walled off from matters related to Amazon, as you and the OIG claim.

Congress needs to know whether your client had any conversations with Ms. Donnelly related to her efforts to promote Amazon and her attempts to push for a meeting between Mr. Bezos and the Secretary, and whether he was aware of any such conversations between Ms. Donnelly and Ms. Carlson. We also request your client describe any knowledge he may have of Ms. Donnelly’s role in Ms. Carlson’s attendance at the London dinner and any discussions Ms. Carlson may have had with Ms. Donnelly related to her plan to ask Secretary Mattis to meet with Mr. Bezos.

As a final note on the U.K. dinner, your letter’s accounting of the event, again relying on the OIG report, shows just how muddy the record is. Your letter notes that Secretary Mattis told OIG investigators he didn’t recall, “a single mention of the cloud or of Amazon” at the dinner, but only two bullet points later, your letter notes that, “[w]hen Ms. Carlson was introduced to Sec. Mattis, she was introduced as part of AWS [Amazon Web Services] Cloud computing,” after which your letter points out that Secretary Mattis directly offered his thoughts on whether the DOD should move to the cloud. As you and your client can plainly see, it’s important that Congress hear your client’s version of what was discussed at that meeting and not just repetition of a discredited OIG report.

Your letter leaves a number of other issues just as muddy. It claims, for example, that your client, Mr. Pienaar, had no interest in purchasing SBD Advisors and was simply helping a longtime business partner comply with her ethics obligations. The letter notes that, “Pienaar agreed to organize the sale in less than three days with the intention of selling all shares to other investors, which Pienaar subsequently did.” To this day and despite Senator Grassley’s repeated inquiries, your client has not disclosed which investors purchased SBD Advisors from C5 and Mr. Pienaar in 2017. You also haven’t identified which “additional investors” Mr. Pienaar relied upon “to raise the capital needed to complete the financing of the sale” in such a short amount of time.

Your client has also failed to explain why C5 publicly claimed it had nothing to do with the initial purchase of the company and quickly sold it off, only to buy it back the next year with a public announcement making it seem this was C5’s first exposure to the company.<sup>11</sup> He’s also failed to explain why the public website of ITC Global Advisors (the new name given to Ms. Donnelly’s former firm) was taken down not long after C5 re-acquired shares of it in 2018 and why there seems to be no public advertising seeking clients for ITC Global Advisors. It also appears that there was no non-compete agreement in place, which allowed Ms. Donnelly to found a carbon-copy firm, Pallas Advisors, after her short tenure at DOD. These facts taken together make one wonder what exactly your client was paying Ms. Donnelly for. We need the details of every step of the process of divesting and re-acquiring Ms. Donnelly’s former

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<sup>10</sup> Email, Redacted sender (CIV SD) to Sally Donnelly (August 10, 2017 at 2:35 PM); email, redacted sender (CIV SD) to Sally Donnelly (August 10, 2017 at 2:59 pm), on file with staff.

<sup>11</sup> Press release, *ITC Secure Acquires U.S. U.S.-based SBD Advisors*, Business Wire (April 3, 2018), <https://www.businesswire.com/news/home/20180403005624/en/ITC-Secure-Acquires-U.S.-based-SBD-Advisors>.

company, including financial records documenting all capital contributions in SBD Advisors by Mr. Pienaar and all purchases of shares in the company by any party, before we can be confident we've reached the facts of this matter.

Your letter's claims as to the existence of records we requested raises red flags. Your letter claims that Senator Grassley's office already has a copy of the Purchase and Sale Agreement. This is false. There is quite a difference between an unredacted *copy* and a redacted copy on which staff penciled in information viewed in camera. Our request is for an unredacted copy of the original contract, and your client has not complied with that request.

The next claim in the letter, that your client found no relevant records related to our request for, "[a]ll records between and among [Mr. Pienaar] or any party associated with C5 or VMAP Investor LLC, and Sally Donnelly, Anthony DeMartino, or any DOD official, related to Amazon or the JEDI cloud procurement," is very surprising. This would mean that Mr. Pienaar and C5 have no records, for example, of communications with Ms. Donnelly related to Amazon consulting, or Ms. Donnelly's consulting for C5 related to Amazon.<sup>12</sup> Your client also failed to respond to our request for, "[f]inancial records reflecting any payments pursuant to the January 2017 Purchase and Sale Agreement, including but not limited to each of the purported \$390,000 payments previously referenced in the DoD OIG Report." This request is not ambiguous. It requests financial records related to the payments, not just certain details that are "in the public domain."

Your letter also claims that, "C5 Capital has never received any funds of any kind from Amazon," other than matching funds from Amazon related to "C5's accelerator programs." Our request specifically asked for financial records of all payments from Amazon to, "C5 Capital, *or any of its subsidiaries, officers, or employees* at any time from 2015 to the present." C5 has had at least some business dealings with Amazon by Amazon's own admission. For example, an AWS blog entry notes that, "[i]n April of 2017, C5 became part of the AWS Partner Network (APN) Channel Reseller Program for one deal supporting the Bahrain Information and eGovernment Authority (iGA)."<sup>13</sup> Please describe the extent of C5's reseller relationship with Amazon, and clarify whether it is distinct from the accelerator program you referenced in your letter. We request, again, that your client provide records related to any payments received. And of course, we've already referenced news reports that SBD Advisors continued to receive payments from Amazon after C5 purchased it.<sup>14</sup> Your client should clarify whether these reports are accurate. If so, any payments received from Amazon while SBD Advisors was owned by C5 would fall under our request as well.

Your client entirely ignored our request for, "financial records relating to any consideration [Mr. Pienaar or C5] paid in connection with the sale of SBD Advisors." While your letter notes that you've already briefed Senator Grassley's office on this sale, that wasn't the request. We specifically requested financial records.

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<sup>12</sup> Interview with Sally Donnelly, *supra* n. 2 at 9 (when Ms. Donnelly was asked what years she was a consultant for C5 Capital, she responded, "I believe I started . . . the beginning of 2013 . . . [t]hrough when I went into the government and sold the company.")

<sup>13</sup> AWS Public Sector Blog, Setting the Record Straight on Inaccurate Reporting about AWS and JEDI (December 13, 2018), <https://aws.amazon.com/blogs/publicsector/setting-the-record-straight-on-inaccurate-reporting-about-aws-and-jedi/>.

<sup>14</sup> The Daily Caller, *supra* n. 5.



Your client apparently had trouble understanding the final request for, “all records reflecting communications between and among [Mr. Pienaar] or [his] representatives and any CS [sic] entity or person in connection with SBD Advisors.” This request also is not ambiguous. It’s looking for any communications, or related documents, where your client is discussing anything to do with SBD Advisors (now known as ITC Global Advisors) with any C5 entity or person. This would most likely involve Mr. Pienaar’s internal communications within C5, or with its board members, employees, affiliates, subsidiaries, investors, etc. If your client is unable to understand any of our other requests, please let us know, and we’ll be happy to explain them.

We request that your client supply the requested records by October 24, 2023, and we reiterate our request for a transcribed interview with your client on this matter.

Sincerely,



Charles E. Grassley  
Ranking Member  
Senate Committee on the Budget



Nancy Mace  
Member of Congress  
Committee on Oversight & Accountability

**Congress of the United States**  
**Washington, DC 20515**

October 10, 2023

Mr. Michael N. Levy  
Partner  
Ellerman Enzinna Levy PLLC  
1050 30<sup>th</sup> St. NW  
Washington, DC 20007

Dear Mr. Levy:

Thank you for your September 1, 2023, letter responding to our July 13 letter to your client, Ms. Sally Donnelly. Our letter pointed to still-unanswered questions about your client's potential role in advancing the interests of C5 Capital and its business partner, Amazon, while employed at the Department of Defense as a senior advisor to then Secretary James Mattis. Though you want to claim that these questions have all been answered, they haven't, and we will continue to press for answers from your client and urge her cooperation with our investigation.

Before getting into the substance of your letter, however, we want to address your implication that we were somehow delayed in notifying you of our inquiry. You noted in your reply that Senator Grassley's staff, "only sent a copy of this letter [to you] after 7:00 pm on August 10, less than 24 hours before [you were] scheduled to begin a long-planned August vacation." We wrote Ms. Donnelly on July 13 both by certified mail and by email to Pallas Advisors. She failed both to pass that communication along to you and to notify us that you represent her in this matter.

