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United States Senate

COMMITTEE ON THE JUDICIARY

WASHINGTON, DC 20510-6275

December 22, 2025

VIA ELECTRONIC TRANSMISSION

The Honorable Platte Moring
 Inspector General
 Department of War

Dear Inspector General Moring:

I write to you as part of my ongoing investigation into the Joint Enterprise Defense Initiative (JEDI) Cloud Procurement, including the Department of Defense Office of Inspector General's (DoD OIG) official review and report, which began during the first Trump administration. For several years, I've investigated conflicts of interest that infected the process of awarding what was then a massive \$10 billion defense cloud contract.¹ I've enclosed with this letter the extent of my public oversight work which, at its core, is a good government oversight investigation.

During my investigation, I've been obstructed by former DoD official Sally Donnelly and her business partner, Andre Pienaar. Accordingly, because of this obstruction, I require the entire case file for the JEDI matter from the OIG to determine which relevant information has been hidden from my valid and legitimate congressional investigation, to include unredacted transcripts of interviews.

At the heart of the JEDI investigation is SBD Advisors. That firm was run by Donnelly and Mr. Anthony DeMartino, who worked directly for her.² Both served at DoD in a civilian

¹ See e.g., Letter from Sen. Charles E. 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, (Oct. 24, 2022), https://www.grassley.senate.gov/imo/media/doc/grassley_to_defense_deptdefenseinspectorgeneralsbdadvisorsllconflctsofintereview1.pdf; Letter from Sen. Charles E. Grassley, Ranking Member, U.S. Senate Comm. on the Judiciary, to Sean O'Donnell, Acting Inspector Gen., Dep't of Defense, Off. of the Inspector Gen., (Jan. 7, 2022), https://www.grassley.senate.gov/imo/media/doc/grassley_to_defense_dept.inspectorgeneraljedicontract.pdf; Letter from Sen. Charles E. Grassley, Ranking Member, S. Comm. on Judiciary, to Sean O'Donnell, Acting Inspector Gen., Dep't of Def. (Aug. 31, 2021), https://www.grassley.senate.gov/imo/media/doc/grassley_to_defense_dept.officeofinspectorgeneraljedireportfaults.pdf; Letter from Sen. Charles E. Grassley, Chairman, U.S. Senate Comm. on Finance, to Mark Esper, Secretary, U.S. Dep't of Defense. (Oct. 5, 2020), [https://www.grassley.senate.gov/imo/media/doc/2020-10-05%20CEG%20to%20DOD%20\(JEDI%20II\).pdf](https://www.grassley.senate.gov/imo/media/doc/2020-10-05%20CEG%20to%20DOD%20(JEDI%20II).pdf); Letter from Sen. Charles E. Grassley, Chairman, U.S. Senate Comm. on Finance, to Patrick M. Shanahan, Acting Secretary, U.S. Dep't of Defense, (Apr. 9, 2019), [https://www.finance.senate.gov/imo/media/doc/2019-04-09%20CEG%20to%20DOD%20\(JEDI\).pdf](https://www.finance.senate.gov/imo/media/doc/2019-04-09%20CEG%20to%20DOD%20(JEDI).pdf).
² See INSPECTOR GEN., U.S. DEP'T OF DEF., REPORT ON THE JOINT ENTERPRISE DEFENSE INFRASTRUCTURE (JEDI) CLOUD PROCUREMENT, REPORT NO. DODIG-2020-079 at 189 ("Ms. Donnelly establishes SBD Advisors, LLC.") and 201 ("Mr. DeMartino was Managing Director of SBD Advisors") (Apr. 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); see also INSPECTOR GEN., U.S. DEP'T OF DEF., DODOIG-2020-001050, 1ST INTERIM RESPONSE RECORDS 7 (2020), <https://www.dodig.mil/Portals/48/DODOIG-2020->

capacity and are former Amazon Web Services consultants, which they both testified to before the DoD OIG.³ Donnelly established SBD Advisors, which bore her initials, in February 2012 and hired DeMartino as a Managing Director in December 2014.⁴ Today, DeMartino and Donnelly work together, having established another defense consulting company, Pallas Advisors, in 2018.⁵ Both serve on the board of the Pallas Foundation as “Founding Director[s].”⁶

Donnelly and DeMartino reportedly ended their professional relationship with Amazon before they entered DoD in January 2017.⁷ According to the OIG report, Donnelly told the OIG that “AWS hired SBD Advisors, between 2015 and 2016, to help AWS understand better how the DoD operated.”⁸ In response to the OIG’s question “what years were you a consultant for Amazon Web Services,” Donnelly stated, “I don’t recall exactly, but I believe it was most of 2015 . . . I don’t have the exact date 2015 to 2016.”⁹

Records I’ve obtained show Amazon continued to work with SBD Advisors after 2016. For example, in an amended work order signed by DeMartino and an Amazon representative on January 3, 2017, where the original work order appears to have started in March 2016, it was agreed that SBD Advisors would provide Amazon consulting services through December 2017.¹⁰

At the time this work order was signed by DeMartino, Donnelly still worked at SBD Advisors. January 3, 2017, is nearly two weeks before Donnelly became Senior Advisor to the Secretary of Defense on January 21 and before Donnelly reportedly divested from SBD Advisors

001050%201st%20Interim%20response%20records_1.pdf (“my role was the managing director, so I helped run the small team and I . . . provided organizational, kind of a consulting or advice to clients.”)

³ See INSPECTOR GEN., U.S. DEP’T OF DEF., DODOIG-2020-001050, 1ST INTERIM RESPONSE RECORDS 7-8 (2020), https://www.dodig.mil/Portals/48/DODOIG-2020-001050%201st%20Interim%20response%20records_1.pdf (DeMartino’s testimony); *Id.*, at 50-1 (Donnelly’s testimony).

⁴ INSPECTOR GEN., U.S. DEP’T OF DEF., REPORT ON THE JOINT ENTERPRISE DEFENSE INFRASTRUCTURE (JEDI) CLOUD PROCUREMENT, REPORT NO. DODIG-2020-079 at 189 (founding SBD Advisors), at 203 (hiring DeMartino), (Apr. 13, 2020), [https://media.defense.gov/2020/Apr/21/2002285087/-1/-1/1/REPORT%20ON%20THE%20JOINT%20ENTERPRISE%20DEFENSE%20INFRASTRUCTURE%20\(JEDI\)%20CLOUD%20%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%20%20PROCUREMENT%20DODIG-2020-079.PDF).

⁵ See Pallas Advisors, *Our Origin Story* (last visited Dec. 22, 2025), <https://www.pallasadvisors.com/> (“Pallas Advisors was founded by Sally Donnelly and Tony DeMartino . . . in 2018.”)

⁶ Pallas Foundation, *Meet the Team* (last visited Dec. 22, 2025), <https://www.pallasfoundation.org>.

⁷ INSPECTOR GEN., U.S. DEP’T OF DEF., REPORT ON THE JOINT ENTERPRISE DEFENSE INFRASTRUCTURE (JEDI) CLOUD PROCUREMENT, REPORT NO. DODIG-2020-079 at 189 and 203, (Apr. 13, 2020), [https://media.defense.gov/2020/Apr/21/2002285087/-1/-1/1/REPORT%20ON%20THE%20JOINT%20ENTERPRISE%20DEFENSE%20INFRASTRUCTURE%20\(JEDI\)%20CLOUD%20%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%20%20PROCUREMENT%20DODIG-2020-079.PDF).

⁸ INSPECTOR GEN., U.S. DEP’T OF DEF., REPORT ON THE JOINT ENTERPRISE DEFENSE INFRASTRUCTURE (JEDI) CLOUD PROCUREMENT, REPORT NO. DODIG-2020-079 at 194, (Apr. 13, 2020), [https://media.defense.gov/2020/Apr/21/2002285087/-1/-1/1/REPORT%20ON%20THE%20JOINT%20ENTERPRISE%20DEFENSE%20INFRASTRUCTURE%20\(JEDI\)%20CLOUD%20%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%20%20PROCUREMENT%20DODIG-2020-079.PDF).

⁹ INSPECTOR GEN., U.S. DEP’T OF DEF., DODOIG-2020-001050, 1ST INTERIM RESPONSE RECORDS 50 (2020), https://www.dodig.mil/Portals/48/DODOIG-2020-001050%201st%20Interim%20response%20records_1.pdf.

¹⁰ See Attachment A; On file with Comm. staff. According to a March 2016 “Master Services Agreement” under section 2 “TERM,” it states, “This Agreement begins on the Effective Date...[and] continues for a period of one year...Upon expiration of such period, this Agreement with automatically renew on a month-to-month basis until either party gives at least 60 days prior written notice of termination”. On file with Comm. staff.

through the sale of her company on January 19, 2017.¹¹ DeMartino would become Deputy Chief of Staff to the Secretary of Defense on January 26, 2017.¹²

The work order states that SBD Advisors will “evaluate the entire scope of AWS’[Amazon Web Services’] goals, objectives, and activities” as well as “focus on positioning AWS to build and maintain awareness among elite policy and opinion leaders.”¹³ A “Strategy report” is listed as due on the “Last day of each month.”¹⁴

In an additional work order dated January 1, 2018, SBD Advisors was expected to provide “discreet counsel to both AWS and DoD officials on a regular basis ... and maximize the chance of the enactment of policies favorable to AWS and movement towards *cloud procurement*.”¹⁵ This work order includes a “Completion Date” of March 31, 2018.¹⁶

On January 17, 2018—the same month the work order was effective—Donnelly attended an intimate dinner for four in Washington, DC.¹⁷ The dinner’s attendees were Secretary Mattis, Sally Donnelly, Teresa Carlson, the Vice President of AWS Worldwide Public Sector, and Amazon CEO Jeff Bezos.¹⁸ Just hours before the dinner, Carlson sent an email addressed to “Dear Sally” and asked “Sally” to personally review an “AWS Fact Sheet.”¹⁹ Copied on the email are Steven Block, an AWS professional whose work is publicly listed as including “federal acquisition”²⁰ and Jennifer Chronis, then an AWS General Manager.²¹

Regarding this dinner, the DoD OIG’s report states, “Ms. Carlson . . . wrote that during the dinner, Secretary Mattis and Mr. Bezos discussed ‘leadership, decision making and innovation’ . . . according to Ms. Carlson, she and Ms. Donnelly engaged in ‘small talk,’ the details of which she did not remember.”²² The official report, however, does not mention

¹¹ INSPECTOR GEN., U.S. DEP’T OF DEF., REPORT ON THE JOINT ENTERPRISE DEFENSE INFRASTRUCTURE (JEDI) CLOUD PROCUREMENT, REPORT NO. DODIG-2020-079 at 189, (Apr. 13, 2020), [https://media.defense.gov/2020/Apr/21/2002285087/-1/-1/1/REPORT%20ON%20THE%20JOINT%20ENTERPRISE%20DEFENSE%20INFRASTRUCTURE%20\(JEDI\)%20CLOUD%20%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%20%20PROCUREMENT%20DODIG-2020-079.PDF).

¹² *Id.*, at 203.

¹³ See Attachment A. On file with Comm. staff.

¹⁴ See Attachment A. On file with Comm. staff.

¹⁵ See Attachment A. On file with Comm. staff. Emphasis added.

¹⁶ See Attachment A. On file with Comm. staff.

¹⁷ See INSPECTOR GEN., U.S. DEP’T OF DEF., REPORT ON THE JOINT ENTERPRISE DEFENSE INFRASTRUCTURE (JEDI) CLOUD PROCUREMENT, REPORT NO. DODIG-2020-079 at 184, (Apr. 13, 2020), [https://media.defense.gov/2020/Apr/21/2002285087/-1/-1/1/REPORT%20ON%20THE%20JOINT%20ENTERPRISE%20DEFENSE%20INFRASTRUCTURE%20\(JEDI\)%20CLOUD%20%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%20%20PROCUREMENT%20DODIG-2020-079.PDF).

¹⁸ See Press Release, Sen. Charles E. Grassley, *During Sunshine Week, Grassley Discusses Lessons Learned from the JEDI Cloud Procurement* (Mar. 14, 2024), <https://www.grassley.senate.gov/news/remarks/during-sunshine-week-grassley-discusses-lessons-learned-from-the-jedi-cloud-procurement>; see also Professional Services Council, “Teresa Carlson Bio” (last visited Dec. 22, 2025), <https://www.pscouncil.org/Downloads/bios/Teresa%20Carlson%20Bio.pdf>.

¹⁹ On file with Comm. staff.

²⁰ See National Security Institute, George Mason University, *Steve Block* (last visited Dec. 22, 2025), <https://nationalsecurity.gmu.edu/steve-block/>.

²¹ See Snowflake, *Jennifer Chronis, Vice President of US Public Sector Sales*, (last visited Dec. 22, 2025), <https://www.snowflake.com/en/blog/authors/jennifer-chronis/>.

²² INSPECTOR GEN., U.S. DEP’T OF DEF., REPORT ON THE JOINT ENTERPRISE DEFENSE INFRASTRUCTURE (JEDI) CLOUD PROCUREMENT, REPORT NO. DODIG-2020-079 at 185, (Apr. 13, 2020), <https://media.defense.gov/2020/Apr/21/2002285087/-1/-1/>.

Carlson sending Donnelly AWS sales materials hours before the dinner, copying AWS professionals on emails sent to official government accounts, or asking Donnelly to personally “review” these materials.²³ The report also doesn’t address the work orders.

These relationships between AWS and SBD Advisors appear to cease in March 2018, the same month Donnelly departed DoD.²⁴

During the same period, between 2017 and 2018, Donnelly continued to receive partial payments from the sale of SBD Advisors while she was employed at DoD.²⁵ According to the OIG report, “[s]ometime” in “March 1-8 2018, Ms. Donnelly received a fourth and final partial payment of \$390,000 from her sale of SBD Advisors” and then resigned on March 9, 2018.²⁶ Records provided to my office indicate that SBD Advisors was previously purchased by an Amazon-linked portfolio company, whose identity Donnelly never precisely disclosed to the DoD OIG, even while under oath.²⁷

In sum, the work orders, stemming from a March 2016 agreement, establish that Amazon had a continuous relationship with SBD Advisors before and during Donnelly and DeMartino’s employment at DoD, and that this relationship extended into 2017 and 2018. When read in the context of Donnelly’s testimony, this timeline raises additional questions.

Further, the work orders provide even more evidence that Donnelly should not have been involved in any discussions regarding the JEDI contract, let alone reviewing AWS sales materials, or attending private dinners with Bezos as a DoD official. In conjunction with my previous public work, which is enclosed, it’s high time to finally set the record straight, and to determine the full scope of Ms. Donnelly and her associates’ conduct while on the taxpayers’ dime. It is also time to fully dissect the OIG report on this matter for the purpose of public transparency. Too much information about this matter has been hidden behind a wall of obstruction.

The complete OIG JEDI records are therefore critical to my congressional investigation, which now includes obstruction in light of the years of non-compliance from relevant parties. The American people deserve answers, and you have records in your possession that would provide exactly that.

1/1/REPORT%20ON%20THE%20JOINT%20ENTERPRISE%20DEFENSE%20INFRASTRUCTURE%20(JEDI)%20CLOUD%20%20PROCUREMENT%20DODIG-2020-079.PDF.

²³ *Id.*

²⁴ INSPECTOR GEN., U.S. DEP’T OF DEF., REPORT ON THE JOINT ENTERPRISE DEFENSE INFRASTRUCTURE (JEDI) CLOUD PROCUREMENT, REPORT NO. DODIG-2020-079 at 190, (Apr. 13, 2020), [https://media.defense.gov/2020/Apr/21/2002285087/-1/-1/1/REPORT%20ON%20THE%20JOINT%20ENTERPRISE%20DEFENSE%20INFRASTRUCTURE%20\(JEDI\)%20CLOUD%20%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%20%20PROCUREMENT%20DODIG-2020-079.PDF);

1/1/REPORT%20ON%20THE%20JOINT%20ENTERPRISE%20DEFENSE%20INFRASTRUCTURE%20(JEDI)%20CLOUD%20%20PROCUREMENT%20DODIG-2020-079.PDF; *See also* Attachment A.

²⁵ *Id.*, at 192-3.

²⁶ *Id.*

²⁷ *See* Press Release, Sen. Charles E. Grassley, *During Sunshine Week, Grassley Discusses Lessons Learned from the JEDI Cloud Procurement* (Mar. 14, 2024), <https://www.grassley.senate.gov/news/remarks/during-sunshine-week-grassley-discusses-lessons-learned-from-the-jedi-cloud-procurement>; *see also* INSPECTOR GEN., U.S. DEP’T OF DEF., DODOIG-2020-001050, 1ST INTERIM RESPONSE RECORDS 49 (2020), https://www.dodig.mil/Portals/48/DODOIG-2020-001050%201st%20Interim%20response%20records_1.pdf.

Accordingly, pursuant to this congressional investigation, please provide a full, unredacted copy of the DoD OIG JEDI report case file as well as the following records in unredacted form, no later than January 5, 2026:²⁸

1. All records relating to the report, including all communications between and among DoD OIG personnel and DoD personnel.²⁹
2. Records of communication also includes all emails to, from, or cc'ing Sally Donnelly, Anthony DeMartino, Teresa Carlson, Kristen Verderame, Secretary Mattis, Jeff Bezos and their respective counsels. If your office does not possess these records, affirmatively state that in your response.
3. A list of all individuals who contributed to the production of the DoD OIG JEDI report.
4. All interview transcripts.

Thank you for your prompt review and response. Should you have questions, please contact Ross Berg on my Committee staff at (202) 224-5225.

Sincerely,



Charles E. Grassley
Chairman
Committee on the Judiciary

²⁸ 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).

²⁹ 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.