To start with, your letter addressed some of the same topics raised in the July 27 response from Mr. Christopher Armstrong of Holland & Knight's Washington, D.C. office, who represents Mr. Pienaar in this inquiry. Indeed, in that response, Mr. Armstrong made assertions as to your client's state of mind that are more properly your responsibility to make, and so we urge you to review that correspondence and advise us whether the claims made about your client by Mr. Armstrong are accurate.<sup>1</sup>

Like Mr. Armstrong's July 27 letter, your response continuously references the report on the JEDI Cloud procurement issued by the Office of the Inspector General (OIG) at the Department of Defense. Congress has a constitutional responsibility to review the work of the inspectors general, just as it has oversight of the agencies they serve. We have raised a number of questions about, and objections to, the OIG's report. Continuing to simply argue from that report as if it's a dispositive authority is unpersuasive. In future responses it would be helpful to see original documents rather than references to a report that, while helpful in certain respects, is not the final authority on a matter that it failed to adequately report on initially, and a matter which has continued to develop since the report was issued.

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<sup>1</sup> Letter from Christopher J. Armstrong, Partner, Holland & Knight, to Senator Charles E. Grassley and Rep. Nancy Mace (July 27, 2023), [https://www.grassley.senate.gov/imo/media/doc/pienaar\\_to\\_grassley\\_mace\\_-\\_jedi.pdf](https://www.grassley.senate.gov/imo/media/doc/pienaar_to_grassley_mace_-_jedi.pdf).

Indeed, Senator Grassley has uncovered significant new information since that report was issued, especially the fact that C5 Capital and Mr. Pienaar formed a company, VMAP Investor LLC, just before Ms. Donnelly entered her position at the DOD in 2017, apparently for the sole purpose of purchasing her stake in SBD Advisors. Ms. Donnelly took a number of steps to avoid disclosing the identity of that company to officials who had a right to know it.<sup>2</sup> She didn't provide the name of the company, or its links to Amazon-affiliated C5 Capital, on her initial financial disclosure forms filed with the Department of Defense; she didn't reveal the name of the company that purchased her firm on her termination financial disclosure forms upon leaving the Department of Defense in 2018; and she failed to provide the identity of the company that purchased her firm even in response to a direct question from the DOD Inspector General's office.<sup>3</sup> We need to know why.

Moreover, while your letter quotes the OIG's report and its discussion of Ms. Donnelly's financial disclosures and its findings that, "Ms. Donnelly did not violate any ethical agreements and obligations regarding Office of Government Ethics financial disclosures," you haven't explained how providing the amount of payments received is useful in an ethics review without naming the source of the income. As we have already quoted to you, the Office of Government Ethics' (OGE) instructions for completing OGE Form 278, the financial disclosure form Ms. Donnelly completed upon entering service at the DOD, filers are required to provide, "sufficient information" to ethics officials, "concerning the nature of their outside interests and activities so that an informed judgment can be made with respect to compliance with applicable conflict of interest laws and standards of conduct regulations."<sup>4</sup> It makes little sense to claim Ms. Donnelly was required to disclose the dollar amount of the transaction, but not to disclose the source, as the amount of a transaction by itself never tells one whether a conflict exists. Moreover, even if the source somehow was not required, neither you nor the OIG report has explained why it was satisfactory for Ms. Donnelly to report a single \$390,000 payment on her entry financial disclosure, even though at the time it was filed in May 2017, she had received two installment payments, not just one.<sup>5</sup> That second payment was received in March 2017, well before she filed her initial disclosure, leaving her ample time to report it. She didn't do so. Again, this creates the appearance that she consciously attempted to avoid disclosing the ongoing financial link to

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<sup>2</sup> Letter from Senator Charles E. Grassley, Ranking Member, Senate Committee on the Budget, and Rep. Nancy Mace, House Committee on Oversight and Accountability, to Christopher Anderson, Partner, Holland & Knight (October 10, 2023).

<sup>3</sup> U.S. Dep't of Defense, Office of Inspector Gen., Interview of Sally B. Donnelly (August 15, 2019) at 6 (emphasis added), [https://www.dodig.mil/Portals/48/DODOIG-2020-001050%201st%20Interim%20response%20records\\_1.pdf](https://www.dodig.mil/Portals/48/DODOIG-2020-001050%201st%20Interim%20response%20records_1.pdf).

<sup>4</sup> U.S. Office of Gov't Ethics, OGE Form 278 Executive Branch Personnel Public Financial Disclosure Report, Instructions for Completing OGE Form 278, [https://www.oge.gov/web/oge.nsf/0/A7FBDC0209B57819852585B6005A06C4/\\$FILE/8c47512231004e2d98b6966829afebf4.pdf](https://www.oge.gov/web/oge.nsf/0/A7FBDC0209B57819852585B6005A06C4/$FILE/8c47512231004e2d98b6966829afebf4.pdf).

<sup>5</sup> See Letter from Senator Charles Grassley, Ranking Member, U.S. Senate Comm. on the Judiciary, to Lloyd J. Austin, Secretary, U.S. Dep't of Defense, and Sean O'Donnell, Acting Inspector General, Dep't of Defense, Office of the Inspector General (October 24, 2022), [https://www.grassley.senate.gov/imo/media/doc/grassley\\_to\\_defense\\_deptdefenseinspectorgeneralsbdadvisorsllconflctsofinterestreview1.pdf](https://www.grassley.senate.gov/imo/media/doc/grassley_to_defense_deptdefenseinspectorgeneralsbdadvisorsllconflctsofinterestreview1.pdf).



VMAP and C5 during her tenure at DOD. We will continue to ask why until a satisfactory answer is provided.

Of course, once it's established that a conflict existed, a key question then is whether the conflicted official took actions irrespective of that conflict. Here, the question is whether Ms. Donnelly took actions to favor C5 Capital and Mr. Pienaar, who were paying Ms. Donnelly installment payments, and their business partner and Ms. Donnelly's former client, Amazon. Your letter claims that, "[w]hile at the Department of Defense, Ms. Donnelly had no role in acquisition or procurement. She played no role, and exercised no influence, in connection with any government contract, including – as the Department of Defense has confirmed repeatedly – the JEDI procurement." We're well aware that the case has been made that Ms. Donnelly played no *formal* role in the JEDI contract, and that she certainly wasn't supposed to play a role, but to say that she played no role at all is simply inaccurate and avoids now well-known facts. Not only did she play a role, but she played what at the time was a key one: the OIG report noted—a source your letter frequently cites—the OIG interviewed Mr. Kevin Sweeney, Secretary Mattis's Chief of Staff in 2017, and he told the OIG that he thought Ms. Donnelly set up the March 31, 2017, dinner in the U.K. that included Secretary Mattis, Ms. Donnelly, along with Andre Pienaar and Amazon Public Sector Sales Vice President, Teresa Carlson, Mr. Pienaar's then girlfriend. Mr. Sweeney also said that he thought Ms. Donnelly invited her friend, Ms. Carlson, to that dinner.<sup>6</sup> As you must be aware, Ms. Carlson used that opportunity to ask Secretary Mattis to meet with then Amazon CEO, Jeff Bezos.<sup>7</sup> Internal DOD records show that Ms. Donnelly strongly pushed for that meeting to occur, praising Mr. Bezos as, "the genius of our age," and listing myriad reasons the Secretary should meet him.<sup>8</sup> When the meeting did occur, on August 10, 2017, it turned into a sales pitch for Amazon Web Services and led to the Secretary's decision to move the Department to the Cloud, and to Amazon becoming the lead contender to provide that service to DOD.<sup>9</sup>

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<sup>6</sup> U.S. Department of Defense, Office of the Inspector General, Report on the Joint Enterprise Defense Infrastructure (JEDI) Cloud Procurement (April 13, 2020) at 174, [https://media.defense.gov/2020/Apr/21/2002285087/-1/-1/1/REPORT%20ON%20THE%20JOINT%20ENTERPRISE%20DEFENSE%20INFRASTRUCTURE%20\(JEDI\)%20CLOUD%20PROCUREMENT%20DODIG-2020-079.PDF](https://media.defense.gov/2020/Apr/21/2002285087/-1/-1/1/REPORT%20ON%20THE%20JOINT%20ENTERPRISE%20DEFENSE%20INFRASTRUCTURE%20(JEDI)%20CLOUD%20PROCUREMENT%20DODIG-2020-079.PDF).

<sup>7</sup> Letter from Sen. Charles E. Grassley and Rep. Nancy Mace, *supra* n. 2 (quoting email, Sally Donnelly to Admiral Faller (April 23, 2017): "He [Jeff Bezos] asked [Secretary Mattis to meet with Mr. Bezos] (via Teresa Carlson at the dinner in London.)," on file with staff.

<sup>8</sup> Email, Sally Donnelly to Kevin Sweeney, Adm. Craig Faller, et al., Re: Flagging – Jeff Bezos office call on Thursday, 27 April (April 21, 2017 at 4:00 p.m) (Donnelly and Admiral Faller are asked if they, "want to accept the office call with Jeff Bezos of Amazon and Blue Origin," and told that, "CoS [the Chief of Staff] defers to [Donnelly and Faller] for SecDef consideration," and Donnelly replies: "I think he is the genius of our age, so why not."), on file with staff; letter from Sen. Charles E. Grassley and Rep. Nancy Mace, *supra* n. 2.

<sup>9</sup> Email, Redacted sender (CIV SD) to Sally Donnelly (August 10, 2017 at 2:35 PM); email, redacted sender (CIV SD) to Sally Donnelly (August 10, 2017 at 2:59 pm); email, Will Roper, United States Air Force, to Patrick Shanahan, Deputy Secretary of Defense, and Ellen Lord, Undersecretary for Acquisitions (August 12, 2017) (reporting on Secretary Mattis's August 10, 2017 Amazon visit and noting that Secretary Mattis made an "important decision" on that trip, and that the Secretary, "now believe[d] in Cloud tech and wants to move the Departments to it"); email, Jennifer Chronis, Amazon Web Services, to Joshua J. Marcuse, Office of the Secretary of Defense (September 6, 2017) (referencing "cost estimates [from Amazon] for a notional DoD move to the cloud"); memo, Patrick Shanahan, Deputy Secretary of Defense (co-authored by Anthony DeMartino), for secretaries of the military departments, Chairman of the Joint Chiefs of Staff, Under Secretaries of Defense, et alia, Subject: Accelerating Enterprise Cloud Adoption (September 13, 2013) (directing the "use of a tailored acquisition process to acquire a

Indeed, internal emails also show that during the period after the Secretary's August visit with Mr. Bezos, Ms. Donnelly was working to, "crush the bureaucratic impediments" that career DOD officials were mounting against Amazon as it sought this lucrative cloud contract.<sup>10</sup> Your client needs to explain whether she knew in advance of the U.K. dinner that Ms. Carlson would issue the invitation to the Secretary, whether she invited Ms. Carlson and Mr. Pienaar to the U.K. dinner to provide them the opportunity to initiate this major sales pitch for the benefit of Ms. Donnelly's former client, and also her actions at DOD following the U.K. dinner, both to encourage the Secretary to meet with Mr. Bezos and, later, to "crush the bureaucratic impediments" to Amazon being awarded the contract.

Ms. Donnelly facilitating Ms. Carlson's access to the Secretary, the ongoing payments to Ms. Donnelly from C5 and Mr. Pienaar, and furthering Amazon's efforts to win a contract to supply the DOD with cloud services create, at minimum, the clear appearance of a conflict. As we explained to Mr. Armstrong, the lack of a non-compete agreement and the apparent lack of public advertising or web presence by the later iteration of SBD Advisors, ITC Global Advisors, along with Ms. Donnelly's return to the same type of consulting work after her time at DOD, creates legitimate questions about what C5 and Mr. Pienaar were paying for. If this impression is incorrect, it's incumbent upon Ms. Donnelly to provide her version of events which, again, is what we've always sought so that this matter can be put to rest.

Your letter response says that Ms. Donnelly didn't do anything for Amazon she didn't do for other companies vying to provide cloud services to the DOD. Indeed, your letter repeats the OIG's finding that it found, "no evidence that Ms. Donnelly gave Amazon officials greater or more frequent access to meetings with Secretary Mattis than Amazon's competitors who requested to meet with him." If this is true, we certainly welcome your client to provide records and statements to back it up. If you have any contemporaneous emails, for example, that show Ms. Donnelly referring to CEOs of Microsoft, Apple, Google, Oracle or any other competitors as

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modern enterprise cloud services solution that can support unclassified, secret, and top-secret information," a directive that later is referenced in Air Force acquisition documents as meaning that, "The AWS Cloud Solution is a DoD priority as per the Secretary of Defense Memorandum dated 13 Sep. 2017 . . ."), all documents on file with staff.

<sup>10</sup> See email, Enrique Oti to Greg Oslan, cc to Raj Shah and Sean Heritage (August 25, 2017 at 10:59 a.m.) noting that he had spoken with "the AWS team" putting together the Secret-level AWS cloud..." and that, even though they had a, "great meeting with SecDef," their "talks last week with DOD/CIO and DISA were interesting." This email referred to "pushback," and says that "everything we do for AOC and the rest of the ops community should be riding AWS SPIR." Apparently dissatisfied with the resistance described in Mr. Oti's email, Raj Shah then forwarded Oti's email to Justin Mikolay, an advisor to Secretary Mattis, with a cc to Sally Donnelly, Subject: FWD: Cloud Computing (UNCLASSIFIED) (August 25, 2017 at 1:07 p.m.), saying it was "crucial that the sd [Sally Donnelly] memo crush the bureaucratic impediments," referenced in Oti's email. Mr. Mikolay replied to Mr. Shah by email that same day at 4:22 p.m., again copying Ms. Donnelly, advising him that, "Sally is already working angles with this note providing but targeting data (who to crush) and ammunition (reason to crush)...." A little over two weeks after this exchange, on September 13, 2017, a memo was released by Deputy Secretary Patrick Shanahan by the title of "Accelerating Enterprise Cloud Adoption," ordering a "tailored acquisition process to acquire a modern enterprise cloud services solution that can support unclassified, secret, and top secret information." (Emphasis added.) That memo is later cited in Air Force procurement documents as meaning that, "[t]he AWS Cloud Solution is a DoD priority as per the Secretary of Defense Memorandum dated 13 Sep 2017" (Justification and Approval (J&A) for Other Than Full and Open Competition, on file with staff).

anything similar to, “the genius of our age,” or listing a host of reasons the Secretary should meet with those corporate leaders, we’d welcome the opportunity to possess and review those records. If you have any materials showing that Ms. Donnelly was working behind the scenes to “crush the bureaucratic impediments” to one of these other companies gaining a lucrative contract to supply the DOD with cloud services, we ask that you submit those. And if you have any examples of Ms. Donnelly arranging intimate dinner meetings between close personal friends she may have in any of these other competitors and Secretary Mattis, by all means, we welcome the chance to possess and review that evidence as well. We have said all along and repeat that we will follow this investigation wherever the facts lead us. What we won’t do, however, is accept mere assertions that contradict the known record and common sense.

We again want to thank you for providing a response to our letter. It is important that we continue this dialogue, to turn the incomplete public record on this matter into a complete and final record. Nothing less than your client’s full cooperation will satisfy our inquiry, and assure taxpayers that proper procedures are in place to prevent the misuse of the public offices they fund with their hard-earned dollars. We therefore ask that you provide a detailed response to the points raised in this letter and to our prior information requests, by October 24, 2023.

Sincerely,



Charles E. Grassley  
Ranking Member  
Senate Committee on the Budget



Nancy Mace  
Member of Congress  
Committee on Oversight & Accountability



1050 30th Street, NW  
Washington, DC 20007  
+1.202.753.5553 (o)  
+ [REDACTED] (c)  
[www.eellaw.com](http://www.eellaw.com)

Michael N. Levy  
Partner  
[REDACTED]

October 25, 2023

Senator Charles E. Grassley  
Congresswoman Nancy Mace  
United States Congress  
Washington, DC 20515

*Via Electronic Mail*

Re: JEDI Cloud Procurement

Dear Senator Grassley and Congresswoman Mace:

I am writing to you once again, this time in response to your October 10, 2023 letter regarding my client Sally Donnelly. Although your letter purports to raise questions about “new information,” nothing in it is substantively new. Every matter you raised has been addressed, thoroughly and comprehensively, by my September 1, 2023 letter to you (a copy of which I am attaching for your reference) and/or the detailed, 313-page April 13, 2020 Department of Defense Inspector General Report on the JEDI Cloud Procurement.