Attachment – A

Amendment to AWS Work Order effective December 29, 2016

This Amendment (this "Amendment") to the AWS Work Order (the "Work Order") dated March 15, 2016 by and between Amazon Web Services, Inc. ("AWS") and SBD Advisors, LLC ("Customer") is effective as of December 29, 2016 (the "Amendment Effective Date"). All capitalized terms not defined in this Amendment have the respective meanings set forth in the Work Order. The Parties agree as follows:

1. Description of Project Services:

- Strategic Overview and Assistance
 - Vendor will initiate client engagement through a preliminary assessment based on Vendor's well developed networks and open source background material relating to AWS, its sector of operation, partners and competitors, and public perception indicators. Background material provided by AWS will be added to the assessment for presentation during the Initial Planning Meeting, clearly defining the environment. Through these initial steps, Vendor will evaluate the entire scope of AWS' goals, objectives and activities, and assess effectiveness, identify adjustments and recommend strategies and tactics that will favorably position you or minimize negative attention. Vendor will focus on positioning AWS to build and maintain awareness among elite policy and opinion leaders. Vendor will also address issues at the tactical, operational and strategic levels and provide straightforward counsel and recommendations for future activities and messaging that will effectively position AWS according to stated objectives.
- Planning and Execution
 - Vendor will assist in developing and executing initiatives that align with and support AWS objectives, and will be prepared to engage in due diligence, provide objective analysis and compile a Stakeholder Mapping document for review. The document will be based on the preliminary assessment and AWS' input as well as separate research. Vendor will conduct through its network of advisors and contacts. Stakeholder mapping will provide AWS with a perception roadmap of how AWS is positioned, other organizations in the sector and relevant information for your review as the project begins.
- Senior Advisor Engagements
 - Vendor will engage its senior advisors to provide individual perspectives and discreet counsel when necessary.

2. General Description of Work Product/deliverables:

<u>Deliverables</u>	<u>Date Due</u>	<u>Applicable Payment</u>
Strategy report	Last day of each month	Redacted - Business Sensitive

3. Location(s) Where Services Will Be Provided: 1747 Pennsylvania Avenue NW
Washington DC 20006

4. Start Date Of Services: January 1, 2017

5. Required Completion Date: December 31, 2017

6. Contractor Fees/Payment Terms:

Amazon will pay Contractor Redacted - Business Sensitive per month, with an aggregate total not to exceed Redacted - Business Sensitive including any pre-approved costs and taxes, for the Services performed by Contractor in accordance with the Agreement.

Amazon will pay Contractor the amount above in accordance with the delivery of Deliverables as set forth above and acceptance by Amazon, subject to receipt of Contractor's invoice. The invoice will be in a form and content reasonably acceptable to Amazon and will contain sufficient information to allow Amazon to determine the accuracy of the amounts billed. Payment terms are net 60 days of



receipt of invoice and acceptance of Services by Amazon, provided that a two percent (2%) discount will apply to amounts due and owing to Contractor and paid by Amazon within ten (10) days of Amazon's receipt of the applicable invoice for such amounts.

Contractor represents that the pricing offered to Amazon under this Amendment is and at all times will be as favorable as that offered to Contractor's other customers receiving services from Contractor similar to the Services hereunder. If Contractor offers to provide the Services to a customer on terms that are more favorable than the terms offered to Amazon, Contractor will notify Amazon of the third-party terms, and at Amazon's election those terms will be applied to Amazon's purchase of the Services under this Amendment effective as of the date such terms were offered to the other customer.

Amazon:

Amazon Web Services, Inc.

DocuSigned by:
By: Max Peterson
9584C3BB8B23402
Printed Name: Max Peterson
Title: AWS Vice President
Date Signed: January 3, 2017

Contractor:

SBD Advisors LLC

DocuSigned by:
By: Tony DeMartino
8E4D939FB88B4F7
Printed Name: Tony DeMartino
Title: Managing Director, SBD
Date Signed: January 3, 2017



Work Order effective January 1, 2018

This Work Order is entered into and made a part of the Master Services Agreement between Amazon Web Services, Inc. and the Contractor noted therein, with an effective date of March 15, 2016 (the "Agreement"), to apply to the Amazon entity noted below (for purposes of this Work Order, "Amazon") for the Project described below. All capitalized terms not defined in this Work Order have the respective meanings set forth in the Agreement. To the extent that the terms of this Work Order conflict with any of the terms of the Agreement, and the Work Order explicitly states that it intends to modify the conflicting terms, this Work Order supersedes the Agreement.

1. Description of Project Services: Contractor will serve as information brokers and engage key influencers to improve Department of Defense (DoD) and Military Service senior leader understanding of and confidence in Amazon Web Services, as demonstrated through indicators of favorable policies and movement towards procurement activity, helping bring commercial cloud and its attributes (security, agility, affordability) to the US defense market. Specifically, Contractor will:

- Engage its key senior leaders and advisors to provide individual perspectives and discreet counsel to both AWS and DoD officials on a regular basis. The purpose of such counsel is to ensure DoD senior leaders understand the services and benefits offered by AWS, and maximize the chance of the enactment of policies favorable to AWS and movement towards cloud procurement. This work will include efforts to avoid and counter potential obstacles and roadblocks to AWS's objectives.
- Engage senior DoD leaders and provide AWS with ongoing assessments and monitoring of the current state of play among the key stakeholders in the DoD.
- Assist AWS in initiating engagement with senior, strategic DoD stakeholders and leaders based on SBD's networks, and assist AWS with messaging during such engagements.
- Provide AWS counsel and recommendations at the tactical, operational and strategic levels, including counsel and recommendations for future activities and messaging that will effectively position AWS to meet the objectives described above.
- Provide AWS with a written Status Report each month that details the Contractor's efforts and demonstrable progress towards the objectives described above.

Any change to Contractor's scope of work must be authorized in writing by both parties, and in the case of Amazon, is binding only if signed by an authorized signatory or by a Vice President of Amazon.

2. General Description of Work Product/deliverables:

<u>Deliverables</u>	<u>Date Due</u>	<u>Applicable Payment</u>
Strategy Report	Last Day of each month	See Section 6 below

3. Location(s) Where Services Will Be Provided: 1747 Pennsylvania Ave. NW, Washington, DC 20006

4. Start Date Of Services: January 1, 2018

5. Required Completion Date: March 31, 2018

6. Contractor Fees/Payment Terms:

Amazon will pay Contractor a flat rate, inclusive of all pre-approved costs and taxes, of Redacted - Business Variable for the month of January 2018 and Redacted - Business Variable per month for the months of February and March 2018, for the Services performed by Contractor in accordance with the Agreement.



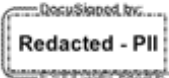

Amazon will pay Contractor the amount above in accordance with the delivery of Deliverables as set forth above and acceptance by Amazon, subject to receipt of Contractor's invoice. The invoice will be in a form and content reasonably acceptable to Amazon and will contain sufficient information to allow Amazon to determine the accuracy of the amounts billed. Payment terms are net 60 days of receipt of invoice and acceptance of Services by Amazon, provided that a two percent (2%) discount will apply to amounts due and owing to Contractor and paid by Amazon within ten (10) days of Amazon's receipt of the applicable invoice for such amounts.

Contractor represents that the pricing offered to Amazon under this Work Order is and at all times will be as favorable as that offered to Contractor's other customers receiving services from Contractor similar to the Services hereunder. If Contractor offers to provide the Services to a customer on terms that are more favorable than the terms offered to Amazon, Contractor will notify Amazon of the third-party terms, and at Amazon's election those terms will be applied to Amazon's purchase of the Services under this Work Order effective as of the date such terms were offered to the other customer.

This Work Order is entered into as of the Start Date set forth above.

Amazon:

AMAZON WEB SERVICES, INC.

By:  **Redacted - PII**
Printed Name:  **Redacted - PII**
Title: Authorized Representative
Date Signed: February 20, 2018

Contractor:

SBD ADVISORS, LLC

By: 
Printed Name: Kristen Verderame
Title: General Counsel
Date Signed: February 19, 2018



CHUCK GRASSLEY, IOWA, CHAIRMAN

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ROLAND DAVIS, STAFF DIRECTOR AND CHIEF COUNSEL
JOSHUA SHENKMAN, DEMOCRATIC STAFF DIRECTOR

United States Senate
COMMITTEE ON FINANCE
WASHINGTON, DC 20510-6200

April 9, 2019

VIA ELECTRONIC TRANSMISSION

Patrick M. Shanahan
Acting Secretary of Defense
3010 Defense Pentagon
Washington, DC 20301-3010

Dear Acting Secretary Shanahan:

The Department of Defense (Department) is seeking vendors to help it build a comprehensive cloud computing system, known as the Joint Enterprise Defense Infrastructure (JEDI) program.¹ The vendor awarded the indefinite delivery/indefinite quantity contract to construct and maintain JEDI has the potential to receive up to \$10 billion over a ten year performance period.² According to multiple news reports, two individuals affiliated with Amazon Inc. were employed by the Department and responsible, in part, for crafting central and confidential aspects of a single-award contract for JEDI.³ Critics allege that their role indicates the Department tailored the contract to favor Amazon in violation of the Federal Acquisition

¹ Jared Serbu, *DOD's new JEDI investigation is focused on one Amazon employee, court filings say*, Federal News Network (Feb. 22, 2019), available at <https://federalnewsnetwork.com/defense-main/2019/02/court-filings-offer-additional-details-on-dods-jedi-conflict-of-interest-probe/>; Department of Defense Press Release, *Contract Milestone Brings Enterprise Cloud Solution One Step Closer to Warfighter*, July 26, 2018, available at <https://dod.defense.gov/News/News-Releases/News-Release-View/Article/1584975/contract-milestone-brings-enterprise-cloud-solution-one-step-closer-to-warfighter/>; see also Ron Miller, *Jeff Bezos is just fine taking the Pentagon's \$10B JEDI cloud contract*, Tech Crunch (Oct. 15, 2018), available at <https://techcrunch.com/2018/10/15/jeff-bezos-is-just-fine-taking-the-pentagons-10b-jedi-cloud-contract/>.

² Carl Weinschenk, *AWS, Oracle, and the Pentagon Continue Fight Over JEDI Cloud Contract*, SDX Central (Jan. 28, 2019), available at <https://www.sdxcentral.com/articles/news/aws-oracle-and-the-pentagon-continue-fight-over-jedi-cloud-contract/2019/01/>.

³ See Julie Bort, *There's a new snag for Amazon in the winner-take-all \$10 billion Pentagon cloud contract, and it could be good news for Microsoft*, Business Insider (Feb. 19, 2019), available at <https://www.businessinsider.com/amazon-jedi-cloud-contract-snag-2019-2>; see also Katishi Maake, *Reported revelation pauses legal fight over JEDI procurement*, Washington Business Journal (Feb. 21, 2019), available at <https://www.bizjournals.com/washington/news/2019/02/21/reported-revelation-pauses-legal-fight-over-jedi.html>.

Regulation (FAR).⁴ Some industry experts also have speculated that this contract could unfairly restrict future competition for Department cloud services.⁵

Two other vendors, Oracle America Inc. and the IBM Corporation, filed independent pre-award bid protests with the Government Accountability Office (GAO) challenging both the terms of the request for proposals issued by the Department and the aforementioned conflicts of interest.⁶ GAO denied Oracle's claim and Oracle has subsequently brought suit on the same terms in the Court of Federal Claims.⁷

JEDI would provide both classified and unclassified cloud services to the entire Department (streamlining its current system consisting of hundreds of independent servers), as well as establish and promote a platform for machine learning, and act as a testing ground for artificial intelligence (AI) capabilities.⁸ The system AI capabilities would improve information sharing throughout the Department and the intelligence community, and allow warfighters to compile, analyze, and utilize data from a single source. Despite those perceived advantages, however, some industry experts and trade groups assert that the "[d]eployment of a single cloud conflicts with established best practices and industry trends in the commercial marketplace, as

⁴ See Bort, *supra* n. 3; see also FAR 6.101(a) & (b); see also FAR 3.301(a) & (b).

⁵ Ron Miller, *Why the Pentagon's \$10 billion JEDI deal has cloud companies going nuts*, Tech Crunch (Sep. 15, 2018), <https://techcrunch.com/2018/09/15/why-the-pentagons-10-billion-jedi-deal-has-cloud-companies-going-nuts/>.

⁶ Aaron Gregg, *GAO axes IBM's bid protest, teeing up a court battle over Pentagon's \$10 billion cloud effort*, WASH. POST (Dec. 11, 2018), available at https://www.washingtonpost.com/business/2018/12/12/gao-axes-ibms-bid-protest-teeing-up-court-battle-over-pentagons-billion-cloud-effort/?utm_term=.781b4670547a; see also IBM Corporation, B-416657.5 et al. (Comp. Gen. Dec. 11, 2018) (hereinafter IBM GAO Protest); see also Oracle America, Inc., B-416657 et al. (Comp. Gen. Nov. 18, 2018) (hereinafter "Oracle GAO Protest").

⁷ See IBM GAO Protest, *supra* n. 6; see also Oracle GAO Protest, *supra* n. 6; Ralph O. White, *GAO Statement on Oracle Bid Protest*, Government Accountability Office (Nov. 14, 2018), <https://www.gao.gov/about/press-center/press-releases/read/oracle-bid-protest-nov-2018.htm>; Ron Miller, *IBM files formal JEDI protest a day before bidding process closes* (Oct. 12, 2018), available at <https://techcrunch.com/2018/10/12/ibm-files-formal-jedi-protest-a-day-before-bidding-process-closes/>; Memorandum of Law in Favor of Plaintiff's Motion for Summary Judgment on the Administrative Record, Oracle America, Inc. v. United States, Case No. 18-1880C (C.F.C. 2019), available at <https://federalnewsnetwork.com/wp-content/uploads/2019/02/021219-oracle-memo-motion-for-judgment.pdf>.

⁸ See Deputy Secretary of Defense Memorandum, DoD Cloud Strategy, Department of Defense 2, 11, (Dec. 2018), available at <https://media.defense.gov/2019/Feb/04/2002085866/-1/-1/1/DOD-CLOUD-STRATEGY.PDF>; see also Ben Tarnoff, *Weaponised AI is coming. Are algorithmic wars our future?*, The Guardian (Oct. 11, 2018), available at <https://www.theguardian.com/commentisfree/2018/oct/11/war-jedi-algorithmic-warfare-us-military>; see also Naomi Nix, *Google Drops Out of Pentagon's \$10 Billion Cloud Competition*, Bloomberg (Oct. 8, 2018), available at <https://www.bloomberg.com/news/articles/2018-10-08/google-drops-out-of-pentagon-s-10-billion-cloud-competition>; see also Patrick Tucker, *Google is Pursuing the Pentagon's Giant Cloud Contract Quietly, Fearing an Employee Revolt*, Defense One (Apr. 12, 2018), available at <https://www.defenseone.com/technology/2018/04/google-pursuing-pentagons-giant-cloud-contract-quietly-fearing-employee-revolt/147407/>; see also Cheryl Pellerin, *Project Maven to Deploy Computer Algorithms to War Zone by Year's End*, Department of Defense (July 21, 2017), available at <https://dod.defense.gov/News/Article/Article/1254719/project-maven-to-deploy-computer-algorithms-to-war-zone-by-years-end/>; see also Daisuke Wakabayashi and Scott Shane, *Google Will Not Renew Pentagon Contract That Upset Employees*, N. Y. TIMES (June 1, 2018), available at <https://www.nytimes.com/2018/06/01/technology/google-pentagon-project-maven.html>.

well as current law and regulation, which calls for the award of multiple task or delivery order contracts.”⁹

At the request of the Department, the Court of Federal Claims has granted an unopposed motion to stay the proceedings of Oracle’s claim in order to grant the Department the ability to reconsider “whether possible personal conflicts of interest impacted the integrity of the JEDI Cloud procurement” process.¹⁰ In an effort to conduct oversight of this review process and ensure that future concerns involving conflicts of interest are resolved earlier in the contracting process, please answer the following no later than April 23, 2019:

1. What internal policies does the Department have in place to ensure that Requests for Procurement (RFP) and subsequent government contracts are not drafted so that they are tailored to match the specific technical capabilities of a particular company when that company does not qualify for a sole source contract as per FAR 6.101 and FAR 3.301? Were these policies adhered to in this case? If not, why not?
2. Please provide copies of current Department policy and procedures that address potential conflicts of interest in the contracting process. Please include any policies and procedures that address roles and responsibilities in drafting contracts and requests for proposals, and in reviewing those processes for potential conflicts.
 - a. Are any of these policies and procedures subject to independent review or audit?
 - b. Is it common practice for individuals representing or associated with potential bidders to draft contracts or requests for proposals?
 - c. To what extent did the Department follow its policies and procedures addressing potential conflicts of interest in designing the JEDI contract?
3. Department officials have reportedly described JEDI Cloud as a “pathfinder” intended to provide a model for the Department’s future transition of legacy IT systems to the cloud. Please describe any related efforts to ensure full and open competition for future Department cloud services contracts.

⁹ Letter from A.R. “Trey” Hodgkins, III, Sr. V. President, Public IT Alliance for Public Sector, to Chairman John McCain, Senate Armed Services Committee, et al. (Apr. 30, 2018), available at <https://www.nextgov.com/media/gbc/docs/pdfsedit/043018fk2ng.pdf>; see also Dave Deptula, *The Perils of JEDI: A Single Cloud Provider For The Pentagon And CIA Could Spell Disaster*, Forbes (Feb. 27, 2019), available at <https://www.forbes.com/sites/davedeptula/2019/02/27/jedi-and-why-its-important-a-single-cloud-provider-for-both-dod-and-cia-could-spell-disaster/#7751e19a6477> (stating that the Central Intelligence Agency has also awarded Amazon a cloud computing contract).

¹⁰ See Oracle America, Inc. v. United States, Case No. 18-1880C (C.F.C. 2019), available at https://federalnewsnetwork.com/wp-content/uploads/2019/02/021919_JEDI_cofc_stay.pdf.

- a. The Department has also said that it “expects to maintain contracts with numerous cloud providers to access specialized capabilities not available under the JEDI Cloud contract.” Please describe these specialized capabilities, as well as any related efforts to ensure full and open competition for related contracts.
4. In a May 2018 report to Congress, the Department indicated that the “underlying documentation required by the Federal Acquisition Regulation to support the single award ID/IQ approach is still under development within the Department.” The Department also said that it would not release the final JEDI solicitation until it executed the underlying justification documents. Please provide the Department’s justification supporting the use of a single award ID/IQ approach for the JEDI contract.
5. In September 2018, the OMB published their CLOUD SMART Strategy Proposal.¹¹ How does the JEDI program and procurement process align with the Federal government-wide strategy outlined in the aforementioned document?