Although you and others with a financial or political bone to pick may not like the conclusions that the Inspector General reached in this report, the Inspector General has confirmed those conclusions repeatedly since then, with full knowledge and understanding of precisely the selective contentions and distorted conjectures you have raised. The Department of Defense Inspector General is not alone in this view. As I noted in my September 1, 2023 letter, those conclusions have been affirmed consistently by the JEDI Cloud Procuring Contracting Officer, the Government Accountability Office, the Court of Federal Claims, the Court of Appeals for the Federal Circuit (in a ruling rendered final by the Supreme Court’s denial of Oracle’s petition for a writ of certiorari), the Office of Management and Budget, the Council of the Inspectors General on Integrity and Efficiency, the U.S. Attorney’s Office for the Eastern District of Virginia, and the Public Integrity Section of the Department of Justice. Your letter discusses facts and issues that have been known and rejected, universally and without exception, by objective decisionmakers in the government and the courts.

Ms. Donnelly, the Department of Defense Inspector General, and others already have answered your questions. Especially with all of the very significant issues, foreign and domestic,



Senator Grassley  
Congresswoman Mace  
October 25, 2023  
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confronting our nation, the time has long passed to stop wasting time and resources on questions that already have been answered about events more than five years ago relating to a contract for which Amazon was not selected and that was never, in fact, awarded to anyone.

Sincerely,



Michael N. Levy



1050 30th Street, NW  
Washington, DC 20007  
+ [REDACTED] (o)  
+1.202.321.7567 (c)  
[www.eellaw.com](http://www.eellaw.com)

Michael N. Levy  
Partner  
[REDACTED]

September 1, 2023

Senator Charles E. Grassley  
Congresswoman Nancy Mace  
United States Congress  
Washington, DC 20515

*Via Electronic Mail*

Re: JEDI Cloud Procurement

Dear Senator Grassley and Congresswoman Mace:

I am writing in response to your July 13, 2023 letter to my client Sally Donnelly.<sup>1</sup> Sadly, entities with a financial interest in the Department of Defense's cloud computing contract have continued to wage a long-standing battle of disinformation, and my client is an unwarranted victim.<sup>2</sup> I appreciate this opportunity to correct some of the misleading and inaccurate premises upon which this false narrative is constructed.

As you know, shortly before he became Secretary of Defense, General James Mattis asked Ms. Donnelly if she would serve as his Senior Advisor. Called again to public service, Ms. Donnelly sold the business she had built, SBD Advisors, and joined Secretary Mattis's staff. Ms. Donnelly was honored to serve alongside the men and women of the Department of Defense for 14 months and is rightfully proud of her service. She adhered to all ethical and legal obligations and always acted in the best interest of the national security of the United States.

Your letter asserts that in her initial financial disclosure report (OGE Form 278e) Ms. Donnelly "failed to disclose" the purchaser of SBD Advisors and the remaining balance due on that sale. The Department of Defense Inspector General thoroughly investigated these same

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<sup>1</sup> Although I have been representing Ms. Donnelly in connection with this matter for more than five years, Senator Grassley's staff only sent a copy of this letter to me after 7:00 pm on August 10, less than 24 hours before I was scheduled to begin a long-planned August vacation. As I explained at that time, I am responding upon my return to the office.

<sup>2</sup> *Someone Is Waging a Secret War to Undermine the Pentagon's Huge Cloud Contract*, Defense One, August 20, 2018, <https://www.defenseone.com/technology/2018/08/someone-waging-secret-war-undermine-pentagons-huge-cloud-contract/150685/>.

Senator Grassley  
Congresswoman Mace  
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allegations and issued an extensive report more than three years ago completely exonerating Ms. Donnelly.<sup>3</sup> As the Inspector General found, Ms. Donnelly worked closely with experts from the Department of Defense Standards of Conduct Office (“SOCO”) to complete her Form 278e properly. As required, she disclosed to SOCO and on her Form 278e that, prior to re-entering government service, she sold the entirety of her partial ownership stake in SBD Advisors. She disclosed that, prior to re-entering government service, she had thus far received as income from that sale \$390,000 toward the full value of her partial ownership stake in SBD Advisors, which she disclosed – pursuant to the Form 278e – was worth between \$1 million and \$5 million. She also disclosed to SOCO and on her Form 278e that, while at SBD Advisors, she had received more than \$5,000 annually in compensation from consulting services provided to both Amazon Web Services and C5 Capital. When Ms. Donnelly left the Department of Defense the following year, again working closely with the experts at SOCO, she filed a “termination” Form 278e that expressly disclosed the remaining \$1,170,000 in payments she received pursuant to the sale of SBD Advisors.

The Inspector General’s investigation was professional, exhaustive, and objective. A multi-disciplinary team interviewed 80 individuals and carefully reviewed more than 32 gigabytes of emails and other documents.<sup>4</sup> Their final report was more than 300 pages long. Their conclusions about Ms. Donnelly’s conduct were unambiguous: “We determined that Ms. Donnelly did not violate any ethical agreements and obligations regarding Office of Government Ethics financial disclosures.”<sup>5</sup> The Inspector General made that determination because it is true.

Indeed, notwithstanding your suggestions to the contrary, the Inspector General understood that Secretary Mattis had given Ms. Donnelly very little advance notice of his request to join the Department, that Ms. Donnelly logically had turned to the other owner of an equity interest in SBD Advisors, Andre Pienaar, and sold her interest in the business to him at the same valuation that she last had purchased part of Mr. Pienaar’s interest in the business from him.<sup>6</sup> All of these facts were included in the Inspector General’s report and considered as part of the Inspector General’s conclusion that Ms. Donnelly complied with her ethical obligations and made all required financial disclosures:

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<sup>3</sup> Inspector General, U.S. Department of Defense, Report on the Joint Enterprise Defense Infrastructure (JEDI) Cloud Procurement (April 13, 2020), [https://media.defense.gov/2020/Apr/21/2002285087/-1/-1/1/REPORT%20ON%20THE%20JOINT%20ENTERPRISE%20DEFENSE%20INFRASTRUCTURE%20\(JEDI\)%20CLOUD%20PROCUREMENT%20DODIG-2020-079.PDF](https://media.defense.gov/2020/Apr/21/2002285087/-1/-1/1/REPORT%20ON%20THE%20JOINT%20ENTERPRISE%20DEFENSE%20INFRASTRUCTURE%20(JEDI)%20CLOUD%20PROCUREMENT%20DODIG-2020-079.PDF) (“IG Report”).

<sup>4</sup> *Id.* at 5-6.

<sup>5</sup> *Id.* at 9 (emphasis added).

<sup>6</sup> *Id.* at 169 n.144 (“Ms. Donnelly and Mr. Pienaar co-owned SBD Advisors. Ms. Donnelly sold her share of ownership of SBD Advisors to Mr. Pienaar in January 2017, prior to entering on duty with the DoD.”); *id.* at 190 (noting that, in January 2017, “Ms. Donnelly owned 80 percent of all SBD Advisors membership units.”); *id.* at 191-92 (quoting an August 2017 email from a SOCO attorney describing how, in 2016, Ms. Donnelly had purchased a 20% interest in SBD Advisors from Mr. Pienaar for \$390,000).

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We did not find evidence that she failed to disclose payments from SBD Advisors on her OGE 278e .... We found that the DoD SOCO worked closely with Ms. Donnelly on her OGE 278e form submissions and that SOCO determined that Ms. Donnelly complied with her ethics agreements and her ethical obligations regarding financial disclosures. Ms. Donnelly legally divested all of her SBD Advisors membership units before she accepted the position as Senior Advisor to Secretary Mattis, and partial payments for selling her stake in the company continued to come to her during her DoD employment. She disclosed those payments on her OGE 278 forms, as required....

With regard to financial disclosures and SBD Advisors consulting relationships with C5 Capital and AWS, we found that Ms. Donnelly sold her SBD Advisors membership units and properly annotated both her initial and termination financial disclosure forms to reflect the total proceeds she received from the sale of SBD Advisors. She sought ethics advice on how to complete this documentation, and submitted the appropriate reports as required.<sup>7</sup>

As the Inspector General informed Congress when asked about these issues more than a year ago, “neither the purchaser nor the purchase vehicle of Ms. Donnelly’s [company] was relevant to whether she complied with her ethical obligations.”<sup>8</sup> Once Ms. Donnelly sold her interest in SBD Advisors, she had no further financial interest in the performance of that company. Whether the company performed well or poorly was irrelevant to Ms. Donnelly. Moreover, having acquired Ms. Donnelly’s interest in SBD Advisors, the purchasers were free in turn to sell all or part of the company to anyone else of their choosing at any time without Ms. Donnelly knowing about it. As the Inspector General properly understood, for ethical purposes the ownership of SBD Advisors – whether on January 22, 2017, or October 12, 2017, or March 1, 2018, or any other date – whatever it was, was simply irrelevant.<sup>9</sup>

The Inspector General’s investigation also thoroughly refuted the repeated false allegations that Ms. Donnelly may have attempted to influence the JEDI cloud procurement to

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<sup>7</sup> *Id.* at 200-01 (emphasis added).

<sup>8</sup> Letter from Senator Charles E. Grassley to Secretary Lloyd J. Austin and Acting Inspector Gen. Sean O’Donnell, Dep’t of Def. (October 24, 2022), [https://www.grassley.senate.gov/imo/media/doc/grassley\\_to\\_defense\\_deptdefenseinspectorgeneralsbdadvisorsllconflctsofinterestreview1.pdf](https://www.grassley.senate.gov/imo/media/doc/grassley_to_defense_deptdefenseinspectorgeneralsbdadvisorsllconflctsofinterestreview1.pdf), at 2, *quoting* Letter from Acting Inspector Gen. Sean O’Donnell, Dep’t of Def., to Congresswoman Yvette Herrell at 10 (Mar. 8, 2022).

<sup>9</sup> These dates are merely illustrative. Consistent with the basic tenets of private property, Ms. Donnelly does not know who owned all or part of SBD Advisors at any given time after she sold her interest. Following that sale, SBD Advisors also was free to work (or not work) with whatever clients it chose; Ms. Donnelly was no longer privy to or concerned with its client list.



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favor her (again, properly disclosed) former client Amazon Web Services.<sup>10</sup> While at the Department of Defense, Ms. Donnelly had no role in acquisition or procurement. She played no role, and exercised no influence, in connection with any government contract, including – as the Department of Defense has confirmed repeatedly – the JEDI procurement. To suggest otherwise not only flies in the face of the most fundamental procedures of government contracting but also denigrates the roles of the dedicated career men and women at the Department of Defense who have spent countless hours developing and refining that and hundreds of other contracts with the sole purpose of protecting the safety and security of the United States.

The Inspector General looked thoroughly at all suggestions that Ms. Donnelly may have played a role in the JEDI procurement and, based on the evidence, not biased supposition, flatly rejected all of them. As the Inspector General summarized his lengthy and detailed findings in his April 2020 report:

We did not substantiate any of the allegations regarding Ms. Donnelly. We did not find evidence that she ... provided preferential treatment to Amazon, or improperly participated in the JEDI Cloud procurement because of her prior associations with Amazon, SBD Advisors, and C5 Capital.

We found ... no evidence that Ms. Donnelly gave Amazon officials greater or more frequent access to meetings with Secretary Mattis than Amazon's competitors who requested to meet with him. On the contrary, we found that Ms. Donnelly encouraged and helped organize Secretary Mattis' August 2017 trip to Washington and California to meet with officials from Amazon, Microsoft, Apple, and Google so he could hear perspectives from each company on corporate cultures, innovative technology risk-taking, and cloud data security.

Moreover, Ms. Donnelly was not Secretary Mattis' scheduler, and did not screen his invitations to decide which invitations should be presented to him for consideration. Mr. Sweeney, the Chief of Staff, had that duty. Once an invitation came to Secretary Mattis, Mr. Sweeney or Secretary Mattis' scheduler assisted him by requesting ethics opinions before Secretary Mattis accepted invitations. After he accepted invitations, Ms. Donnelly assisted the staff in organizing and facilitating his attendance and any associated travel, which did not favor Amazon or any other company.

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<sup>10</sup> Although your July 13, 2023 letter states that you “must determine” whether Ms. Donnelly attempted to sell AWS services to the Department of Defense while she served as Senior Advisor to Secretary Mattis (as the IG concluded, she did not) and expresses a purported need to “conduct independent oversight of [her] role in the JEDI Cloud procurement” (as the IG concluded, she played no role), your questions relate almost entirely to Ms. Donnelly's private business affairs and not to your proffered legislative purpose. To the extent any of your questions relate to Ms. Donnelly's service at the Department of Defense, responsive materials would be housed there.

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We also found no evidence that Ms. Donnelly was involved in or influenced any aspect of the JEDI Cloud procurement. She did not participate in drafting or reviewing any procurement-related documents, was not a member of the CESG or any factor evaluation panels. None of the witnesses told us she participated in any of the 27 common acquisition activities we queried them about, and none ever met or engaged with her on the procurement. The [Procuring Contracting Officer] investigation and [Government Accountability Office] review each reached the same conclusion that Ms. Donnelly played no role in the JEDI cloud procurement, and her prior consulting ties with AWS and C5 Capital while she owned SBD Advisors did not affect the integrity of the procurement....

In sum, we determined that Ms. Donnelly did not violate any ethical agreements and obligations regarding OGE financial disclosures, did not give preferential treatment to Amazon officials or restrict access to Secretary Mattis for other industry leaders, and did not violate any post-Government employment standards.<sup>11</sup>

In the three years since the release of that report, the Inspector General has been unwavering in the face of repeated efforts to recycle these rejected allegations, including in multiple letters to Senator Grassley and other members of Congress. No matter how one tries to twist the facts, while working at the Department of Defense Ms. Donnelly simply did not provide preferential treatment or greater access to Amazon or anyone else and played no role in the JEDI or any other procurement.

It is also worth noting that, at its most basic level, the foundational premise of your letter is wrong. Your letter begins by referencing questions about Ms. Donnelly's alleged role "in the initial selection of Amazon for this \$10 billion 'tailored' cloud contract with DOD." Amazon Web Services, of course, was not actually selected (initially or otherwise) to receive the \$10 billion JEDI contract. Microsoft was selected but, as you know, never received the contract because the Department of Defense cancelled the JEDI cloud procurement in July 2021.<sup>12</sup> Not only was Amazon not selected for the JEDI contract, but in the end no one was.

These allegations about Amazon, Ms. Donnelly, and the JEDI procurement have been raised, again and again, for more than five years. They have been universally rejected, again and again. They were raised before the JEDI Cloud Procuring Contracting Officer in July 2018 and rejected. They were raised before the Government Accountability Office in November 2018 and

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<sup>11</sup> IG Report at 200-01.

<sup>12</sup> See DOD Aims for New Enterprise-Wide Cloud by 2022, Dep't of Def. (July 7, 2021), <https://www.defense.gov/News/News-Stories/Article/Article/2684754/dod-aims-for-new-enterprise-wide-cloud-by-2022/>.

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rejected. They were raised before the U.S. Court of Federal Claims and rejected in July 2019. The U.S. Court of Appeals for the Federal Circuit affirmed that rejection in September 2020, and the U.S. Supreme Court denied Oracle's request for further review in October 2021. They were raised before the Department of Defense Inspector General, which issued a comprehensive 313-page report in April 2020 rejecting them. They were raised before the Acting Director of the Office of Management and Budget in April 2020 and rejected. They were raised before the Council of the Inspectors General on Integrity and Efficiency in April 2020 and rejected. They were raised before the U.S. Attorney's Office for the Eastern District of Virginia, where the Pentagon is located, in June 2020 and rejected. They were raised before the Public Integrity Section of the Department of Justice in September 2020 and rejected. These allegations have been rejected, over and over and over again, because there simply is not – and never has been – any there there.

In light of all of the foregoing, I feel confident saying that your questions about Ms. Donnelly's alleged influence (that never occurred) more than half a decade ago, with respect to a contract (for which Amazon was not selected) that was never even awarded, does nothing to protect our courageous warfighters or our national security. It is long past time to stop indulging these financially-motivated, counter-factual diversions about the cancelled JEDI procurement and focus instead on the Joint Warfighting Cloud Capability contract that actually *was* awarded last year<sup>13</sup> to ensure it is appropriate for the task and implemented properly. Self-interested squabbles over the JEDI cloud procurement already have delayed our military's technological development in a world in which cloud services and artificial intelligence become more critical by the day. They should not be allowed any longer to distract the Congress, the Department of Defense, or our country from a task so central to our national safety and security.