Should you have questions, please contact Daniel Boatright of my Committee staff at (202) 224-4515. Thank you for your attention to this important mater.

Sincerely,



Charles E. Grassley
Chairman
Senate Committee on Finance

¹¹ OFFICE OF MGMT. & BUDGET, EXEC. OFFICE OF THE PRESIDENT, *From Cloud First to Cloud Smart*, (Sept. 24, 2018), available at <https://cloud.cio.gov/strategy/>; see also, THE WHITE HOUSE, *OMB Announces Cloud Smart Proposal* (Sept. 24, 2018), available at <https://www.whitehouse.gov/briefings-statements/omb-announces-cloud-smart-proposal/>.

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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

October 5, 2020

VIA ELECTRONIC TRANSMISSION

The Honorable Mark Esper
Secretary of Defense
3010 Defense Pentagon
Washington, DC 20301-3010

Dear Secretary Esper:

On April 9, 2019, I sent a letter to then-Acting Secretary of Defense, Patrick Shanahan, regarding my concerns with respect to the Department of Defense's (Department) Joint Enterprise Defense Infrastructure (JEDI) program, alleged conflicts of interest pertaining to those charged with creating its bid, and reported disputes between bidders and the Department.¹ The Department's Office of the Inspector General (OIG) completed a review and provided recommendations in response to members of Congress raising concerns about the JEDI program.²

The OIG report found that, at the very least, there was an appearance of impropriety in the formation and design of the JEDI bid proposal.³ In addition, the OIG report found Department employees had "lied" to the Department regarding their relationship with companies that were expected to bid on, or actively competing for, the JEDI contract.⁴ "Lie" is a word not often used by any OIG.

¹ Letter from Charles E. Grassley, Chairman, S. Comm. on Fin., to Patrick M. Shanahan, Acting Sec'y of Def., Dep't of Def. (Apr. 9, 2019), [https://www.finance.senate.gov/imo/media/doc/2019-04-09%20CEG%20to%20DOD%20\(JEDI\).pdf](https://www.finance.senate.gov/imo/media/doc/2019-04-09%20CEG%20to%20DOD%20(JEDI).pdf); Letter from Dana Deasy on behalf of Patrick M. Shanahan, Acting Sec'y of Def., Dep't of Def., to Charles E. Grassley, Chairman, S. Comm. on Fin. (May 3, 2019), <https://www.grassley.senate.gov/sites/default/files/2019-05-06%20DOD%20to%20CEG%20%28JEDI%29.pdf>; Dep't of Def., Addendum to May 3, 2019 Dep't of Defense Response to Senator Grassley's Letter, GRASSLEY.SENATE.GOV (June 25, 2019), <http://www.grassley.senate.gov/sites/default/files/2019-06-25%20DOD%20to%20CEG%20%28JEDI%20-%20Addendum%29.pdf> (supplementing the Department's May 3 correspondence after a subsequent request from the Senate Committee on Finance).

² REPORT ON THE JOINT ENTERPRISE DEFENSE INFRASTRUCTURE (JEDI) CLOUD PROCUREMENT, INSPECTOR GEN. DEP'T OF DEF., REPORT NO. DODIG-2020-079 (Apr. 13, 2020) [hereinafter JEDI OIG Report], [https://media.defense.gov/2020/Apr/15/2002281438/-1/-1/1/REPORT%20ON%20THE%20JOINT%20ENTERPRISE%20DEFENSE%20INFRASTRUCTURE%20\(JEDI\)%20CLOUD%20PROCUREMENT%20DODIG-2020-079.PDF](https://media.defense.gov/2020/Apr/15/2002281438/-1/-1/1/REPORT%20ON%20THE%20JOINT%20ENTERPRISE%20DEFENSE%20INFRASTRUCTURE%20(JEDI)%20CLOUD%20PROCUREMENT%20DODIG-2020-079.PDF).

³ Jared Serbu, *Pentagon IG Review Finds DoD Improperly Disclosed JEDI Information to AWS*, FED. NEWS NETWORK (Apr. 15, 2020), <https://federalnewsnetwork.com/defense-main/2020/04/pentagon-ig-review-finds-dod-improperly-disclosed-jedi-information-to-aws/>.

⁴ JEDI OIG Report, *supra* note 2, at 152–53.

Although the OIG stated the deception did not have a substantive impact on the contract, and relevant authorities have chosen not to pursue charges, the mere appearance of impropriety taints the contracting process and could cause all applicants to wonder if they won or lost a contract due to backroom deals that benefit Department employees.⁵ This appearance is further complicated when applicants are not afforded a debriefing process which is typically given after bids are not accepted.

To counteract the appearance of a conflict of interest and to improve the bidding process, the OIG provided several recommendations in the JEDI report, including policy changes and administrative actions against Department personnel. The report, states “[t]he responsible officials did not respond to the recommendations on the draft version of [the] report. Therefore, the recommendations are unresolved. [The OIG] request[s] that the appropriate officials provide comments on this final report.”⁶ The Department has failed to do so thus far.

The Department has a duty to the American taxpayer to ensure funds are spent wisely, and contracts are free of costly and unnecessary disputes. To that end, I request you provide a briefing to my staff on how Department regulations will change as a result of the findings in the OIG’s report and answer the following questions by October 19, 2020.

1. How much in total transaction costs has the Department spent on the JEDI program for the following categories: acquisition personnel, technical expertise, and administrative support? In your response, please address costs including, but not limited to, personnel, planning, market research, contract solicitation, drafting, proposal evaluation, negotiations, solicitation revision, litigation, and corrective actions.
 - a. How much of that cost is due to the issues that arose from allegations of conflicts of interest or other issues that may have caused significant delays and award disputes?
2. At the exponential rate in which technological advancements occur, especially relating to cloud and artificial intelligence technology, are the contract requirements that were written over two years ago still up to date?⁷ If not, what steps have you taken to get them up to date?
 - a. In the past 6 months has the Department assessed the market’s current capabilities and trends to ensure the Department receives the most appropriate and advanced equipment and is aligning with industry standards?
3. Can the Department cite to any other major procurement program that has moved forward with the contract award process despite Department employee conflicts of interest issues?

⁵ *Id.* at 154–55.

⁶ *Id.*

⁷ See Jason Miller, *Time for DoD to Cancel JEDI, Ride the CIA’s Cloud Coattails*, FED. NEWS NETWORK (Apr. 13, 2020), <https://federalnewsnetwork.com/reporters-notebook-jason-miller/2020/04/time-for-dod-to-cancel-jedi-ride-the-cias-cloud-coattails/> (“By now Dana Deasy, the DoD CIO, or David Norquist, the DoD deputy secretary, should be able to see that the time for JEDI has passed and the Pentagon should cut its losses and cancel the contract.”)

- a. What were the costs of the cited programs and how do they compare in complexity to the JEDI program?
4. Generally, after a government contract is awarded, an opportunity is provided to those applicants that did not receive the award to be briefed by the agency on why another bid was selected over theirs.⁸ Why was the normal debriefing process not followed in this instance?
5. Why did the Department not initially comment on the OIG's JEDI draft report?
6. Why has the Department not commented on the OIG's JEDI report since the document's publication?
7. The OIG recommended "the Acting Director for Contract Policy, Defense Pricing and Contracting, consider developing and implementing appropriate policy to require some level of documentation and analysis supporting key acquisition decisions, including any legal reviews and advice, for contracts that exceed the \$112 million threshold established by statute."⁹ What steps has the Department taken to close that recommendation?
8. The OIG recommended "the Chief Management Officer, in coordination with the [Department] General Counsel, consider administrative action against appropriate individuals for failing to review the redacted reports and attachments to the debriefing e-mails, and disclosing proprietary, proposal, and source selection information"¹⁰ What steps has the Department taken to close that recommendation?
9. The OIG recommended "the Principal Deputy General Counsel, as Chair of the [Department] OGC/Defense Legal Services Agency Professional Conduct Board, in coordination with the [Washington Headquarters Services (WHS)] General Counsel, determine whether disciplinary action should be taken against appropriate individuals under attorney performance standards for failing to review the redacted reports and attachments to the debriefing e-mails, and disclosing proprietary, proposal, and source selection information."¹¹ What steps has the Department taken to close this recommendation?

⁸ See Steven L. Schooner, *Enhanced Debriefings: A Toothless Mandate?*, 34 NASH & CIBINIC REP. NL ¶ 10 (Feb. 2020) ("[I]t sure sounds like the debriefing following the DOD's critically important, high-value, high-profile procurement isn't destined to be a teaching model for 'enhanced debriefings' at the Defense Acquisition University."); see also Steven L. Schooner, *Postscript II: Enhanced Debriefings*, 34 NASH & CIBINIC REP. NL ¶ 26 (May 2020).

⁹ *Id.* at 49.

¹⁰ *Id.* at 93.

¹¹ *Id.*

10. The OIG recommended “the Director of the WHS Acquisition Directorate, in coordination with the WHS General Counsel: “[r]equire training for WHS officials handling acquisition-related matters regarding the contents of the [Department] Source Selection Procedures Debriefing Guide with special attention to Section A.8.3, Information Not Appropriate for Disclosure[;]”¹² and “[d]evelop a standard redaction policy applicable to all acquisitions to eliminate the ambiguity regarding redactions of source selection information, particularly Source Selection Team names.”¹³ What steps has the Department taken to close these recommendations?
11. The OIG recommended the “Chief Information Officer incorporate a record of Mr. Ubhi’s misconduct into his official personnel file.”¹⁴ What steps has the Department taken to close this recommendation?
12. The OIG recommended that the “Chief Information Officer notify the [Department] Consolidated Adjudications Facility of Mr. Ubhi’s misconduct with regard to any security clearance he may hold or seek in the future.”¹⁵ What steps has the Department taken to close this recommendation?
13. The OIG recommended “the Undersecretary of Defense for Acquisition and Sustainment consider appropriate action for Ms. Cummings’ ethics violations, including potential counseling and training.”¹⁶ What steps has the Department taken to close this recommendation?
14. The OIG recommended the “Chief Information Officer review the Cloud Computing Program Office’s procedures for identifying and mitigating potential conflicts of interest and take appropriate action as a result of this review.”¹⁷ What steps has the Department taken to close this recommendation?

Thank you for your attention to this important matter. Should you have questions, please contact Danny Boatright of my Finance staff at 202-224-4515.

Sincerely,



Charles E. Grassley
Chairman
Senate Finance Committee

¹² *Id.*

¹³ *Id.*

¹⁴ *Id.* at 8.

¹⁵ *Id.*

¹⁶ *Id.* at 10.

¹⁷ *Id.*

cc:

Sean O'Donnell
Acting Inspector General
Department of Defense
4800 Mark Center Dr.
Alexandria, VA 22350

Dana Deasy
Chief Information Officer
Department of Defense
6000 Defense Pentagon
Washington D.C. 20301

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United States Senate

COMMITTEE ON THE JUDICIARY

WASHINGTON, DC 20510-6275

April 28, 2021

The Honorable Lloyd J. Austin III
Secretary
Department of Defense
1000 Defense Pentagon
Washington D.C. 20301

Dear Secretary Austin:

Since April of 2019, I have sent three letters to the Department of Defense (Department) inquiring into the contracting process for the cloud computing program known as the Joint Enterprise Defense Infrastructure program (JEDI).¹ I have yet to receive fulsome responses to any of my letters. In response to my most recent letter dated January 1 of this year, I received a mere handful of documents—almost all of which I have received before, and most of which have been publicly available for some time.² According to information provided to my staff, the material I have received thus far represents only a fraction of the material the Department originally gathered in response to my requests. I am looking to you to correct this situation as soon as possible, particularly since the Department of Defense Office of Inspector General's (DoD OIG) administrative review of the procurement has left many questions unanswered.

Many have seized on DoD OIG's administrative review of the JEDI procurement process as proof that the Department, with the exception of particular individuals, did not commit any substantive wrongdoing.³ However, I have serious concerns about the review's narrow scope. DoD OIG did not examine key issues that occurred before the request for proposal (RFP) process, including allegations of pressure from senior leadership to conduct the entire contract without a competitive bidding process (also known as an Other Transactional Authority or OTA) as well as the apparently unusual and significant involvement of senior leadership throughout the entirety of

¹ Letter from Charles E. Grassley, Chairman, S. Comm. on Fin. & David Perdue, U.S. Sen., Armed Servs. Comm., to Christopher C. Miller, Acting Sec'y of Def., Dep't of Def. (Jan. 1, 2021); *see also* Letter from Charles E. Grassley, Chairman, S. Comm. on Fin., to Patrick M. Shanahan, Acting Sec'y of Def., Dep't of Def. (Apr. 9, 2019); Letter from Charles E. Grassley, Chairman, S. Comm. on Fin., to Mark Esper, Sec'y of Def., Dep't of Def. (Oct. 5, 2020).

² Letter from Charles E. Grassley, Chairman, S. Comm. on Fin. & David Perdue, U.S. Sen., Armed Servs. Comm., to Christopher C. Miller, Acting Sec'y of Def., Dep't of Def.

³ REPORT ON THE JOINT ENTERPRISE DEFENSE INFRASTRUCTURE (JEDI) CLOUD PROCUREMENT, INSPECTOR GEN. DEP'T OF DEF., REPORT NO. DODIG-2020-079 (Apr. 13, 2020).

the process.⁴ DoD OIG's review also reportedly failed to fully consider information submitted through the office's whistleblower hotline.⁵ I do not know to what extent these issues could have impacted the contract, but those are questions the review should have considered, investigated, and answered.

Further, I was advised that OIG worked in concert with the Department to withhold documents gathered in response my January 1, 2021 letter. Consequently, I also intend to write to Acting Inspector General Sean O'Donnell requesting additional detailed information regarding this review.

In an effort to provide continuing oversight of the JEDI program and the Department's contracting process generally, please provide unclassified versions of documents that were originally compiled in response to my letter regarding JEDI dated January 1, but have not been provided. Additionally, please also produce unclassified versions of the documents listed below. Please provide all documents not later than April 30, 2021.

1. A copy of all requests made by the OIG to the DOD in support of its JEDI administrative review;
2. A copy of all materials provided to the OIG regarding the JEDI administrative review;
3. A copy of all materials relating to OGE Forms 278 and 450, including, but not limited to email exchanges, and the ethics files and the forms themselves, for the following former DOD employees:
 - a. Deap Ubhi
 - b. Sally Donnelly
 - c. Anthony DeMartino
 - d. James Mattis
4. A copy of all emails written by Deap Ubhi, Sally Donnelly and Anthony DeMartino using the search terms: JEDI, JEDI procurement, OTA, Amazon, cloud, Jeff, Bezos, Marcuse, Lynch, Teresa, Carlson, tailored acquisition, AMZ, and Amazonian;

⁴ Letter from Kenneth Glueck, Exec. Vice President, Oracle Corp., to Glenn A. Fine, Acting Inspector Gen., Dep't of Def. (Mar. 5, 2020); *see also* Letter from Kenneth Glueck, Exec. Vice President, Oracle Corp., to Sean O'Donnell, Acting Inspector Gen., Dep't of Def. (May 1, 2020); *see also* Letter from Kenneth Glueck, Exec. Vice President, Oracle Corp., to Sean O'Donnell, Acting Inspector Gen., Dep't of Def. (Oct. 13, 2020); *see also* Letter from Kenneth Glueck, Exec. Vice President, Oracle Corp., to Charles E. Grassley, Chairman, S. Comm. on Fin. (Dec. 7, 2020).

⁵ Letter from Kenneth Glueck, Exec. Vice President, Oracle Corp., to Glenn A. Fine, Acting Inspector Gen., Dep't of Def. (Mar. 5, 2020); *see also* Letter from Kenneth Glueck, Exec. Vice President, Oracle Corp., to Sean O'Donnell, Acting Inspector Gen., Dep't of Def. (May 1, 2020); Letter from Kenneth Glueck, Exec. Vice President, Oracle Corp., to Sean O'Donnell, Acting Inspector Gen., Dep't of Def. (Oct. 13, 2020); Letter from Kenneth Glueck, Exec. Vice President, Oracle Corp., to Charles E. Grassley, Chairman, S. Comm. on Fin. (Dec. 7, 2020).

5. The date which the following individuals received and completed their ethics training at the DOD including any materials signed demonstrating completion of that training:
 - a. Deap Ubhi
 - b. Sally Donnelly
 - c. Anthony DeMartino
6. Any documents relating to the following individuals and whether or not they currently enjoy or are being considered for Special Government Employee Status by the DOD:
 - a. Deap Ubhi
 - b. Sally Donnelly
 - c. Anthony DeMartino
7. Please provide all documentation in the possession of the Department's Standards of Conduct Office (SOCO) referencing the below individuals including, but not limited to, those that demonstrate dates of meetings and training received, e-mail correspondence, ethical questions that were posed, and responses that were provided.
 - a. Deap Ubhi
 - b. Sally Donnelly
 - c. Anthony DeMartino

Thank you in advance for your attention and assistance in this important matter. Should you have any questions, please reach out to Danny Boatright on my Judiciary Committee staff at (202) 224-5225.

Sincerely,



Chuck Grassley
Ranking Member
Senate Committee on the Judiciary

cc:

Sean O'Donnell
Acting Inspector General
Office of the Inspector General
Department of Defense
4800 Mark Center Drive
Alexandria, VA 22350-1500

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United States Senate
COMMITTEE ON THE JUDICIARY
WASHINGTON, DC 20510-6275

June 8, 2021

VIA ELECTRONIC TRANSMISSION

The Honorable Lloyd J. Austin III
Secretary of Defense
1000 Defense Pentagon
Washington, D.C. 20301

Dear Secretary Austin:

On April 28th of this year I sent you a letter seeking information I originally requested from the Department of Defense (Department) in January regarding the Joint Enterprise Defense Infrastructure program (JEDI).¹ I have not received a response. However, the day my letter was transmitted, the Court of Federal Claims rendered another decision in the series of cases regarding JEDI.² Although that litigation continues, the Department had previously informed Congress that if the government's motion to dismiss in part failed, the repercussions, particularly with regard to discovery, would be enormously burdensome.³ Subsequent news articles suggest that the Department is considering redrafting and resoliciting the JEDI contract, pointing to the court's decision as one of many factors.⁴ As you weigh the pros and cons of this decision, I wanted to highlight some of my continuing concerns regarding the JEDI program.