Sincerely,



Michael N. Levy

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<sup>13</sup> The Department replaced the cancelled JEDI procurement with the multi-provider Joint Warfighting Cloud Capability program. See Department of Defense Announces Joint Warfighting Cloud Capability Procurement, Dep't of Def. (December 7, 2022), <https://www.defense.gov/News/Releases/Release/Article/3239378/departments-of-defense-announces-joint-warfighting-cloud-capability-procurement/>.

# Holland & Knight

800 17th Street N.W., Suite 1100 | Washington, DC 20006 | T 202.955.3000 | F 202.955.5564  
Holland & Knight LLP | [www.hklaw.com](http://www.hklaw.com)

Christopher J. Armstrong

October 30, 2023

*Via E-mail*

The Honorable Charles E. Grassley  
United States Senate  
135 Hart Senate Office Building  
Washington, D.C. 20510

The Honorable Nancy Mace  
United States House of Representatives  
1728 Longworth House Office Building  
Washington, DC 20515

Re: October 10, 2023 letter to André Pienaar

Dear Senator Grassley and Congresswoman Mace:

On behalf of my client, André Pienaar, I write in response to your letter of October 10, 2023. This is the third letter to my client on this matter, following the request from Senator Grassley on June 24, 2022 and the joint request from both offices on July 13, 2023. My client has spent well over a year responding to these requests.

Following the initial request, as Mr. Pienaar's counsel, I conducted several calls with staff throughout the summer and fall of 2022 responding to questions, met with staff for an in-depth briefing on August 26, 2022, shared a full and unredacted copy of the original agreement in question beforehand, and shared relevant emails with staff on October 24, 2022. With all due respect to both of your offices, my client has nothing further to add on this matter.

Sincerely,



Christopher J. Armstrong



03.14.2024

**During Sunshine Week, Grassley Discusses Lessons Learned From The JEDI Cloud Procurement**  
 From oversight of taxpayer dollars, to deterring corruption: DOD watchdog should revisit report on historically large defense deal to prevent history from repeating itself

**Floor Remarks by Senator Chuck Grassley of Iowa**  
**"If We Ignore Corruption, It Just Gets Worse"**  
**Thursday, March 14, 2024**

**During Sunshine Week, Grassley Discusses Lessons Learned from the JEDI Cloud Procurement**



[VIDEO](#)

I come to the floor to give an update on my oversight work.

I often speak on the floor about the importance of oversight.

My remarks today have some history that goes back from now, to eight 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 the same period of time.

And that blunder I'm talking about is the mess-up with the JEDI 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's especially bad when public officials try to take the fruit of the taxpayers' vineyard for private gain.?

We can't ignore this kind of corruption, or it just gets worse.

The 2019 planned Joint Enterprise Defense Infrastructure Contract, otherwise known as JEDI, was an attempt to move the entire Defense Department to cloud computing, which happens to be a very, very expensive project.

It was around \$10 billion and was ultimately canceled, as it should have been.? ?

\$10 billion is a lot of tempting fruit, even by Washington, D.C. standards.

Early on, there were allegations that various Defense Department officials were helping Amazon behind the scenes to gain a contracting advantage.

The allegations caused the Inspector General 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's a good government oversight inquiry. And I know Amazon didn't end up getting this particular contract, but that doesn't matter to my oversight and what I'm telling you today.

Even attempted efforts to steer a government contract need to be exposed.

That's what the taxpayers deserve.

Sally Donnelly was a close advisor to then-Secretary of Defense James Mattis and former Amazon consultant.

She is a central figure in my investigation.

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, either to the Defense Department – which she should have – or its 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 the actual name of the company that purchased Donnelly's firm, VMAP. This company was a portfolio company of CS Capital, an Amazon-linked company. The Defense Department Inspector General claimed in its 2020 report that it found **no evidence** Donnelly "had an ongoing or undisclosed financial relationship with CS 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 her and her then-business-partner Andre Pienaar, the CEO of CS 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're 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 wasn't included even though the Inspector General had access to these government records.

Kevin Sweeney, then Chief of Staff to Secretary Mattis, told the Inspector General he thought Donnelly invited an Amazon Vice President responsible for public sector sales to a London dinner with Secretary Mattis in March 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.

Following the 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 the Chief of Staff deferred to Donnelly on whether the Secretary should meet the Amazon 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 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 cloud."

Just three days before the visit, 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 DOD 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 was also 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 follow up email from that same official informed her that after the visit, Secretary Mattis was "99.9 percent 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 Secretary Mattis 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.??

The evidence again appears to say otherwise – and there's more.?

An email two weeks after the Secretary's Amazon visit from a DOD official spoke of the need for a memo from the Secretary to "crush the bureaucratic impediments" Amazon had been encountering.?

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."

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.

Air Force procurement documents interpreted this memo as the Secretary's intention to award the contract to Amazon.?

Records also show 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!"

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

Donnelly reportedly organized yet another dinner in Washington in January 2018.

Only four people were there: Secretary Mattis, Sally Donnelly, Teresa Carlson and Jeff Bezos.

Carlson directly admitted to the Inspector General 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 materials to Donnelly's government email for review, just hours before the dinner.

Instead of taking this evidence head-on, the Inspector General report pointed to the Government Accountability Office (GAO).??

The report claimed that the GAO "also reviewed whether Ms. Donnelly should have disqualified herself from participating in the JEDI Cloud procurement..."

It 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 CS's CEO made the same claim.

However, there's one big problem. Donnelly wasn't even mentioned in the GAO's decision!

The GAO told my office late last year they've "no idea" where the statement in the DOD Inspector General report comes from."

The GAO also told my office there's "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 as I've described here today, but it blatantly misstated the work of another agency.

The Inspector General Office's work in this matter is a disgraceful example of government oversight.

Former DOD 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 the 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 sits on the Defense Business Board, providing advice to the Secretary of Defense.

A portfolio company of CS Capital, according to its own public statements, has gained cybersecurity business in Ukraine.

If that's supported by taxpayer money, well, they shouldn't get a penny until its CEO cooperates with the Congress and clears this matter up?

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

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

That's the history I've given you today.

Yes, I know the 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've given you and what took place in the JEDI contract won't be repeated as DOD moves ahead.

These are multi-billion-dollar contracts.

We need to avoid this conflict of interest I just pointed out. We need to make sure there's good oversight of the expenditure of taxpayer money.

That ought to start with the Department of Defense itself. It ought to be policed by the Inspector General of DOD, which wasn't done in this case involving Donnelly.

And, for sure, Congress shouldn't give up any of its Constitutional responsibilities to see that taxpayer money is spent wisely.

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United States Senate  
WASHINGTON, DC 20510

December 17, 2024

**VIA ELECTRONIC TRANSMISSION**

Mr. Andy Jassy  
President and Chief Executive Officer  
Amazon.com, Inc.

Dear Mr. Jassy:

As the former head of Amazon Web Services during the relevant time period, you likely know I've never relented in my pursuit of the truth about the ill-fated Joint Enterprise Defense Infrastructure (JEDI) cloud contract.<sup>1</sup> Although this contract ultimately was canceled, Amazon was a main contender for that massive \$10 billion planned award in the 2017-18 time period.<sup>2</sup> Since April 2019, I've raised questions about conflicts of interest infecting that contracting process.

The leading figure in this saga, Ms. Sally Donnelly, a senior advisor to Secretary of Defense James Mattis in the early stages of the procurement, was at the time of her employment at DOD a recent Amazon consultant who should have been recused from advancing Amazon's interests.<sup>3</sup> Ms. Donnelly also continued to receive payments for the divestiture of her consulting business, SBD Advisors, from an Amazon business partner, C5 Capital, and its head, Mr. Andre Pienaar, when she entered DOD service.<sup>4</sup> Mr. Pienaar was a longtime business associate of Donnelly's and now the husband, then the boyfriend, of Amazon's then Vice President for sales to DOD, Teresa Carlson.<sup>5</sup> Ms. Carlson had conversations with Donnelly during her employment at DOD related to Amazon's interest in obtaining cloud business at DOD.<sup>6</sup>

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<sup>1</sup> LinkedIn Profile, Mr. Andy Jassy, CEO, Amazon Web Services (AWS) from May 1997 – July 2021, <https://www.linkedin.com/in/andy-jassy-8b1615/>.