¹ Letter from Charles E. Grassley, Chairman, S. Comm. on Fin., to Lloyd J. Austin III, Sec'y of Def., Dep't of Def. (Apr. 28, 2021), https://www.grassley.senate.gov/imo/media/doc/grassley_to_defense_dept_jedifollowup.pdf; see also Letter from Charles E. Grassley, Chairman, S. Comm. on Fin. & David Perdue, U.S. Sen., Armed Servs. Comm., to Christopher C. Miller, Acting Sec'y of Def., Dep't of Def. (Jan. 1, 2021); Letter from Charles E. Grassley, Chairman, S. Comm. on Fin., to Mark Esper, Sec'y of Def., Dep't of Def. (Oct. 5, 2020), [https://www.grassley.senate.gov/imo/media/doc/2020-10-05%20CEG%20to%20DOD%20\(JEDI%20II\).pdf](https://www.grassley.senate.gov/imo/media/doc/2020-10-05%20CEG%20to%20DOD%20(JEDI%20II).pdf); Letter from Charles E. Grassley, Chairman, S. Comm. on Fin., to Patrick M. Shanahan, Acting Sec'y of Def., Dep't of Def. (Apr. 9, 2019), [https://www.finance.senate.gov/imo/media/doc/2019-04-09%20CEG%20to%20DOD%20\(JEDI\).pdf](https://www.finance.senate.gov/imo/media/doc/2019-04-09%20CEG%20to%20DOD%20(JEDI).pdf).

² *Amazon Web Services v. United States*, No. 19-1796C (Fed. Cl. Apr. 28, 2021); see also Jared Serbu, *Court Keeps Amazon's JEDI Challenge Intact, Dealing Blow to DoD, Microsoft*, FEDERAL NEWS NETWORK (Apr. 28, 2021), <https://federalnewsnetwork.com/defense-main/2021/04/court-keeps-amazons-jedi-challenge-fully-intact-dealing-blow-to-dod-microsoft/>.

³ Aaron Gregg, *Court Rejects Motion to Dismiss JEDI Allegations, Allowing Amazon to Argue for Depositions*, THE WASH. POST (Apr. 28, 2021), <https://www.washingtonpost.com/business/2021/04/28/pentagon-cloud-contract-depositions/>; see also Serbu, *supra* note 2; see also Tom Temin, *Cancel JEDI? No Shame to DoD in Doing So*, FEDERAL NEWS NETWORK (May 19, 2021), <https://federalnewsnetwork.com/tom-temin-commentary/2021/05/cancel-jedi-no-shame-to-dod-in-doing-so/>.

⁴ Mila Jasper, *If the Pentagon Drops JEDI, Then What?*, NEXTGOV (May 17, 2021), <https://www.nextgov.com/it-modernization/2021/05/if-pentagon-drops-jedi-then-what/174093/>; see also Naomi Nix, *Judge Declines to Toss Amazon Suit Claiming Trump Blocked JEDI Bid*, BLOOMBERG (Apr. 28, 2021), <https://www.bloomberg.com/news/articles/2021-04-28/judge-declines-to-toss-amazon-suit-claiming-trump-cost-jedi-bid>; see also Carten Cordell, *Will the Department of Defense Cancel the Massive JEDI Contract? It's One of a Few Options*, WASH. BUSINESS JOURNAL (Apr. 30, 2021), <https://www.bizjournals.com/washington/news/2021/04/30/cancel-jedi-microsoft-aws.html>.

As you know, the JEDI solicitation envisioned an indefinite delivery/indefinite quantity (IDIQ) contract to construct and maintain a Department-wide cloud-based computing system capable of eventually holding the entirety of the Department's classified and unclassified data, as well as certain artificial intelligence (AI) programs.⁵ The Department consistently represented that a single awardee could receive up to \$10 billion over a ten-year performance period.⁶

From the beginning, allegations arose that the JEDI contract was "tailored," meaning that it was written to advantage a preferred vendor, reportedly Amazon.⁷ Multiple Department officials with Amazon affiliations reportedly failed to properly recuse themselves from this acquisition planning process, including, among other things, deciding upon the single-award approach for JEDI in violation of the Federal Acquisition Regulation (FAR) and numerous federal statutes.⁸

As I mentioned in previous letters, the Department's Office of the Inspector General (DoD OIG) completed an extraordinary report last year that reviewed the JEDI program and some conflicts of interest allegations. In addition to confirming allegations of impropriety in the

⁵ DEP'T OF DEF., DoD Cloud Strategy (2018), <https://media.defense.gov/2019/Feb/04/2002085866/-1/-1/1/DOD-CLOUD-STRATEGY.PDF>; see also Ben Tarnoff, *Weaponized AI is Coming. Are Algorithmic Wars Our Future*, THE GUARDIAN (Oct. 11, 2018), <https://www.theguardian.com/commentisfree/2018/oct/11/war-jedi-algorithmic-warfare-us-military>; see also Naomi Nix, *Google Drops Out of Pentagon's \$10 Billion Cloud Competition*, BLOOMBERG (Oct. 8, 2018), <https://www.bloomberg.com/news/articles/2018-10-08/google-drops-out-of-pentagon-s-10-billion-cloud-competition>; see also Patrick Tucker, *Google is Pursuing the Pentagon's Giant Cloud Contract Quietly. Fearing an Employee Revolt*, DEFENSE ONE (Apr. 12, 2018), <https://www.defenseone.com/technology/2018/04/google-pursuing-pentagons-giant-cloud-contract-quietly-fearing-employee-revolt/147407/>; see also Cheryl Pellerin, *Project Maven to Deploy Computer Algorithms to War Zone by Year's End*, DEP'T OF DEF. (July 21, 2017), <https://www.defense.gov/Explore/News/Article/Article/1254719/project-maven-to-deploy-computer-algorithms-to-war-zone-by-years-end/>; see also Daisuke Wakabayashi and Scott Shane, *Google Will Not Renew Pentagon Contract That Upset Employees*, N. Y. Times (June 1, 2018), <https://www.nytimes.com/2018/06/01/technology/google-pentagon-project-maven.html>.

⁶ Carl Weischenberg, *AWS, Oracle, and the Pentagon Continue Fight Over JEDI Cloud Contract*, SDX CENTRAL (Jan. 28, 2019), <https://www.sdxcentral.com/articles/news/aws-oracle-and-the-pentagon-continue-fight-over-jedi-cloud-contract/2019/01/>.

⁷ Memorandum from Dep't. of Def. to the Sec'y of the Mil. Dep'ts (Sept. 2017), https://federalnewsnetwork.com/wp-content/uploads/2017/11/091317_Shanahan_Cloud_Memo.pdf; see also Memorandum from Dep't. of Def. to the Sec'y of the Mil. Dep'ts (Jan. 2018), https://federalnewsnetwork.com/wp-content/uploads/2018/01/010418_shanahan_cloud_memo.pdf (On September 13, 2017, Deputy Secretary of Defense Shanahan issued a Department-wide memorandum titled, "Accelerating Cloud Adoption," directing a "tailored acquisition process." The process was directed to be split into two phases: a phase one "contract" for a cloud solution, and a phase two transition to "the acquired cloud solution." Deputy Secretary Shanahan's memo requested an "action plan and progress toward the action items" in two months and described next steps including: "Awarding the phase one contract."); Jared Serbu, *Amazon Asks Federal Court to Stop Work on JEDI Cloud Contract*, FEDERAL NEWS NETWORK (Jan. 23, 2020), <https://federalnewsnetwork.com/defense-main/2020/01/amazon-asks-federal-court-to-stop-work-on-jedi-cloud-contract/>; see also Julie Bort, *There's a New Snag for Amazon in the Winner-Take-All \$10 Billion Pentagon Cloud Contract, and it Could be Good News for Microsoft*, BUSINESS INSIDER (Feb. 19, 2019), <https://www.businessinsider.com/amazon-jedi-cloud-contract-snap-2019-2>.

⁸ John D. McKinnon, *Pentagon Weighs Ending JEDI Cloud Project Amid Amazon Court Fight*, WALL ST. J. (May 10, 2021), <https://www.wsj.com/articles/pentagon-weighs-ending-jedi-cloud-project-amid-amazon-court-fight-11620639001>; see also Adam Mazmanian, *Lavmakers Look to Revive Collusion Case Against Amazon in JEDI*, WASHINGTON TECHNOLOGY (May 4, 2021), <https://washingtontechnology.com/articles/2021/05/04/jedi-lee-buck-letter.aspx>; see also Bort, *supra* note 7; see also Katishi Maake, *Reported Revelation Pauses Legal Fight over JEDI Procurement*, WASH. BUS. J. (Feb. 21, 2019), <https://www.bizjournals.com/washington/news/2019/02/21/reported-revelation-pauses-legal-fight-over-jedi.html>; Deap Ubhi, @deapubhi, TWITTER (Jan. 30, 2017, 11:57 PM), <https://twitter.com/deapubhi/status/826293256249958404> (stating that he would "always be an Amazonian"); see also Bort, *supra* note 7; see also FAR 6.101(a) & (b); see also FAR 3.301(a) & (b); Steven L. Schooner, *Indefinite-Delivery/Indefinite-Quantity Contracts: Time to Correlate Practice and Policy?*, 32 NASH & CIBINIC REPORT ¶ 44 (September 2018) ("As has become practice, the DoD is merely ... papering over avoidance of the [Congressional] stated multiple-award policy.").

formation and design of the JEDI request for proposals [or RFP or solicitation], the IG found that Department employees had “lied” to the Department regarding their relationship with companies that were expected to bid on, or actively competing for, the JEDI contract.⁹ Nor does it appear that Department officials cooperated fully with the IG’s work.¹⁰

Further, high-level political leadership reportedly were both inexperienced and overly involved in the acquisition strategy for JEDI. Former Department officials familiar with the program’s inner workings have reported to me that a “cloud of uneasiness” hung over the acquisition process due to: 1) the pressure by political leadership to accelerate the JEDI acquisition and 2) the failure of political leadership to recognize their own lack of expertise in the government contracting process and the department’s limited experience in the extremely technical aspects of the cloud marketplace. These political appointees allegedly were zealous to quickly acquire JEDI for the Department even though they did not fully understand it.

Unfortunately, DoD OIG has not fully reviewed the complete universe of allegations involving the JEDI procurement. This has led to multiple court cases as well a sense in the industry that an amicable resolution is unlikely.¹¹ Public perception tees up a lose-lose scenario, in which an Amazon win would appear to confirm that the contract was designed for them, while an Amazon loss would suggest that the political deck was stacked against Amazon. Worse, the longer it takes to settle these disputes the more out of date the contract requirements become, resulting in the American warfighter receiving a less advanced product.

There have now been three major bid protests since 2018 challenging different elements of the JEDI contracting process. On August 8, 2018, Oracle filed a pre-award bid protest with the Government Accountability Office (GAO) arguing that JEDI’s single source structure violated Federal law, JEDI’s “gate” criteria unduly restricted competition, and that JEDI was subject to conflicts of interest related to the procurement.¹² On October 10, 2018, International Business

⁹ “Mr. Ubhi committed ethical violations when he lied, or failed to disclose information, on at least three occasions, in an effort to conceal relevant information from, or mislead, his Amazon and DoD supervisors and DoD [Standards of Conduct Office] officials....” REPORT ON THE JOINT ENTERPRISE DEFENSE INFRASTRUCTURE (JEDI) CLOUD PROCUREMENT, INSPECTOR GEN. DEP’T OF DEF., REPORT NO. DODIG-2020-079 (Apr. 13, 2020); see also *Postscript II: Enhanced Debriefings*, 34 NASH & CIBINIC REPORT ¶ 26 (May 2020) (highlighting, among other things, “that the debriefing-preparation rubric employed by the DOD at the conclusion of the JEDI procurement has little in common with the aspiration of the enhanced debriefing initiative, best practices, or the common justifications for the debriefing mandate....”), <https://ssrn.com/abstract=3598373>.

¹⁰ Indeed, the DoD IG explained that: “We sought to review whether there was any White House influence on the JEDI cloud procurement. We could not review this matter fully because of the assertion of a “presidential communications privilege,” which resulted in several DoD witnesses being instructed by the DoD Office of General Counsel not to answer our questions about potential communications between White House and DoD officials about JEDI. Therefore, we could not definitively determine the full extent or nature of interactions that administration officials had, or may have had, with senior DoD officials regarding the JEDI Cloud procurement.” DOD IG Report at 6–7.

¹¹ Temin, *supra* note 3.

¹² *Oracle America, Inc.*, B-416657 et al.

Machines (IBM) filed its own protest also challenging various aspects of the JEDI procurement.¹³ The GAO denied Oracle's protest on November 14, 2020, and IBM's on December 11, 2018. Oracle then filed suit in the United States Court of Federal Claims, which denied Oracle's protest.¹⁴ The Court of Appeals for the Federal Circuit affirmed the decision,¹⁵ and Oracle has sought review by the United States Supreme Court.¹⁶ On November 22, 2019, following the Department's award of JEDI to Microsoft, Amazon filed its own protest in the Court of Federal Claims, based, in large part, on allegations of political interference.¹⁷ The Court of Federal Claims denied motions to dismiss brought by the United States and Microsoft.¹⁸

The Department recently provided Congress a briefing paper asserting that this most recent case, should it proceed, would impose significant and burdensome discovery obligations on the Department. The case would require many senior level Department officials as well as current and former White House officials to testify or produce materials.¹⁹ The ongoing proceedings also would further delay the ever-extending timeline for this project. In my October 5, 2020, letter I asked if the Department considered it necessary to review the technical parameters of the contract due to the procurement delays and the speed at which cloud computing is growing and changing.²⁰ Although the Department assured me that its existing parameters were adequate, the industry's actions seem to contradict this statement as, by and large, the cloud computing industry has moved away from single vendor designs. Multiple other federal agencies have followed suit.

Specifically, in November 2020 the Central Intelligence Agency (CIA) awarded a cloud computing contract to five separate providers: Amazon, Microsoft, Google, Oracle, and IBM.²¹ This award worth "tens of billions" was created as a highly flexible vehicle for cloud services;

¹³ *International Business Machines*, B-416657.5; Aaron Gregg, *GAO Axes IBM's Bid Protest, Teeing Up a Court Battle Over Pentagon's \$10 Billion Cloud Effort*, THE WASHINGTON POST (Dec. 11, 2018), <https://www.washingtonpost.com/business/2018/12/12/gao-axes-ibms-bid-protest-teeing-up-court-battle-over-pentagons-billion-cloud-effort/>; see also Press Release, IBM, JEDI: Why We're Protesting (Oct. 10, 2018), <https://www.ibm.com/blogs/policy/jedi-protest/>.

¹⁴ *Oracle America, Inc. v. United States and Amazon Web Services, Inc.*, No. 18-1880C (COFC).

¹⁵ *Oracle American, Inc. v. United States and Amazon Web Services, Inc.*, 2019-2326, https://www.pacermonitor.com/view/IKEXRLI/Oracle_America_Inc_v_US_cafc-19-02326_0082.0.pdf

¹⁶ *Oracle American, Inc. v. United States and Amazon Web Services, Inc.*, Pet. for Cert. pending, (filed), <https://www.law360.com/articles/1355060/attachments/0>; *Oracle American, Inc. v. United States and Amazon Web Services, Inc.*, Reply Br. No. 20-1057 at pg. 10 (filed May 2021), https://www.docketalarm.com/cases/Supreme_Court/20-1057/Oracle_America_Inc_Petitioner_v_United_States_et_al/05-17-2021-Reply_of_petitioner_Oracle_America_Inc/0517111629101-Main_Document/ (showing that Oracle told the Supreme Court that DoD is not entitled to deference in policing its own criminal misconduct in this context.).

¹⁷ *Amazon Web Services Inc. v. United States and Microsoft Corp.*, No. 19-1796C (COFC).

¹⁸ <https://www.law360.com/articles/1380449/attachments/0>

¹⁹ Memorandum from the Dep't. of Def. to Congress (Jan. 28, 2021), <https://federalnewsnetwork.com/wp-content/uploads/2021/02/INFO-PAPER-UPCOMING-JEDI-CLOUD-LITIGATION-MILESTONE.pdf>

²⁰ Letter from Charles E. Grassley, Chairman, S. Comm. on Fin., to Mark Esper, Sec'y of Def., Dep't of Def. (Oct. 5, 2020), [https://www.grassley.senate.gov/imo/media/doc/2020-10-05%20CEG%20to%20DOD%20\(JEDI%20II\).pdf](https://www.grassley.senate.gov/imo/media/doc/2020-10-05%20CEG%20to%20DOD%20(JEDI%20II).pdf)

²¹ Chris Ciccio, *CIA Awards Cloud Computing Contract Worth Billions to Firms Including Amazon, Microsoft, Google*, FOX BUS. (Nov. 20, 2020), <https://www.foxbusiness.com/technology/cia-awards-cloud-computing-contract-worth-billions-to-amazon-microsoft-google-ibm-and-oracle-report>; see also Frank Konkel, *CIA Awards Secret Multibillion-Dollar Cloud Contract*, NEXTGOV (Nov. 20, 2020), <https://www.nextgov.com/it-modernization/2020/11/exclusive-cia-awards-secret-multibillion-dollar-cloud-contract/170227/>; see also Carten Cordell, *CIA Awards Multibillion-Dollar Cloud Contract to Multiple Vendors*, WASH. BUS. J. (Nov. 20, 2020), <https://www.bizjournals.com/washington/news/2020/11/20/microsoft-aws-among-c2e-cloud-contract-awardees.html>.

those in charge within the Intelligence Community (IC) can select providers on the basis of the contractor's ability to meet specific IT needs.²² Essentially, the IC selects the best contractor for the job and is neither hampered nor impeded by the inflexibilities often found in typical government contracts. I believe the multi-vendor operation fosters an atmosphere of competition, innovation, and flexible services. Further, it ensures that we don't put all of our national security eggs in one basket. This could be a win-win solution for our warfighters, the Department, and the American taxpayer.

As public servants, it is of the utmost importance that we be good stewards of the resources provided by the American people. That requires us to carefully examine the apparent conflicts of interest regarding the JEDI program and take actions to ensure that future negotiations follow all legal and ethical standards. That accountability also demands a balance between entering into contracts that provide the most efficiency while also exercising fiscal responsibility with taxpayer funds. So, before continuing in costly, drawn-out disputes, I would encourage the Department to carefully analyze its options and utilize a solution that will be reliable, adaptable, and profitable for the Department's widespread demands. Further, the questions I previously posed remain unanswered and continue to linger over the JEDI program. I fear the Department's continued failure to provide forthright answers will continue to erode public trust in its cloud computing goals. I look forward to your expeditious reply. Thank you for your attention to this important matter.

Sincerely,



Charles E. Grassley
Ranking Member
Committee on the Judiciary

²² Konkel, *supra* note 21; see also Billy Mitchell, *CIA Quietly Awards C2E Cloud Contract Possibly Worth Billions*, FEDSCOOP (Nov. 20, 2020), <https://www.fedscoop.com/cia-quietly-awards-billion-dollar-c2e-cloud-contract/>; see also Phil Goldstein, *Where Will the CIA Go with Its New Cloud Contracting Vehicle?*, FEDTECH (Dec. 10, 2020), <https://fedtechmagazine.com/article/2020/12/where-will-cia-go-its-new-cloud-contracting-vehicle>.

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United States Senate
COMMITTEE ON THE JUDICIARY
WASHINGTON, DC 20510-6275

August 31, 2021

VIA ELECTRONIC TRANSMISSION

The Honorable Sean O'Donnell
Acting Inspector General
Department of Defense
4800 Mark Center Dr.
Alexandria, VA 22350

Dear Inspector General O'Donnell:

On April 28, 2021, I sent a letter to Secretary Austin regarding lingering questions related to the Joint Enterprise Defense Infrastructure (JEDI) program.¹ In that letter, I informed the Secretary that I would be writing the Department of Defense (DoD) Office of the Inspector General (OIG), regarding the OIG's review of the program.² At that time I had concerns about reported political interference in the program and I also had concerns that your office's review of JEDI was not as full and complete as it should have been. Unfortunately, new reports have come to light alleging that your office withheld evidence and mischaracterized key elements of its report.³ For example, evidence has been provided to my office, reportedly recovered from FOIA productions, that show that your office left out key emails between DoD employees that provide important context about how those employees were involved in the JEDI contracting process in such a way that contradicts the report's ultimate findings. Specifically, the selective editing of DoD employee emails in such a way that it diminishes the impact of their advocacy for Amazon as well as their authorities and roles in DoD. This also includes the selective editing of a DoD legal opinion

¹ Letter from Charles E. Grassley, Ranking Member, S. Comm. on Judiciary, to Lloyd J. Austin III, Sec'y of Def., Dep't of Def. (Apr. 28, 2021), https://www.grassley.senate.gov/imo/media/doc/grassley_to_defense_dept_jedifollowup.pdf; see also Letter from Charles E. Grassley, Ranking Member, S. Comm. on Judiciary, to Lloyd J. Austin III, Sec'y of Def., Dep't of Def. (June 8, 2021), <https://www.grassley.senate.gov/news/news-releases/grassley-to-defense-dept-cloud-computing-contract-questions-remain-unanswered-other-approaches-show-more-promise>; Letter from Charles E. Grassley, Chairman, S. Comm. on Fin., & David Perdue, U.S. Sen., Armed Servs. Comm., to Christopher C. Miller, Acting Sec'y of Def., Dep't of Def. (Jan. 1, 2021) (on file with author); Letter from Charles E. Grassley, Chairman, S. Comm. on Fin., to Mark Esper, Sec'y of Def., Dep't of Def. (Oct. 5, 2020), [https://www.grassley.senate.gov/imo/media/doc/2020-10-05%20CEG%20to%20DOD%20\(JEDI%20II\).pdf](https://www.grassley.senate.gov/imo/media/doc/2020-10-05%20CEG%20to%20DOD%20(JEDI%20II).pdf); Letter from Charles E. Grassley, Chairman, S. Comm. on Fin., to Patrick M. Shanahan, Acting Sec'y of Def., Dep't of Def. (Apr. 9, 2019), [https://www.finance.senate.gov/imo/media/doc/2019-04-09%20CEG%20to%20DOD%20\(JEDI\).pdf](https://www.finance.senate.gov/imo/media/doc/2019-04-09%20CEG%20to%20DOD%20(JEDI).pdf).

² INSPECTOR GEN., U.S. DEP'T OF DEF., REPORT ON THE JOINT ENTERPRISE DEFENSE INFRASTRUCTURE (JEDI) CLOUD PROCUREMENT, REPORT NO. DODIG-2020-079 (Apr. 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).

³ Sara Sirota, *DoD IG Omitted Evidence of Alleged Corruption in JEDI Program, Documents Show*, THE INTERCEPT (July 13, 2021), <https://theintercept.com/2021/07/13/microsoft-amazon-jedi-contract/>.

without notation, causing the reader to be unaware that significant edits had been made to the legal opinion they were being shown. These emails, as well as other productions, not only show your report is potentially fundamentally flawed, they also show that DoD employees potentially lied to your office and likely materially altered both the program's design and the subsequent contracting process.

This selective editing significantly altered material elements of the report, downplayed the impact of key players, and fundamentally altering the reader's conclusions. This conduct is unacceptable and will potentially have a lasting negative impact on future OIG actions. The Department needs to be aware of the totality of mistakes surrounding the JEDI program to avoid repeating this mishandled process as it moves into Joint Warfighter Cloud Capability (JWCC) program.⁴ Those lessons can't be learned if the OIG doesn't perform a proper JEDI review.

Accordingly, I have asked the Council of Inspectors General on Integrity and Efficiency (CIGIE) to review the process surrounding your office's JEDI review. However, the public and Congress still deserve answers from your office. To that end I ask that you provide the below documents and answer the attached questions before September 9, 2021.

Document Requests

1. Please provide a copy of the complete case file for Case No. 20190321-056996-CASE-0.1, relating to JEDI and the investigation leading to the Report, including but not limited to:
 - a. A copy of any report(s), memoranda, or other document(s), prepared by the Office of Defense Criminal Investigative Services that served as the basis for the conclusions of the report, or otherwise were incorporated either directly or indirectly into the Report;
 - b. A copy of any report(s), memorandum, or other document(s), prepared by the Office of Administrative Investigations that served as the basis for the conclusions of the report or otherwise were incorporated either directly or indirectly into the Report; and
 - c. A copy of all work papers documenting DoD OIG's analysis of the Report including the assessments made by auditors, criminal and administrative investigators and defense acquisition professionals.

⁴ Ross Wilkers, *JEDI Is No More, but Military's Enterprise Cloud Push Goes On*, WASHINGTON TECHNOLOGY (July 6, 2021), <https://washingtontechnology.com/articles/2021/07/06/jedi-cancel-whats-next.aspx>; see also Press Release, U.S. Dep't of Def., Future of the Joint Enterprise Defense Infrastructure Cloud Contract (July 6, 2021), <https://www.defense.gov/Newsroom/Releases/Release/Article/2682992/future-of-the-joint-enterprise-defense-infrastructure-cloud-contract/>.

Questions

1. Did any current or former employees or contractors of DoD OIG voice any concern(s)/disagreement(s) (in writing or verbally) regarding the content, findings, recommendations, or any other aspect of the Report prior to its publication? If so, please describe the situation in detail and identify everyone by name and title, whether or not they continue to be employed by the DoD OIG.
2. Did the Inspector General's office ever give specific instructions to the investigators overseeing the JEDI investigation not to address particular communications (phone, email, or in-person) between General James Mattis and Jeff Bezos, the CEO of Amazon?
3. Did the Inspector General's office ever give specific instructions to the investigators overseeing the JEDI investigation not to address particular communications (phone, email, or in-person) between any combination of the Secretary of Defense, the Director of Travel Operations, and any current or former employees of Amazon? If so, what were those specific instructions and who gave them?
4. Did the Inspector General's office ever give specific instructions to the investigators overseeing the JEDI investigation not to follow through on all necessary leads generated during the JEDI investigation? Specifically, leads about the relationship between General Mattis, Sally B. Donnelly, and employees of Amazon Web Services (AWS)? If so, what were those specific instructions and who gave them?
5. Did the Inspector General's office ever give specific instructions to the investigators overseeing the JEDI investigation to limit the scope of questioning when conducting interviews with General James Mattis and Anthony DiMartino? If so, what were those specific instructions and who gave them?
6. Did the Inspector General's office ever give specific instructions to the investigators overseeing the JEDI investigation to limit time spent running overseas investigative leads? If so, what were those specific instructions and who gave them?
7. Did the Inspector General's office ever give specific instructions to the investigators overseeing the JEDI investigation not to address overseas travel by General James Mattis to the Kingdom of Bahrain? If so, what were those specific instructions and who gave them?
8. Did the Inspector General's office ever give specific instructions to the investigators overseeing the JEDI investigation not to address the relationship between Amazon management, Andre Pienaar, Viktor Vekselberg, and Teresa Carlson (AWS)? If so, what were those specific instructions and who gave them?

9. During the production of the final JEDI report of investigation, did members of the Inspector General's staff advise investigators or other OIG employees to "keep things short" when referring to the amount of information that should be included in the report? If so, who gave that advice?
10. Did the Inspector General's office intentionally not include the investigative responses and notes pertaining to a majority of the nearly 100 people interviewed in the final JEDI report of the investigation? If so, why?
11. Did the Inspector General's office intentionally not include the signature page of the authorized person responsible for the approval and release of the final JEDI report of investigation? If so, why?
12. Were there any concerns raised by any DoD OIG employee regarding the preparation of the JEDI report or after the publication of the JEDI report? If yes, please explain in detail.
13. Did the DoD OIG review all hotline submissions and contact all whistleblowers about their allegations?
14. Please explain the rationale for not examining the pre-RFP period in the OIG's JEDI Report.
15. I have been informed that from time-to time some sensitive reports undergo a process known as 'rounding.' In essence, this process would most often be used by high-level staff members in the OIG to smooth out sensitive reports and avoid controversy. Can you please tell me if the process of 'rounding' was used, directly or indirectly, during the preparation of the JEDI report?

Should you have any questions please reach out to Danny Boatright of my Judiciary staff at (202) 224-5225. Thank you for your time and consideration regarding this important matter.

Sincerely,



Charles Grassley
Ranking Member
Senate Committee on the Judiciary

cc:

The Honorable Lloyd Austin
Secretary
Department of Defense

Allison Lerner
Chair
CIGIE



Memorandum

TO: Senator Grassley
FROM: Oversight and Investigations
SUBJECT: New allegations regarding DoD OIG JEDI review
DATE: August 27, 2021

Over the last two years you have conducted an investigation into the Department of Defense's (DoD) Joint Enterprise Defense Infrastructure (JEDI) program which would provide cloud computing services for the entirety of DoD. Many whistleblowers have come to you and your office to express their concerns with DoD's handling of both the JEDI's design and contracting process. In April 2020, the DoD Office of Inspector General (OIG) issued a report on JEDI and found that some individual DoD employees engaged in ethical misconduct related to the JEDI Cloud procurement; oddly, however, the report also found that the same contracting process was conducted generally within bounds and did not detrimentally affect the contracting process.

After that report was issued, your office received additional whistleblower information, reports, and other documents relating to JEDI. Reports recovered from FOIA productions show that DoD OIG's report excluded key emails between DoD employees that provide important context about how those employees were involved in the JEDI contracting process and that contradict the report's ultimate findings. Specifically, the report selectively edited DoD employee emails in such a way that it downplayed the impact of the employees' advocacy for Amazon as well as their authorities and roles in DoD. The report also includes a selectively edited DoD legal opinion without notation that it's been edited. These emails, as well as other productions, also show that DoD employees potentially lied to DoD OIG and likely materially altered both the program's design and the subsequent contracting process. In light of the report's apparent fundamental flaws, and considering the DoD's forthcoming second attempt to build a cloud computing infrastructure across the Department through its Joint Warfighting Cloud Capability program (JWCC), your staff concluded that the Council of the Inspectors General on Integrity and Efficiency (CIGIE) must conduct a thorough review of the OIG's JEDI report.

The JEDI program has been marred in controversy from the beginning.¹ As originally conceived, the program would have provided classified and unclassified cloud services to DoD, established and promoted a platform for machine learning, and created a testing ground for

¹ Ashley Stewart, *The \$10 Billion JEDI Process Was a 'Nonstop Litany of Inappropriate Ethical Behavior,' But Now Amazon's Best Bet to Take the Deal From Microsoft Hinges on a 'Wildcard' Error, Experts Say*, BUSINESS INSIDER (Apr. 27, 2020), <https://www.businessinsider.com/amazon-pentagon-microsoft-jedi-cloud-computing-2020-4> (quoting George Washington University Law School's government contracting professor, Steven Schooner, "I can't think of another procurement ever where the nonstop litany of inappropriate ethical behavior and conflicts of interest produced such a steady drumbeat"); see also Press Release, George Washington University School of Law, Schooner Featured in AP, Bloomberg, and WaPo for Procurement Expertise (Jan. 29, 2020), <https://www.law.gwu.edu/schooner-featured-ap-bloomberg-and-wapo-procurement-expertise>; Steven L. Schooner, *Indefinite-Delivery/Indefinite-Quantity Contracts: Time to Correlate Practice and Policy?*, 32 NASH & CIBINIC REP. ¶ 44 (2018), https://scholarship.law.gwu.edu/faculty_publications/1363/.

artificial intelligence (AI) capabilities.² According to reports, DoD officials initially intended to award the program's contract to Amazon via a government contracting method known as Other Transaction Authority (OTA), which would have allowed DoD to avoid using the normal competitive bidding process.³ Internal DoD contracting experts rejected this approach for various reasons, including the size and scope of the JEDI program, which made it fundamentally incompatible with OTA requirements. DoD leadership subsequently published a memo describing its intent to award the JEDI contract via a "tailored acquisition."⁴ Since "tailored acquisition" is not a term defined in the Federal Acquisition Regulations (FAR), many interpreted this as an alternative means of "tailoring" the process to award the \$10 billion JEDI program to Amazon.⁵

DoD personnel with ties to Amazon were allegedly responsible for crafting key confidential aspects of the JEDI program and its contract.⁶ These conflicts of interest prompted multiple joint and independent legal challenges.⁷ They also led to multiple congressional inquiries and an OIG review.⁸

² Ben Tarnoff, *Weaponized AI is Coming. Are Algorithmic Forever Wars Our Future?*, THE GUARDIAN (Oct. 11, 2018), <https://www.theguardian.com/commentisfree/2018/oct/11/war-jedi-algorithmic-warfare-us-military>; see also Memorandum from Patrick Shanahan, U.S. Deputy Sec'y of Def., on DoD Cloud Strategy to Dep't of Def. (Dec. 2018), <https://media.defense.gov/2019/Feb/04/2002085866/-1/-1/1/DOD-CLOUD-STRATEGY.PDF> (providing an infographic outlining DoD plans for cloud consolidation under the JEDI program).

³ 10 U.S.C. § 2371b (codifying the OTA program); see also Tom Schatz, *A Closer Look at DOD's Cloudy JEDI Contract*, FCW (Aug. 10, 2018), <https://fcw.com/articles/2018/08/10/comment-schatz-jedi.aspx> (calling the JEDI program's "protracted process leading up to the RFP . . . a lesson in how [not to do] procurement in the federal government," while also explaining the DoD's history with the OTA authority and its implication in the JEDI contract design process).

⁴ Memorandum from Patrick Shanahan, Deputy Sec'y of Def. on Accelerating Cloud Adoption to Dep't of Def. (Sept. 13, 2017), https://federalnewsnetwork.com/wp-content/uploads/2017/11/091317_Shanahan_Cloud_Memo.pdf.

⁵ May Jeong, "Everybody Immediately Knew That It Was For Amazon": Has Bezos Become More Powerful In D.C. Than Trump?, VANITY FAIR (Aug. 13, 2018), <https://www.vanityfair.com/news/2018/08/has-bezos-become-more-powerful-in-dc-than-trump>.

⁶ See Julie Bort, *There's a New Snag for Amazon in the Winner-Take-All \$10 Billion Pentagon Cloud Contract, and it Could Be Good News for Microsoft*, BUSINESS INSIDER (Feb. 19, 2019), <https://www.businessinsider.com/amazon-jedi-cloud-contract-snap-2019-2>; see also Katishi Maake, *Reported Revelation Pauses Legal Fight Over JEDI Procurement*, WASHINGTON BUSINESS JOURNAL (Feb. 21, 2019), <https://www.bizjournals.com/washington/news/2019/02/21/reported-revelation-pauses-legal-fight-over-jedi.html>; Aaron Gregg, "Once an Amazonian, Always an Amazonian": Former Pentagon Official's Business Ties Draw Scrutiny, WASHINGTON POST (Dec. 18, 2018), <https://www.washingtonpost.com/business/2018/12/18/once-an-amazonian-always-an-amazonian-former-pentagon-officials-business-ties-draw-scrutiny/>.

⁷ Aaron Gregg, *GAO Axes IBM's Bid Protest, Teeing Up a Court Battle Over Pentagon's \$10 Billion Cloud Effort*, WASHINGTON POST (Dec. 11, 2018), https://www.washingtonpost.com/business/2018/12/12/gao-axes-ibms-bid-protest-teeing-up-court-battle-over-pentagons-billion-cloud-effort/?utm_term=.781b4670547a; see also IBM Corporation, B-416657.5 et al. (Comp. Gen. Dec. 11, 2018) [hereinafter IBM GAO Protest]; Oracle America, Inc., B-416657 et al. (Comp. Gen. Nov. 18, 2018).