<sup>2</sup> See, e.g., Rosalie Chan, *As bidding closes, Amazon's cloud is the favorite to win a \$10 billion defense deal. Here's why everybody else is so mad about it*, BUSINESS INSIDER (Oct. 12, 2018), <https://www.businessinsider.com/heres-why-amazon-is-heavily-favored-to-win-the-10-billion-jedi-contract-2018-10#:~:text=The%20Department%20of%20Defense%20is,as%20the%20other%20major%20contender>.

<sup>3</sup> U.S. Dep't of Defense, Off. of Inspector Gen., Interview of Sally Donnelly (August 15, 2019) at 9 (when Ms. Donnelly was asked what years she was a consultant for C5 Capital, she responded, "I believe I started . . . the beginning of 2013 . . . [t]hrough when I went into the government and sold the company"), [https://www.dodig.mil/Portals/48/DODOIG-2020-001050%201st%20Interim%20response%20records\\_1.pdf](https://www.dodig.mil/Portals/48/DODOIG-2020-001050%201st%20Interim%20response%20records_1.pdf).

<sup>4</sup> Letter from Senator Charles Grassley, Ranking Member, U.S. Senate Comm. on the Judiciary, to Lloyd Austin, Secretary, U.S. Dep't of Defense, and Sean O'Donnell, Acting Inspector Gen., Dep't of Defense, Off. of the Inspector Gen., especially Exhibit A, Sally Donnelly, New Entrant Report, OGE Form 278e, and Exhibit B, Sally Donnelly, Termination Report, OGE Form 278e, (October 24, 2022), [https://www.grassley.senate.gov/imo/media/doc/grassley\\_to\\_defense\\_deptdefenseinspectorgeneralsbdcadvisorsllcconflictsofintereview1.pdf](https://www.grassley.senate.gov/imo/media/doc/grassley_to_defense_deptdefenseinspectorgeneralsbdcadvisorsllcconflictsofintereview1.pdf).

<sup>5</sup> Sara Sirotta, *Pentagon Audit Found Connection Between Mattis-Era Defense Department And Amazon-Linked British Consultant*, THE INTERCEPT (June 14, 2021), <https://theintercept.com/2021/06/14/pentagon-defense-department-amazon-mattis/>.

<sup>6</sup> See, e.g., email from Teresa Carlson to Sally Donnelly, Subject: AWS Fact Sheet, emailed on January 17, 2018, the day of a Washington, D.C. dinner Ms. Donnelly helped organize, attended by Secretary Mattis, Ms. Donnelly, Mr. Pienaar, Ms. Carlson, and Mr. Bezos, which took place as DOD was finalizing draft bid specifications for the JEDI contract; the "fact sheet" included



Facts I've learned in the course of my investigation have raised serious questions about Ms. Donnelly's clear advocacy for Amazon in its bid to obtain a DOD cloud contract.<sup>7</sup> I've also scrutinized the efforts of Ms. Donnelly and Mr. Pienaar to hide the source of payments from C5 Capital to Donnelly during her tenure at DOD; the true purpose of intimate dinners Ms. Donnelly helped arrange that included Donnelly, former Secretary of Defense James Mattis, Ms. Carlson, Mr. Pienaar, and one of which included former Amazon CEO Jeff Bezos; as well as serious misrepresentations and omissions in the DOD Inspector General's (OIG) report on the JEDI procurement.<sup>8</sup> It's unacceptable that nearly seven years after Ms. Donnelly finished her role at DOD, there are still as many unanswered questions as there are answers, and there's an official report on the matter that isn't worth the paper it's printed on. That must change, so the American people can be confident corruption hasn't taken root in a contracting process funded by the taxpayer.

Since you were at the time the CEO of AWS as it attempted to gain the JEDI contract, you may have personal knowledge of Amazon's interactions with Ms. Donnelly during her tenure at DOD. So that Congress may continue to investigate this public integrity matter, I request that you produce the following records without redactions no later than December 31, 2024:<sup>9</sup>

1. A list of all individual sums paid by Amazon to Ms. Sally Donnelly, Mr. Andre Pienaar, C5 Capital, and SBD Advisors from January 1, 2017, to the present, along with a complete summary of the reason for each payment, all services performed in exchange for each payment, and a list of all individuals who performed those services;<sup>10</sup>

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ten bullet points about AWS apparently designed to promote AWS, including mention of how many new "services and features" AWS has since 2011, how AWS had "been continually expanding its services to support virtually any cloud workload," and how AWS offers a "robust, fully featured technology infrastructure platform in the cloud . . ."), on file with Committee staff.

<sup>7</sup> See, e.g., Sen. Charles E. Grassley, address on the floor of the U.S. Senate, *During Sunshine Week, Grassley Discusses Lessons Learned from the JEDI Cloud Procurement*, YouTube (March 15, 2021), <https://www.youtube.com/watch?v=DPF8-kXa7G0>.

<sup>8</sup> See, e.g., Letter from Sen. Charles E. Grassley, Ranking Member, Sen. Comm. on the Budget, to Michael N. Levy, Partner, Ellerman Enzinna Levy PLLC (attorney for Ms. Donnelly) (October 10, 2023), [https://www.grassley.senate.gov/imo/media/doc/grassley\\_mace\\_to\\_michael\\_levy\\_sally\\_donnelly\\_-\\_jedi\\_oversight.pdf](https://www.grassley.senate.gov/imo/media/doc/grassley_mace_to_michael_levy_sally_donnelly_-_jedi_oversight.pdf); Letter from Sen. Charles E. Grassley, Ranking Member, Sen. Comm. on the Budget, to Mr. Christopher J. Armstrong, Partner, Holland & Knight (attorney for Mr. Pienaar) (October 10, 2023), [https://www.grassley.senate.gov/imo/media/doc/2023-10-10\\_grassley\\_mace\\_to\\_chris\\_armstrong\\_andre\\_pienaar\\_-\\_jedi\\_oversight.pdf](https://www.grassley.senate.gov/imo/media/doc/2023-10-10_grassley_mace_to_chris_armstrong_andre_pienaar_-_jedi_oversight.pdf).

<sup>9</sup> The term "records" includes any written, recorded, or graphic material of any kind, including letters, memoranda, reports, notes, electronic data (e-mails, email attachments, and any other electronically-created or stored information), calendar entries, inter-office communications, meeting minutes, phone/voice mail or recordings/records of verbal communications, and drafts (whether or not they resulted in final documents).

<sup>10</sup> Whenever Amazon, C5 Capital, or SBD Advisors, or any other company is mentioned in this request, the request includes all employees, officers, affiliates, divisions, subsidiaries, portfolio companies, or any agents whatsoever acting on behalf of the entity, whether the numbered request mentions that or not. For example, a request referencing C5 Capital would include Andre Pienaar, members of the C5 Board of Directors, ITC Secure, ITC Global Advisors, VMAP Investor LLC, etc., "Amazon" includes Amazon Web Services (AWS) and its officers and employees during the relevant time period, etc. Moreover, where the request names any individual, the request includes any company or organization for which that individual is an officer, employee, or agent. For example, a request for Sally B. Donnelly would include SBD Advisors when she was in any way associated with that firm and Pallas Advisors after its formation.

2. All records of communications between and among Amazon, Ms. Sally Donnelly, Mr. Andre Pienaar, C5 Capital and SBD Advisors from January 1, 2017, to April 15, 2020;<sup>11</sup>

3. A complete and unredacted copy of all agreements, formal or informal, entered into by Amazon between and among Ms. Sally Donnelly, Mr. Andre Pienaar, C5 Capital, and SBD Advisors, a detailed explanation of all services provided for each agreement, and a list of all individuals who performed those services.<sup>12</sup> Where the agreement is for consulting or other services performed related to public sector cloud services, or was entered into between January 1, 2017 and April 1, 2018, include all contemporaneous records and communications related to the agreement;

4. All communications between and among Ms. Teresa Carlson, Mr. Jeff Bezos, Mr. Andy Jassy, or any Amazon officers or sales executives, and Ms. Donnelly, Mr. Pienaar, C5 Capital, and Mr. Anthony DeMartino, related in any way to public sector cloud business; and

5. All communications between and among Amazon, Mr. Pienaar, Ms. Carlson, Ms. Donnelly, and their representatives or agents, to prepare the response to this letter.