⁸ INSPECTOR GEN., U.S. DEP'T OF DEF., REPORT ON THE JOINT ENTERPRISE DEFENSE INFRASTRUCTURE (JEDI) CLOUD PROCUREMENT, REPORT NO. DODIG-2020-079, at 1-3 (Apr. 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); see also Letter from Rep. Chris Stewart & Rep. Steve Womack to Lloyd Austin III, Sec'y of Def., Dep't of Def., & Sean O'Donnell, Acting Inspector Gen., Dep't of Def. (May 19, 2021), <https://stewart.house.gov/news/documentsingle.aspx?DocumentID=806>; Letter from Mike Lee, Ranking Member, Subcomm. on Competition Policy, Antitrust, and Consumer Rights of the S. Comm. on Judiciary & Ken Buck, Ranking Member, Subcomm. on Antitrust, Commercial, and Administrative Law of the H. Judiciary Comm. to Sean O'Donnell, Acting Inspector Gen., Dep't of Def. Off. of Inspector Gen. (May. 4, 2021), <https://www.lee.senate.gov/public/cache/files/0792e85a-87d2-4e24-9076-bf1c132d39af/letter-to-dod-oig-05.04.21-1-.pdf>; Letter from Mike Lee, Ranking Member, Subcomm. on Competition Policy, Antitrust, and Consumer Rights of the S. Comm. on Judiciary & Ken Buck, Ranking Member, Subcomm. on Antitrust, Commercial, and Administrative Law of the H. Judiciary Comm., to Merrick Garland, Att'y Gen., Dep't of Justice (May 4, 2021), <https://www.lee.senate.gov/public/cache/files/4418963a-8e3d-4abb-bb2d-0318e7e22dcb/letter-to-ag-garland-05.04.21.pdf>.

The OIG's April 2020 review of the JEDI program focused on issues and conflicts that arose after the program's Request for Proposal (RFP) was issued but ultimately did not find the JEDI program's contracting process had been corrupted.⁹ Many seized on the OIG's administrative review of the JEDI procurement process and findings as proof that the DoD, with the exception of certain individuals, did not commit any substantive wrongdoing. However, the OIG did not examine allegations surrounding events preceding the RFP process, including allegations senior leadership were involved from the very beginning and pressured DoD employees to assign the contract to Amazon without using a competitive bidding process.¹⁰ The OIG's review also reportedly failed to fully consider information submitted through the office's whistleblower hotline before publication of the JEDI report.¹¹ These reports allege the reviewed issues stemmed from instances that occurred well before the RFP, implying there was likely reason to expand the DoD OIG's scope of review, which the OIG did not do. Specifically, these reports claim OIG did not consider seven evidentiary submissions made to the whistleblower hotline, and failed to interview key witnesses including companies that had participated in the JEDI competition and requested to be interviewed.

In addition, new reports stemming from Freedom of Information Act (FOIA) requests raise additional concerns. Documents provided to your office support whistleblower allegations that OIG leaders were more closely involved in drafting and editing the review than usual and that political concerns heavily influenced their actions. Such behavior conflicts with well-established OIG standards as well as the independence expected of OIGs.¹² Accordingly, it appears that the OIG JEDI report is fundamentally flawed.

DoD OIG selectively edited quotes from Sally Donnelly's emails, diminishing the perceived role she played as both gatekeeper to Secretary Mattis and advocate for the JEDI program going to Amazon.

Sally Donnelly served as Senior Advisor to the Secretary of Defense starting in January 2017 and began advocating for DoD to procure a cloud computing system.¹³ She originally began working for DoD in 2007 as a Special Assistant to Admiral Mike Mullen, Chairman for the Joint Chiefs of Staff, before joining James Mattis three years later at the United States Central

⁹ REPORT ON THE JOINT ENTERPRISE DEFENSE INFRASTRUCTURE (JEDI) CLOUD PROCUREMENT, *supra* note 8, at 3–5.

¹⁰ *Id.* at 3–4.

¹¹ Letter from Kenneth Glueck, Exec. Vice President, Oracle Corp., to Glenn A. Fine, Acting Inspector Gen., Dep't of Def. (Mar. 5, 2020) (on file with author); Letter from Kenneth Glueck, Exec. Vice President, Oracle Corp., to Sean O'Donnell, Acting Inspector Gen., Dep't of Def. (May 1, 2020) (on file with author); Letter from Kenneth Glueck, Exec. Vice President, Oracle Corp., to Sean O'Donnell, Acting Inspector Gen., Dep't of Def. (Oct. 13, 2020) (on file with author); Letter from Kenneth Glueck, Exec. Vice President, Oracle Corp., to Charles E. Grassley, Chairman, S. Comm. on Fin. (Dec. 7, 2020) (on file with author).

¹² U.S. GOV'T ACCOUNTABILITY OFF., GOVERNMENT AUDITING STANDARDS, GAO-21-368G (2021), <https://www.gao.gov/assets/gao-21-368g.pdf>; see also COUNCIL OF THE INSPECTORS GEN. ON INTEGRITY AND EFFICIENCY, QUALITY STANDARDS FOR FEDERAL OFFICES OF INSPECTOR GENERAL (2012), <https://www.ignet.gov/sites/default/files/files/Silver%20Book%20Revision%20-%208-20-12r.pdf>.

¹³ Sally Donnelly, U.S. DEP'T OF DEFENSE, <https://www.defense.gov/Our-Story/Biographies/Biography/Article/1420561/sally-donnelly/> (last visited Aug. 30, 2021).

Command.¹⁴ In 2012, Donnelly shifted to the private sector to found SBD Advisors, a firm which bore her initials and specialized in “engagements between the technology and defense sectors.”¹⁵ Donnelly’s experience with DoD was her selling point. Top clients, including Amazon, turned to her firm for advice about securing new DoD cloud contracts.¹⁶ In January 2017, Donnelly sold her majority share in the firm to Andre Pienaar, the CEO of C5 Capital, who also has close ties to Amazon, for \$1.56 million, \$1.17 million of which she received while working at DoD.¹⁷ On January 21, 2017, Donnelly was sworn in as Senior Advisor to the Secretary of Defense.¹⁸ She stepped into the role with many years of DoD experience, significant connections to Amazon, and extensive knowledge regarding the internal workings of DoD, ethical expectations, and politics.¹⁹ Armed with this knowledge, it would appear she, and others, used that knowledge to shape the development of the JEDI contract from its early stages so Amazon could more easily procure it.

The documents released in response to FOIA requests show Donnelly advocated for Amazon from the beginning of her return to DoD. The OIG’s JEDI report refers to an April 21, 2017 email sent by a redacted DoD employee to Donnelly and a high-ranking service member to ask if they wanted the Secretary to accept a request for a call with Jeff Bezos.²⁰ However, the OIG report cut the e-mail’s final line in which Donnelly is informed that Secretary Mattis’ Chief of Staff *deferred to her* for consideration.²¹ This directly contradicts another section in the OIG report where the OIG also cites an interview that was conducted with Donnelly in which she denies that she was the “decider of who gets in meetings, and who goes to meetings [with the Secretary of Defense].”²² The email illustrates Donnelly *was* a gatekeeper, at least for this meeting with Bezos.

By not including this email language in the JEDI report, the DoD OIG failed to provide full context and seemingly endorsed her claim that she was not responsible for who Secretary Mattis met with. Additionally, the OIG report omits Donnelly’s response to the Chief of Staff’s prompt. Her reply enthusiastically stated with regard to Bezos, “I think he is the genius of our age,

¹⁴ James Bandler, Anjali Tsui & Doris Burke, *How Amazon and Silicon Valley Seduced the Pentagon*, PROPUBLICA (Aug. 22, 2019), <https://www.propublica.org/article/how-amazon-and-silicon-valley-seduced-the-pentagon>; see also Sally B. Donnelly, HOLLINS UNIVERSITY, <https://www.hollins.edu/175th-anniversary/distinguished-graduates/sally-b-donnelly/> (last visited Aug. 25, 2021); Sara Sirota, *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/>; Sally Donnelly, POGO, <https://www.pogo.org/database/pentagon-revolving-door/people/sally-donnelly/> (last visited Aug. 30, 2021).

¹⁵ Andrew Kerr, *Government Ethics Watchdogs Fear Amazon’s Web Of Influence May Have Tainted Pentagon’s \$10 Billion JEDI Cloud Deal*, DAILY CALLER (Aug. 8, 2018), <https://dailycaller.com/2018/08/08/sally-donnelly-defense-department-jedi-cloud-amazon/>.

¹⁶ Kerr, *supra* note 15; see also Bandler, Tsui, & Burke, *supra* note 14.

¹⁷ Kerr, *supra* note 15; see also Sirota, *supra* note 14.

¹⁸ Sirota, *supra* note 14; see also Sally Donnelly, U.S. DEP’T OF DEFENSE, <https://www.defense.gov/Our-Story/Biographies/Biography/Article/1420561/sally-donnelly/> (last visited Aug. 25, 2021).

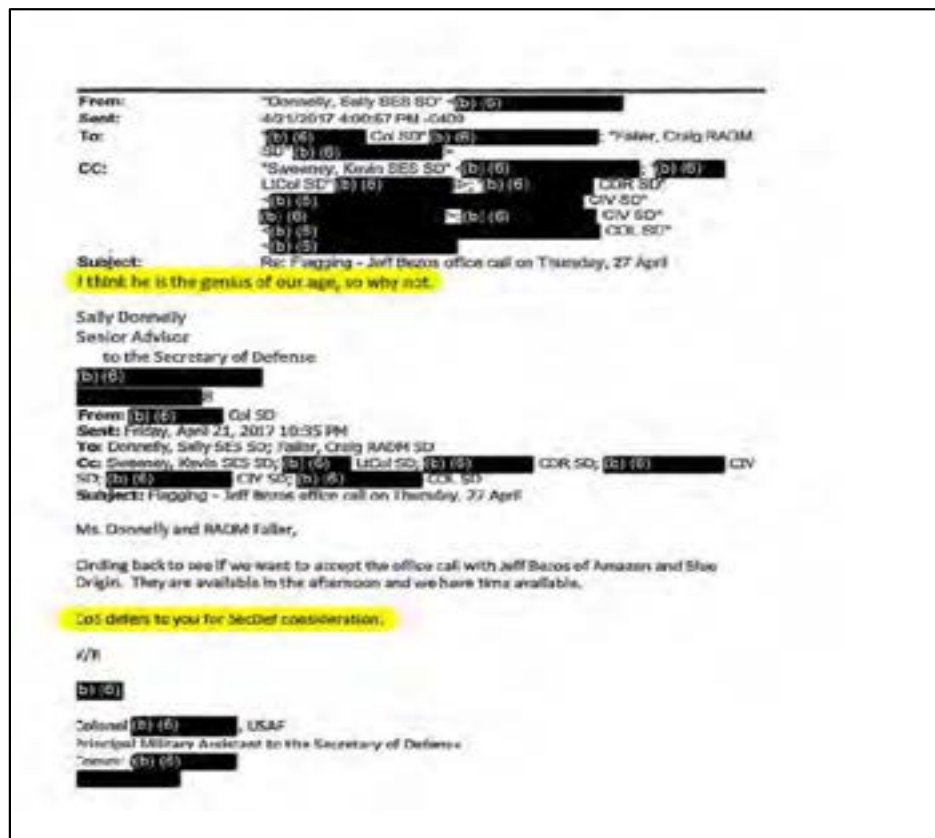
¹⁹ Donnelly completed her initial ethics training on Jan. 25, 2017 as well as an annual training on Jan. 19, 2018.

²⁰ REPORT ON THE JOINT ENTERPRISE DEFENSE INFRASTRUCTURE (JEDI) CLOUD PROCUREMENT, *supra* note 8, at 195; see also Email from DoD Employee to Sally Donnelly, Senior Advisor & Adm., and Craig Faller, Senior Military Advisor (Apr. 21, 2017) (on file with author).

²¹ Email from DoD Employee to Sally Donnelly, Senior Advisor & Adm., and Craig Faller, Senior Military Advisor (Apr. 21, 2017) (on file with author).

²² REPORT ON THE JOINT ENTERPRISE DEFENSE INFRASTRUCTURE (JEDI) CLOUD PROCUREMENT, *supra* note 8, at 177.

so why not.”²³ When viewing the email in its entirety, it is clear Donnelly not only approved of the call but strongly indicated her support for the meeting and for Bezos as an individual.



*Note: Highlighted sections indicate portions of text that were not included in DoD OIG’s JEDI review quotations.

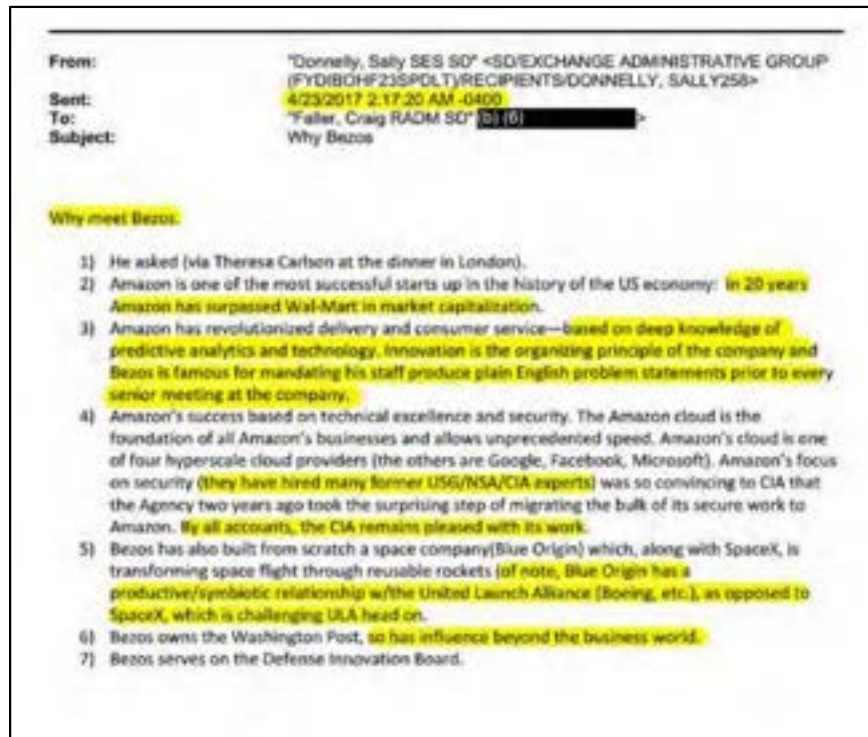
Instead of fully quoting this correspondence, the OIG report places emphasis on an unsolicited email Donnelly sent two days later to Admiral Craig Faller providing reasons why Secretary Mattis should meet with Bezos.²⁴ Unfortunately, the OIG also heavily edited this email in a way that changes its plain meaning, effectively softening Donnelly’s overt advocacy for Amazon. At numerous points in the FOIA document, Donnelly praises both Bezos and Amazon for having “deep knowledge of predictive analytics and technology,” “innovation,” and “influence beyond the business world.”²⁵ She also cites to the CIA’s decision to use Amazon and its apparent satisfaction with Amazon’s services (the CIA, as well as most of the information security industry, has since changed its cloud computing program from the single provider model - solely Amazon -

²³ Email from Sally Donnelly, Senior Advisor to DoD Employee & Adm., to Craig Faller, Senior Military Advisor (Apr. 21, 2017) (on file with author).

²⁴ Email from Sally Donnelly, Senior Advisor, to Adm. Craig Faller, Senior Military Advisor (Apr. 23, 2017) (on file with author).

²⁵ Email from Sally Donnelly, Senior Advisor, to DoD Employee & Adm. Craig Faller, Senior Military Advisor (Apr. 23, 2017) (on file with author).

to one with multiple providers to enhance usability, security, and reliability).²⁶ Evidence of Donnelly's advocacy and blatant preferential treatment, as displayed in these emails, are nowhere to be found in the OIG's report.



*Note: Highlighted sections indicate portions of text that were not included in DoD OIG's JEDI review quotations.

The DoD OIG downplayed Donnelly's involvement in the Secretary of Defense's "sales pitch" meeting with Bezos and the broader implications on the formation of the JEDI program and contract.

According to emails released in response to a FOIA request, Donnelly edited and approved documents in preparation for the Secretary's August 2017 meeting with Bezos. On July 12, 2017, a redacted DoD employee emailed Donnelly stating an attached draft of the Amazon agenda, "reflect[ed] the edits that [Donnelly] made earlier [that day]."²⁷ The redacted DoD employee

²⁶ Email from Sally Donnelly, Senior Advisor, to DoD Employee & Adm. Craig Faller, Senior Military Advisor (Apr. 23, 2017) (on file with author); see also Ron Miller, *The CIA Wants to Upgrade its Cloud Tech Without DoD's JEDI Drama*, TECH CRUNCH (Feb. 7, 2020), <https://techcrunch.com/2020/02/07/the-cia-wants-to-upgrade-its-cloud-tech-without-dods-jedi-drama/?guccounter=1>. The article states:

The procurement process would be in two phases. In the first phase, they would pursue multiple vendors to provide 'foundational cloud services.' In Phase 2, the department would layer on platform and software services on top of that Phase 1 foundation . . . Cloud technology has certainly evolved in the seven years since the CIA last did this exercise, and it makes sense that it would want to update a system this old, which is really ancient history in technology terms. The CIA likely sees the same cloud value proposition as the private sector around flexibility, agility and resource elasticity, and wants the intelligence community to reap the same benefits of that approach. Certainly, it will help store, process and understand an ever-increasing amount of data, and put machine learning to bear on it as well.

²⁷ Email from Redacted DoD Employee to Sally Donnelly, Senior Advisor (July 12, 2017) (on file with author); see also Miller, *supra* note 26.

further asked Donnelly to approve the draft before transmission. The attached draft outlined what equates to Amazon cloud sales points for the future JEDI project.²⁸ It included lines explaining how Amazon could move DoD to a “more modern IT environment,” how the CIA and NSA were already using Amazon cloud services, and how DoD AI programs would eventually become part of the JEDI program. Donnelly approved the draft that evening.

Jeff Bezos/Amazon Meeting Contours:

- **Date:** Thursday, 10 August
- **Time:** 9:00-11:45 am
- **Location:** Kent, WA (Blue Origin HQ, approx. 18 miles/30 minute drive from downtown Seattle)
- **Agenda/Meeting Topics:**
 - **Innovation & Leadership:**
 - How DoD can better leverage innovation in the commercial world
 - What DoD can learn from Amazon as DoD moves toward a more modern IT environment
 - **Cloud Technology:**
 - Blue Origin's use of Amazon Web Services (AWS) cloud technology and infrastructure
 - DoD use of AWS cloud to process, store, and transmit data
 - CIA & NSA AWS applications
 - **Artificial Intelligence & Machine Learning—DoD applications**
 - **Cybersecurity:**
 - Data encryption vs Firewall (particular interest in security of “data at rest”)
 - IC work
 - **Tour (time permitting)**
 - **Notes:**
 - Meeting will be at Blue Origin, but Blue Origin is not the focus of the meeting.

On August 7, 2017, three days before the meeting with Bezos, Donnelly approved the tentative Amazon meeting minutes. They included an introduction by the Chief of Amazon Web Services (AWS) Sales and former Donnelly client, Teresa Carlson, as well as a block of time set aside for an AWS cloud overview by an AWS salesperson.²⁹

²⁸ *Id.*

²⁹ Email from Redacted DoD Employee to Sally Donnelly, Senior Advisor (Aug. 7, 2017) (on file with author).

0900-0930 Cohn also present)	Secretary Mattis Arrival and Meeting with Jeff B (Gary (Jeff B, Teresa Carlson +public policy person)
0930-0935	Welcome and Overview (Teresa Carlson)
0935-0945	Cloud Overview (Jennifer Chronis, Jim Caggy)
0945-1005	Security and Encryption (CJ Moson)
1005-1025	AI, Machine Learning, IoT (Matt Wood, Ranje Das)
1025-1055	Storage- Snowball Demo (Bill Voss)
TIME PERMITTING	STEM RECRUITMENT, LOGISTICS

Minutes after the August 10 meeting between the Secretary of Defense and Bezos, Donnelly received an email from a redacted DoD employee who was with the Secretary at the meeting. The email read:

Just leaving Amazon. The one on one seemed to go very well. The large group seemed to morph into an *AWS sales pitch*. Boss was nice and gracious but *I didn't get a good vibe out of it*. Will share more later.³⁰

Approximately 30 minutes later Donnelly received another email stating, “Boss did say that he was ‘99.9% there’ in terms of going to cloud ... Bezos ended up staying for the duration of the entire visit which was not part of the original plan.”³¹ Donnelly then replied, “Excellent.”³²

Two days after the meeting, a redacted DoD employee emailed Deputy Secretary of Defense Patrick Shanahan and Under Secretary of Defense for Acquisition and Sustainment Ellen Lord to inform them the Secretary of Defense “now believe[d] in Cloud tech and want[ed] to move the DoD to it.”³³ The employee then added, “we have the baton on pulling a plan together for him.”³⁴ The employee also explained, “The CIA has already blazed a trail moving to C2S (i.e., TS/SCI Amazon Web Services Cloud).”³⁵ Donnelly was forwarded this email and informed, “SA.

³⁰ Email from Redacted DoD Employee to Sally Donnelly, Senior Advisor (Aug. 10, 2017) (on file with author) (emphasis added).

³¹ Email from Redacted DoD Employee to Sally Donnelly, Senior Advisor (Aug. 10, 2017) (on file with author).

³² Email from Sally Donnelly, Senior Advisor to Redacted DoD Employee (Aug. 10, 2017) (on file with author).

³³ Email from Redacted DoD Employee to Patrick Shanahan, Deputy Sec’y of Def., & Ellen Lord, Under Sec’y of Def. for Acquisition and Sustainment (Aug. 12, 2017) (on file with author); see also Billy Mitchell, *Pentagon Sets ‘Aggressive’ Path to Cloud with New Steering Group*, FEDSCOOP (Sept. 22, 2017), <https://www.fedscoop.com/pentagon-sets-aggressive-path-cloud-new-steering-group/>. See generally Ellen M. Lord, U.S. DEP’T OF DEF., <https://www.defense.gov/Our-Story/Biographies/Biography/Article/1281505/ellen-m-lord/> (last visited Aug. 30, 2021).

³⁴ Email from Redacted DoD Employee to Patrick Shanahan, Deputy Sec’y of Def., & Ellen Lord, Under Sec’y of Def. for Acquisition and Sustainment (Aug. 12, 2017) (on file with author).

³⁵ *Id.*

NODIS please.”³⁶ Translation: “Situational awareness. No distribution please.” On September 13, 2017, after just a month of reviewing the strengths and weaknesses of the CIA’s cloud program, Shanahan published the “tailored acquisition” memo outlining DoD’s plans for cloud adoption. It is important to note that shortly after these meetings, the CIA left its C2S platform in favor of a multivendor program known as C2E.³⁷

Unfortunately, the OIG’s JEDI report fails to include any of these examples as evidence which, if cited, would have contradicted Donnelly’s claims that she had limited involvement with the JEDI program. Further, it misleadingly describes the Secretary of Defense’s California trip in August as “meetings with leaders from Amazon, the Defense Innovation Unit (Experimental), Google, and Apple Inc., to discuss how the Pentagon can *improve in recruiting and retaining young talent*.”³⁸ The emails in question clearly show these topics were not the focus of the meeting with Bezos and were instead listed under the category “time permitting.”³⁹ Further, the Secretary of Defense told the OIG that Donnelly “*knew of his interest and concerns* about cloud technology and *suggested* that he travel to the west coast to meet with the CEOs of the companies he had been reading about, and learn more about their available technologies.”⁴⁰ He also told the OIG that, “at his request, [Donnelly] and other staff members *organized* an August 2017 trip to Seattle, Washington and Silicon Valley in California, to meet with executives from *Amazon*, Microsoft, Google, and Apple.”⁴¹

It is unclear whether Microsoft, Google, and Apple were provided a similar opportunity to give sales pitches to the Secretary of Defense. It is also unclear if any high-ranking DoD officials helped craft talking points/minutes for the other companies. However, we know from the FOIA documents that Donnelly did strongly advocate for Amazon to the point that some DoD employees expressed concerns regarding the Amazon “sales pitch.”⁴² With the limited information that we have, we are led to believe the Secretary of Defense’s meeting with Bezos was unique compared to the others that occurred during the August 2017 trip.

Ultimately, the OIG’s JEDI report asserts that Donnelly “did not give preferential treatment to Amazon officials.”⁴³ This finding draws doubt because the FOIA documents strongly indicate otherwise. The documents show that Donnelly acted as a gatekeeper for the Secretary of Defense on this issue; passionately advocated for the Secretary’s meeting with Bezos; was the final check on meeting documents pertaining to what would be discussed, by who, when; and expressed

³⁶ Email from Tony DeMartino, Deputy Chief of Staff to Sec’y of Def., to Sally Donnelly, Senior Advisor (Aug. 12, 2017) (on file with author).

³⁷ Memorandum from Patrick Shanahan, Deputy Sec’y of Def. on Accelerating Cloud Adoption to Dep’t of Def. (Sept. 13, 2017) (on file with author); *see also* Miller, *supra* note 26.

³⁸ REPORT ON THE JOINT ENTERPRISE DEFENSE INFRASTRUCTURE (JEDI) CLOUD PROCUREMENT, *supra* note 8, at 171 (emphasis added).

³⁹ *Id.*

⁴⁰ *Id.* at 178 (emphasis added).

⁴¹ *Id.* at 178 (emphasis added).

⁴² Email from Redacted DoD Employee to Sally Donnelly, Senior Advisor (Aug. 10, 2017) (on file with author).

⁴³ REPORT ON THE JOINT ENTERPRISE DEFENSE INFRASTRUCTURE (JEDI) CLOUD PROCUREMENT, *supra* note 8, at 201.

satisfaction after being told that, despite the meeting devolving into an Amazon cloud sales pitch, the Secretary was on the verge of initiating a DoD wide cloud computing program.

The DoD OIG materially misrepresented an official DoD Standards of Conduct Office Ethical opinion that raised concerns about favoritism toward Amazon in the design of the JEDI program.

After the Secretary's first meeting with Bezos and in preparation for a second, DoD sought an ethical opinion from its Standards of Conduct Office (SOCO).⁴⁴ The quoted portion of SOCO's response included in the OIG report leads the reader to believe it is acceptable, if not customary, for the Secretary of Defense to meet with CEOs from large tech companies like Amazon as long as the process is fair and transparent and all competitors are afforded the same opportunity.

However, documents released as a result of a FOIA request show that a large section was omitted from the middle of the SOCO opinion without any editorial indication. That section says DoD officials may meet with industry officials "as long as they do not give preferential treatment."⁴⁵ The omitted section also states that when determining whether there has been preferential treatment, there are "[s]everal factors [that] should be taken into account, including the *topic(s) to be discussed* . . . and any other factors that might give rise to the *appearance* of impropriety."⁴⁶ As previously noted, Donnelly approved the minutes for the meeting with Bezos which was later called an AWS cloud sales pitch. If Donnelly arranged that meeting so that Amazon could provide the Secretary of Defense a sales pitch on their cloud computing services, such a meeting would likely run afoul of the test that DoD's SOCO describes, especially when taking into account the resulting RFP that followed which was described by industry insiders as being designed for Amazon.⁴⁷ Without access to the additional documents that DoD and DoD OIG have thus far failed to provide you, we cannot confirm whether or not other companies that bid on the JEDI program received similar time and access with the Secretary of Defense. Nor can we determine without this information whether or not DoD employees likewise advocated on behalf of those companies. None of the issues or concerns in this paragraph were discussed at any length by the OIG's report let alone how they would almost certainly lead people to believe the JEDI program was designed and built for Amazon.⁴⁸

⁴⁴ *Id.* at 183–84.

⁴⁵ Email from Ruth Vetter, Dir. of Standards of Conduct Off., to Kevin Sweeney, Chief of Staff to the Sec'y (Oct. 18, 2017) (on file with author).

⁴⁶ *Id.* (emphasis added).

⁴⁷ May Jeong, "Everybody Immediately Knew That It Was For Amazon": Has Bezos Become More Powerful In D.C. Than Trump?, VANITY FAIR (Aug. 13, 2018), <https://www.vanityfair.com/news/2018/08/has-bezos-become-more-powerful-in-dc-than-trump?>; see also Patrick Tucker, Google is Pursuing the Pentagon's Giant Cloud Contract Quietly, Fearing An Employee Revolt, DEFENSE ONE (Apr. 12, 2018), <https://www.defenseone.com/technology/2018/04/google-pursuing-pentagons-giant-cloud-contract-quietly-fearing-employee-revolt/147407/>; Rosalie Chan, Google Drops Out of Contention for a \$10 Billion Defense Contract Because It Could Conflict With Its Corporate Values, BUSINESS INSIDER (Oct. 8, 2018), <https://www.businessinsider.com/google-drops-out-of-10-billion-jedi-contract-bid-2018-10>.

⁴⁸ See generally Frank Konkel, Much of the NSA's Most Prized Intelligence Data May be Moving to the Cloud., NEXTGOV (Aug. 10, 2021), <https://www.nextgov.com/it-modernization/2021/08/nsa-awards-secret-10-billion-contract-amazon/184390/>; Microsoft Says NSA Needs to Undo Its \$10B Cloud Computing Contract with Amazon, HOMELAND SECURITY TODAY (Aug. 17, 2021), <https://www.hstoday.us/subject-matter-areas/information-technology/microsoft-says-nsa-needs-to-undo-its-10b-cloud-computing-contract-with-amazon/>.

-----Original Message-----

From: Vetter, Ruth M SES OSD OGC (US) [mailto:(b) (6)]
Sent: Wednesday, October 18, 2017 10:36 AM
To: Sweeney, Kevin SES SD (b) (6); (b) (6) CIV SD
(b) (6)
Cc: (b) (6) CIV OSD OGC (US) (b) (6)
Subject: Proposed Meeting with Jeff Bezos (UNCLASSIFIED)

CLASSIFICATION: UNCLASSIFIED

Kevin and (b) (6)

I wanted to follow-up with you on SD's question about meeting with Mr. Jeff Bezos of Amazon. I do not have an ethics objection to SD meeting with Mr. Bezos. I also do not think it poses an optics concern as long as SD is willing to meet with representatives of similarly situated entities.

The key is for engagement with industry to be fair, even, and transparent. DoD officials can generally meet one-on-one with members of industry as long as they do not give preferential treatment to some members of industry. Several factors should be taken into account, including the topic(s) to be discussed, whether the official is willing to hold such meetings with all similarly situated entities, any pending matters involving the contractor (procurements, claims, audits, etc.), and any other factors that might give rise to an appearance of impropriety. In the past when contractors have asked to come in to basically "pitch" their products and services to SD or DSD, we have normally advised that these meetings be directed down as they are not in the position to make specific contract decisions; however, based on our discussion, it sounds like the proposed engagement with Mr. Bezos would be at a much higher level (not a sales pitch). Additionally, I confirmed that Mr. Bezos is not a member (or even a quasi-member) of the Defense Innovation Board, so I am not concerned about triggering Federal Advisory Committee Act restrictions.

Please let me know if you have any questions or if you would like to discuss further.

Best,
Ruth

Ruth M.S. Vetter
Director, Standards of Conduct Office
Office of the General Counsel
Department of Defense

*Note: Highlighted sections indicate portions of text that were not included in DoD OIG JEDI review and was not noted as being removed.

Compliance with Congressional Requests for Information

Critically, despite multiple requests for information you made to DoD and the DoD OIG over the years about the JEDI program, neither agency ever produced the information discussed in this memo to you. Instead, your staff compiled this information from documents that were provided to us from individuals and organization that made outside FOIA requests. This continues the trend of federal agencies ignoring congressional inquiries. As you know, some agencies have refused to respond to members unless they are committee chairmen. Agencies instead push

members to make their congressional inquiries via FOIA.⁴⁹ This came up most recently during the Trump administration when DOJ OLC published an opinion that claimed only congressional committees and committee chairman are “constitutionally authorized” requestors.⁵⁰ You pushed back at that time and were able to get commitments that the administration would continue to respond to Congressional inquiries irrespective of Chair status.

Conclusion

The JEDI program may have come to an end, but much is still required to fully understand and remedy the unethical conduct stemming from the actions of some DoD employees and a faulty OIG investigation. Evidence compiled from the FOIA request suggests the OIG’s JEDI report was at best highly mismanaged and at worst purposefully manipulated, or “rounded.”⁵¹ The report neglected to include Donnelly’s gatekeeping role, misrepresented her efforts to advocate for Amazon, downplayed her role in the “sales pitch” meeting with Bezos, and omitted key portions

⁴⁹ U.S. CONST. art. I (authorizing that all legislative powers shall reside with a bicameral Congress); *see also* *McGrain v. Daugherty*, 273 U.S. 135, 177, 181–82 (1927) (stating “We are of [the] opinion that the power of inquiry—with process to enforce it—is an essential and appropriate auxiliary to the legislative function.”); *Eastland v. United States Servicemen’s Fund*, 421 U.S. 491, 509 (1975) (expanding on its holding in *McGrain*, the Court declared, “To be a valid legislative inquiry there need be no predictable end result.”); *Watkins v. United States*, 354 U.S. 178 (1957) (The “power of Congress to conduct investigations is inherent in the legislative process. *That power is broad.* It encompasses inquiries concerning the administration of existing laws as well as proposed or possibly needed laws.”) (emphasis added); 5 U.S.C. § 522 (d) (1966) (showing explicitly that Congress did not alter its historic authority to conduct oversight: “[The Freedom of Information Act (FOIA)] is not authority to withhold information from Congress.”); *Murphy v. Dep’t of Army*, 613 F.2d 1151 (D.C. Cir. 1979). In *Murphy*, the D.E. Circuit stated:

Similarly, we find no basis in the statute or in public policy for distinguishing for FOIA purposes between a congressional committee and a single Member acting in an official capacity. The Senate and the House are so organized that certain legislative and quasi-legislative activities may be accomplished only through committee action. In other respects, however, the legislature acts through its individual Members. All Members have a constitutionally recognized status entitling them to share in general congressional powers and responsibilities, many of them requiring access to executive information. It would be an inappropriate intrusion into the legislative sphere for the courts to decide without congressional direction that, for example, only the chairman of a committee shall be regarded as the official voice of the Congress for purposes of receiving such information, as distinguished from its ranking minority member, other committee members, or other members of the Congress. Each of them participates in the law-making process; each has a voice and a vote in that process; and each is entitled to request such information from the executive agencies as will enable him to carry out the responsibilities of a legislator.

Id. But *see* FOIA Update: OPI Guidance: Congressional Access Under FOIA, Vol. V, No. 1 (Jan. 1, 1984) (stating that, despite *Murphy* the DOJ, and by extension, the rest of the Federal government, only needs to provide information when it is requested by committee Chairmen). This opinion appears to stand alone in such a line of reasoning, and in fact seems to contradict federal statutes, regulations, appellate court opinions, Supreme Court opinions, and the U.S. Constitution. Agencies, however, continue to rely on this flawed reasoning to neglect and delay Congressional inquiries which are necessary to effectively conduct oversight of the federal government, find solutions, and ultimately legislate. Further, countless nominees have sat before the various Senate committees and sworn under oath to quickly provide requested information to all members as well as substantive and thorough responses. Despite the oaths they take and the overwhelming legal requirements outlined above, appointees and the agencies they represent consistently utilize tactics of evasion, obfuscation, and ambiguity in an effort to obstruct lawful congressional oversight.