In responding to this request, if you determine you do not possess responsive records to a given request, please note that in your response along with a detailed description of your search, the terms used to search for records, and what record systems were searched and not searched. Finally, I ask that you make a thorough search of any backup systems that may contain responsive records to assure that the response is complete and includes all records responsive to the request. Thank you in advance for your cooperation in this matter.

Sincerely,



Charles E. Grassley  
Ranking Member  
Committee on the Budget

CC: Mr. Jeffrey P. Bezos,  
Founder, Executive Chairman, and former President and CEO of Amazon

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<sup>11</sup> The term “communications” as used in this letter includes communications by any means, including, but not limited to communications by encrypted means, letter, facsimile, email, text/sms or messaging apps, phone call and voice mail, whether or not the means of communication used official Amazon-issued devices, servers, or accounts.

<sup>12</sup> The term “agreements” as used in this letter includes contracts, master services agreements, work orders, memoranda of agreement, memorialization of oral agreements, and other instruments and agreements of any kind entered into by the referenced parties.



**CONFIDENTIAL**

January 24, 2025

VIA ELECTRONIC MAIL

The Honorable Chuck E. Grassley  
United States Senate  
135 Hart Senate Office Building  
Washington, D.C. 20510

Re: Response to Ranking Member Grassley's December 17, 2024 Letter Regarding the Joint Enterprise Defense Infrastructure Cloud Contract

Dear Senator Grassley:

We write in response to your December 17, 2024 letter, which requests information from Amazon Web Services, Inc. ("AWS") regarding the Department of Defense's Joint Enterprise Defense Infrastructure ("JEDI") program. As you know, the DoD awarded JEDI to Microsoft Corporation more than five years ago before cancelling the program in mid-2021.

AWS appreciates your continued interest in improving the government procurement and contracting process. AWS has always advocated for free and open competition; we firmly believe that a competitive contracting environment helps the government receive the best products and services at the most competitive prices, ultimately benefiting taxpayers and furthering the interests of the public.

\* \* \*

Your letter focuses on concerns relating to the competitive JEDI procurement, which has been subject to six reviews over the past six years.<sup>1</sup> AWS complied and cooperated with each investigation and its associated requests. The entities and tribunals that reviewed and rejected claims of impropriety surrounding the JEDI procurement process are as follows:

- JEDI contracting officer;
- Deputy Director for the Acquisition Directorate of DoD's Washington Headquarters Service;
- U.S. Government Accountability Office;<sup>2</sup>

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<sup>1</sup> When DoD cancelled the JEDI procurement, DoD replaced it with a now-awarded multi-vendor indefinite delivery, indefinite quantity ("IDIQ") vehicle, known as the Joint Warfighting Cloud Capability ("JWCC") contract. AWS supports the DoD's decision to make JWCC a multi-award contract and believes that the JWCC contract is critical to DoD's adoption of much needed cloud capabilities.

<sup>2</sup> *Oracle America, Inc., B-416657 et al.*, Nov. 14, 2018, available [here](#).

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- U.S. Court of Federal Claims;<sup>3</sup>
- U.S. Court of Appeals for the Federal Circuit;<sup>4</sup> and
- DoD Office of Inspector General (“OIG”).<sup>5</sup>

The OIG investigation is particularly relevant here. In 2020, the OIG issued a report analyzing the JEDI procurement, following a detailed investigation that spanned more than a year and considered four separate complaints by Oracle as well as congressional inquiries and other allegations. The OIG’s investigation specifically reviewed the concerns raised in your letter. The OIG conducted a robust investigation, one that included a multidisciplinary team of the OIG auditors, criminal and administrative investigators, defense acquisition professionals, and attorney advisors. The OIG examined more than 31 GBs of emails and 1 GB of relevant documents provided by DoD stakeholders, including memoranda, reports, financial disclosure forms, disqualification statements, ethics pledges and other ethics documents, travel calendars, meeting agendas, and source selection and requirements development documentation.

Many of the documents the OIG relied upon in making its findings are publicly available. In its report and supplementary materials, the OIG made public written witness statements, investigation and information reports prepared by the OIG, correspondence between the OIG and various parties interested in the investigation, and numerous other documents and emails related to the JEDI procurement (including some involving meetings between Amazon and DoD officials). Some of these documents are directly responsive to requests in your letter and are publicly available for review. In addition to reviewing documents, the OIG conducted more than 80 interviews of current and former program managers, attorneys, ethics officials, other DoD officials involved in the JEDI procurement, and at least one AWS employee. Some of these interview transcripts and memoranda, including Sally Donnelly’s transcript,<sup>6</sup> are publicly available.<sup>7</sup>

The OIG concluded that AWS was not afforded any preferential access or treatment. For example, the OIG report stated that there was (1) no “evidence that [Donnelly] failed to disclose [improper] payments . . . , provided preferential treatment to Amazon, or improperly participated in the JEDI Cloud procurement”;<sup>8</sup> and (2) “no evidence that Donnelly gave Amazon officials greater or more frequent access

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<sup>3</sup> *Oracle America Inc. v. United States*, No. 18-1880C at 51–60 (Ct. Fed. Cl. 2019) available [here](#). It is telling that Oracle’s bid protest allegations did not include the purported involvement of either Donnelly or Teresa Carlson. This is despite the fact that Oracle was the driving force behind alleging impropriety on the part of Donnelly and Carlson when it complained to the OIG. Failing to include Donnelly and Carlson in the bid protest shows that Oracle did not view those issues as legitimate and that they were unlikely to withstand judicial scrutiny.

<sup>4</sup> *Oracle America Inc. v. United States*, No. 19-2326 at 31 (Fed. Cir. 2020), available [here](#).

<sup>5</sup> Inspector General, U.S. Dep’t of Defense, *Report on the Joint Enterprise Defense Infrastructure (JEDI) Cloud Procurement (DODIG-2020-079)* (Apr. 13, 2020), [here](#).

<sup>6</sup> As noted in your letter, Donnelly was a senior advisor to Secretary of Defense James Mattis in the early stages of the JEDI procurement.

<sup>7</sup> A full list of the records from the OIG’s files is publicly available [here](#). A significant portion of those documents, such as Donnelly’s interview transcript, are also publicly available [here](#).

<sup>8</sup> OIG report at 200.



to meetings with Secretary Mattis than Amazon's competitors who requested to meet with him."<sup>9</sup>

Throughout these repeated, thorough examinations of the JEDI procurement process, there has been no evidence to substantiate any claims of impropriety made regarding the conduct or practices of AWS, its employees, or its agents acting on behalf of AWS. The factual record is comprehensive with contracting officers, judges, and the OIG all coming to the same conclusion: there is no material evidence of wrongdoing. The only reason these unfounded allegations have persisted for over six years is because Oracle continues to grossly mischaracterize and misrepresent the underlying facts.

DoD is currently on a path to acquiring the cloud capabilities it requires, through a competitive process that has been scrutinized for more than half a decade. Taxpayer interests have been protected to the point where it is hard to see what else could be done that would serve them further without causing undue turmoil and resource misallocation. Asking AWS and others to undertake searches for documents that, if they exist, will be many years old and of questionable relevance is unlikely to advance the public's interest or that of any party other than Oracle.<sup>10</sup>

\* \* \*

AWS reserves the opportunity to supplement information in this response letter. In providing information and materials responsive to your questions, AWS does not waive any rights, privileges, or legal options relating to the Committee's inquiry.

\* \* \*

Please feel free to have your staff contact me with any questions concerning this response.

Sincerely,



Shannon L. Kellogg  
Vice President, AWS Public Policy — Americas

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<sup>9</sup> *Id.* As to the allegations in your letter, you write, "there's an official report on the matter that isn't worth the paper it's printed on." We assume your letter is referring to the OIG Report and respectfully disagree with your characterization of that report given that—as we previously noted—it was based on a lengthy and thorough investigation.

<sup>10</sup> Separately, the Committee has not identified a valid legislative purpose for its investigation. As you are aware, a committee's power to investigate is not unlimited. Indeed, a committee must have a legitimate legislative purpose for any inquiry, and the scope of the inquiry must be reasonably related to that purpose. *See Trump v. Mazars*, 140 S. Ct. 2019, 2036 (2020). Neither requirement has been met in this matter.