⁵⁰ Senator Charles E. Grassley, News Release, Grassley Calls On President To Rescind OLC Opinion Shielding Bureaucrats From Scrutiny (June 9, 2017) <https://www.grassley.senate.gov/news/news-releases/grassley-calls-president-rescind-olc-opinion-shielding-bureaucrats-scrutiny> (calling on President Trump to answer all Congressional inquiries regardless of seniority or party stating, “I know from experience that a partisan response to oversight only discourages bipartisanship, decreases transparency, and diminishes the crucial role of the American people’s elected representatives”).

⁵¹ Judiciary Oversight and Investigations staff was advised by former DoD OIG employees that from time-to-time sensitive reports undergo a process known as “rounding.” This process is used by high level staff members in the OIG to smooth out sensitive reports and avoid controversy. It is unclear if this is a formal or informal process, regardless it is reportedly a well-known within DoD OIG and possibly other OIGs as well.

of a SOCO opinion. In direct contradiction to the report, the documents that your staff has uncovered show that Donnelly utilized her years of DoD experience and a professional history of lobbying for defense contractors to not only encourage the successful creation of a DoD cloud computing program, but helped engineer the creation of the JEDI program in such a way that Amazon was all but sure to be the winner.

These omissions in the OIG report fundamentally reshape the understanding of the potential ethical violations that may have been committed by Donnelly and the other DoD employees named in the report. It is also unclear at this time if other omissions were made in the report or what effect they have on a full understanding of the facts. Whether these omissions by the OIG were deliberate or the result of simple oversight is unclear but Congress deserves answers on that point. Regardless of the intentions, they demonstrate the need for additional oversight. CIGIE must conduct a thorough review to evaluate the flaws in the investigative process and the inaccuracies in the JEDI report. Further, the OIG should be compelled to explain how these inaccuracies were included in their report.

In the same memo DoD announced the end of the JEDI program, it announced the beginning of a new DoD-wide cloud computing initiative known as JWCC which will likely require similar oversight. All of the information surrounding the improprieties of the JEDI program must be made public to ensure the mistakes made in JEDI do not follow the new JWCC program.

Finally, in response to the aforementioned concerns with respect to the JEDI report, your staff believes that further review is necessary and recommends that you send a letter to DOD OIG requesting that they answer questions relating to the failings of the JEDI report and provide outstanding records. We also recommend that you send a letter to CIGIE asking them to appoint an impartial third-party OIG to review the failings that transpired during the DoD OIG JEDI review. As you've said many times in the past, sunlight is the best disinfectant.

RICHARD J. DURBIN, ILLINOIS, CHAIR

PATRICK J. LEAHY, VERMONT
DIANNE FEINSTEIN, CALIFORNIA
SHELDON WHITEHOUSE, RHODE ISLAND
AMY KLOBUCHAR, MINNESOTA
CHRISTOPHER A. COONS, DELAWARE
RICHARD BLUMENTHAL, CONNECTICUT
MAZIE HIRONO, HAWAII
CORY A. BOOKER, NEW JERSEY
ALEX PADILLA, CALIFORNIA
JON OSOFF, GEORGIA

CHARLES E. GRASSLEY, IOWA
LINDSEY O. GRAHAM, SOUTH CAROLINA
JOHN CORNYN, TEXAS
MICHAEL S. LEE, UTAH
TED CRUZ, TEXAS
BEN SASSE, NEBRASKA
JOSHUA D. HAWLEY, MISSOURI
TOM COTTON, ARKANSAS
JOHN KENNEDY, LOUISIANA
THOM TILLIS, NORTH CAROLINA
MARSHA BLACKBURN, TENNESSEE

United States Senate

COMMITTEE ON THE JUDICIARY

WASHINGTON, DC 20510-6275

January 7, 2022

VIA ELECTRONIC TRANSMISSION

The Honorable Sean O'Donnell
Acting Inspector General
Department of Defense
4800 Mark Center Dr.
Alexandria, VA 22305

Dear Inspector General O'Donnell:

I read your September 15, 2021 response to my August 31, 2021 letter regarding my continued oversight of the Department of Defense (DoD) Office of Inspector General's (DoD OIG) Joint Enterprise Defense Infrastructure (JEDI) report.¹ Unfortunately, I continue to receive information from whistleblowers that suggests DoD OIG's investigative process and the resulting JEDI report is materially deficient. Further, despite repeated calls between DoD OIG and multiple congressional offices, DoD OIG's continued failure to adequately respond to inquiries demands additional scrutiny.

In your September 15 letter, you stated that "the information" I used to draft my August 31 letter "lack[ed] important context"—an interesting assertion, given the trove of requested information and "context" your office and the DoD refuse to provide. Your position is untenable in light of the overwhelming evidence that clearly shows your office cut corners and misrepresented the full context of government records in your possession—records that your office failed to produce to Congress but were ultimately acquired by Freedom of Information Act (FOIA)

¹ Letter from Charles E. Grassley, Ranking Member, S. Comm. on Judiciary, to Sean O'Donnell, Acting Inspector Gen., Dep't of Def. (Aug. 31, 2021), https://www.grassley.senate.gov/imo/media/doc/grassley_to_defense_dept.officeofinspectorgeneraljedireportfaults.pdf; Letter from Sean O'Donnell, Acting Inspector Gen., Dep't of Def. to Charles E. Grassley, Ranking Member, S. Comm. on Judiciary (Sept. 15, 2021), https://www.grassley.senate.gov/imo/media/doc/defense_dept.inspectorgeneraltograssleyjedi.pdf; see also INSPECTOR GEN., U.S. DEP'T OF DEF., DODIG-2020-079, REPORT ON THE JOINT ENTERPRISE DEFENSE INFRASTRUCTURE (JEDI) CLOUD PROCUREMENT (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) [hereinafter JEDI Report].

requesters. For more than two years, I have made repeated requests for information from DoD and the DoD OIG and both offices failed to provide full and complete responses. The only new and relevant documents that I received since the publication of the JEDI report were acquired by third party requesters of FOIA documents.² I have attached copies of the recent FOIA documents that I have received during this investigation to this letter to show DoD and DoD OIG what governmental transparency looks like.³

Simply put, it is unacceptable and nonsensical that in response to my August 31 letter, DoD OIG replied to my requests by highlighting portions of documents to support the JEDI report while also refusing to provide those very same documents in full.⁴ This pattern of repeated obfuscation by DoD OIG shows disdain and disregard for congressional oversight. Moreover, DoD OIG's dismissive attitude toward well-documented concerns that individuals involved in the drafting and finalization of the JEDI report were responsible for omissions and material misrepresentations of key evidence does nothing to resolve the unanswered questions I've posed to you. In fact, it creates more questions.

For example, in anticipation of a September 20, 2021, phone call between your staff and several congressional offices to discuss your September 15, 2021, letter, two documents were requested from your Office:

1. An ethics email mentioned on page 173 of the Report where the phrase "no ethics objection" is quoted; and
2. A sales contract for SBD Advisors, a firm retained by Amazon Web Services (AWS), and owned by Sally Donnelly, the former Special Assistant to then-Secretary of Defense, James Mattis to unknown individual(s).⁵

These documents, though received by my office, were fully redacted and lacked any notation justifying the redactions. Fortunately, a whistleblower delivered an un-redacted version of the ethics email to my office, a copy of which is also attached to this letter.⁶ Additionally,

² Longstanding precedent and Congress's constitutional powers support Ranking Members' authority to request and receive information from Inspectors General. *See* Letter from Roger Wicker, Ranking Member, S. Comm. on Com., Sci., & Transp., Charles E. Grassley, Ranking Member, S. Comm. on Judiciary, Tim Scott, Ranking Member, S. Comm. Aging et al., to Merrick Garland, Att'y Gen., Dep't of Just. (Sept. 24, 2021), <https://www.commerce.senate.gov/services/files/CB506190-F57A-4026-A799-616F00475DE0>.

³ Attachment A (All received FOIA Documents not otherwise cited).

⁴ Letter from Sean O'Donnell, Acting Inspector Gen., Dep't of Def. to Charles E. Grassley, Ranking Member, S. Comm. on Judiciary (Sept. 15, 2021), https://www.grassley.senate.gov/imo/media/doc/defense_dept_inspectorgeneraltograssleyjedi.pdf.

⁵ Attachments B & C (Redacted documents from DoD OIG).

⁶ The e-mail to SOCO requesting a "scrub" of attendees included titles and organizations for the New York City meeting but not for the U.K. meeting. Further, the body of the e-mail stated that "he has personal relationship with most – if not all – of the attendees of the ... dinner in the UK." For this reason, SOCO was clearly unable to search for conflicts of interest for that list of people because they did not know who those individuals worked for. *See* Attachment D (Unredacted SOCO Opinion).

during this call, and contrary to standard practice when briefing congressional staff, your staff refused to identify some key members of the JEDI report team who conducted the briefing. I request a written explanation for withholding the names of these federal employees who were integral enough to brief Congress on the quality and veracity of the JEDI report, but somehow barred from being identified.

Further, the JEDI report characterized the DoD's Standards of Conduct Office (SOCO) ethics email as finding neither a conflict of interest nor an objection to the meeting between former Secretary Mattis and high-level Amazon officials, among others.⁷ However, the email shows that SOCO never performed a conflict of interest analysis regarding who would be at that meeting, but instead simply evaluated the meeting on the narrow grounds of whether DoD's restrictions on meal gifts were triggered. Accordingly, the JEDI report attributed a much broader conflict of interest assessment to SOCO than was actually performed.⁸

Separately, after receiving your September 15, 2021 letter I returned to the second SOCO ethics opinion, which I discussed in my August letter to you.⁹ In the JEDI report, an entire paragraph from that opinion, which details the "factors [that] should be taken into account" when evaluating potential conflicts for a meeting between Secretary Mattis and Jeff Bezos, is omitted from the JEDI report.¹⁰

The key is for engagement with industry to be fair, even, and transparent. DoD officials can generally meet one-on-one with members of industry as long as they do not give preferential treatment to some members of industry. Several factors should be taken into account, including the topic(s) to be discussed, whether the official is willing to hold such meetings with all similarly situated entities, any pending matters involving the contractor (procurements, claims, audits, etc.), and any other factors that might give rise to an appearance of impropriety. In

⁷ Letter from Sean O'Donnell, Acting Inspector Gen., Dep't of Def. to Charles E. Grassley, Ranking Member, S. Comm. on Judiciary (Sept. 15, 2021), https://www.grassley.senate.gov/imo/media/doc/defense_dept.inspectorgeneraltograssleyjedi.pdf.

⁸ JEDI Report, *supra* note 1, at 184, [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); see also Letter from Charles E. Grassley, Ranking Member, S. Comm. on Judiciary, to Sean O'Donnell, Acting Inspector Gen., Dep't of Def. (Aug. 31, 2021), https://www.grassley.senate.gov/imo/media/doc/grassley_to_defense_dept.officeofinspectorgeneral_jedireportfaults.pdf.

⁹ Letter from Charles E. Grassley, Ranking Member, S. Comm. on Judiciary, to Sean O'Donnell, Acting Inspector Gen., Dep't of Def. (Aug. 31, 2021), https://www.grassley.senate.gov/imo/media/doc/grassley_to_defense_dept.officeofinspectorgeneral_jedireportfaults.pdf; Letter from Sean O'Donnell, Acting Inspector Gen., Dep't of Def. to Charles E. Grassley, Ranking Member, S. Comm. on Judiciary (Sept. 15, 2021), https://www.grassley.senate.gov/imo/media/doc/defense_dept.inspectorgeneraltograssleyjedi.pdf.

¹⁰ Email from Ruth Vetter, Dir. Of Standards of Conduct Off., to Kevin Sweeny, Chief of Staff to the Sec'y (Oct. 18, 2017) (emphasis added) (on file with author); see also Letter from Charles E. Grassley, Ranking Member, S. Comm. on Judiciary, to Sean O'Donnell, Acting Inspector Gen., Dep't of Def., at 10 (Aug. 31, 2021), https://www.grassley.senate.gov/imo/media/doc/grassley_to_defense_dept.officeofinspectorgeneral_jedireportfaults.pdf.

These factors are important because they highlight what circumstances or activities create a conflict of interest, or at the very least, conduct that would “rise to an appearance of impropriety.”¹¹ When applied to Donnelly’s conduct, which DoD OIG had evidence of at the time of the JEDI report, it is clear that her conduct satisfies several of these factors. Despite this, DoD OIG failed to note for the reader that any edit had been made to the substance of the opinion. Even with an entire paragraph missing, you continue to assert that the omission of this information was inconsequential and would have somehow made the final JEDI report “duplicative, unwieldy” or “not a work of independent oversight.”¹²

As such, it appears that at least two times in the same report, DoD OIG materially misrepresented SOCO opinions to support the report’s conclusions. This is unacceptable by any metric. I request an explanation of these decisions, who made them, and the rationale for omitting the content, because any reader of the JEDI report would clearly obtain a false impression of the full SOCO opinions as written.

Other documents obtained via third-party FOIA requests raise new questions regarding the integrity of the DoD OIG’s investigative process and resulting JEDI report. Specifically, newly obtained email communications from Sally Donnelly, a conflicted former AWS lobbyist turned senior advisor to the former Secretary of Defense, show that while employed at DoD she and a current AWS sales representative discussed “landmines [to] avoid” during an upcoming “sales pitch” with the Secretary of Defense, as well as communications between Donnelly and other DoD employees where employees state how “[Donnelly] is already working” to “crush bureaucratic impediments” to the JEDI contract.¹³ The DoD OIG’s report failed to mention these emails, which illustrate that conflicts infected the JEDI procurement process and Donnelly should have been recused from all JEDI matters in light of her previous work for AWS.

¹¹ *Id.*

¹² Letter from Sean O'Donnell, Acting Inspector Gen., Dep't of Def. to Charles E. Grassley, Ranking Member, S. Comm. on Judiciary (Sept. 15, 2021), https://www.grassley.senate.gov/imo/media/doc/defense_dept_inspectorgeneraltograssleyjedi.pdf.

¹³ Attachment E; E-mail from Redacted DoD Employee to Sally Donnelly, Senior Advisor, Dep't of Def. (Aug. 10, 2017) (“Just leaving Amazon. The one on one seemed to go very well. The large group seemed to morph into an *AWS sales pitch*. Boss was nice and gracious but *I didn't get a good vibe out of it*. Will share more later.”) (emphasis added) (on file with author).

From: Raj Shah [mailto:(b) (6)]
Sent: Friday, August 25, 2017 1:07 PM
To: Mikolay, Justin SES SD
Cc: Donnelly, Sally SES SD
Subject: Fwd: Cloud Computing (UNCLASSIFIED)

Justin, Sally:

We'll have a revised doc to you soon, but want to share the feedback from the guy leading our software efforts. It is crucial that the sd memo crush the bureaucratic impediments. As most things, this is not a technology problem.

Raj

From: Mikolay, Justin SES SD
To: "Raj Shah"
Cc: Donnelly, Sally SES SD
Subject: RE: Cloud Computing (UNCLASSIFIED)
Date: Friday, August 25, 2017 4:22:19 PM

Amen. This is a great note from Enrique. Sally is already working angles with this note providing but targeting data (who to crush) and ammunition (reason to crush)....

I have also requested copies of underlying documents regarding Donnelly's sale of SBD Advisors to still-unknown individual(s) and have only received heavily redacted documents.¹⁴ As you are aware, Donnelly worked at DoD under General Mattis before he became Secretary. She left DoD, founded SBD Advisors, and took on AWS as a client. Prior to returning to DoD a second time, Donnelly sold her SBD shares to unknown individuals. Donnelly then received payments from that sale while she worked at DoD and assisted the AWS procurement process. The unredacted versions of these documents are relevant as they may show who bought SBD advisors from Donnelly and could illustrate additional conflicts of interest concerns.¹⁵

During the call with my staff on September 20, 2021, DoD OIG leadership conveyed that they were proud of the report and that no one who had participated in it had raised concerns with the process or final product. They also reiterated that they had never heard of "rounding," a term used by whistleblowers to denote the watering down of reports for political convenience or other purposes. These positions do not match statements made to my office by multiple whistleblowers or information found in government records provided to my office. For this reason, I am requesting a list of the individuals (full or part-time) who have, for any reason, departed the DoD OIG during the period of January 1, 2019, to the date of this letter. When preparing this information, please provide the following: full name; the person's respective office (e.g., Audit, DCIS, OCO, Evaluations, etc.); the person's last position held and relevant title; and if the individual continues to be employed by the Executive Branch, please identify that agency.

¹⁴ Attachment C (Redacted documents from DoD OIG).

¹⁵ SBD Advisors appears to no longer be in business and therefore any release of sale documents could not impact any current business operations.

The questions regarding both this report and the JEDI program should be resolved before DoD's Joint Warfighter Cloud Capability (JWCC) program is awarded. For this reason, I also encourage your office and the DoD to meet with me and my staff to address the continuing concerns with JEDI. Should you have any questions please reach out to Daniel Boatright or Quinton Brady of my Judiciary staff at (202) 224-5225. Thank you for your time and consideration regarding this important matter.

Sincerely,



Charles Grassley
Ranking Member
Senate Committee on the Judiciary

cc:

The Honorable Lloyd Austin
Secretary
Department of Defense

Allison C. Lerner
Chairwoman
Council of the Inspectors General on Integrity and Efficiency



October 24, 2022

VIA ELECTRONIC TRANSMISSION

Lloyd J. Austin
Secretary of Defense
Department of Defense

Sean O'Donnell
Acting Inspector General
Department of Defense
Office of Inspector General

Dear Secretary Austin and Acting Inspector General O'Donnell:

I write to you today as part of my investigation into the Department of Defense (DoD) and its Inspector General's (DoD OIG) conflicts of interest analysis concerning Sally Donnelly and the sale of her company, SBD Advisors LLC.

Background

On April 28, 2021, I wrote to the DoD and requested an unredacted copy of Sally Donnelly's Public Financial Disclosure Report, OGE Form 278e.¹ According to Ms. Donnelly's OGE Form 278e, she sold SBD Advisors LLC before entering government service, divested her interest in the business, and disclosed two substantial payments related to the sale of SBD Advisors LLC. As disclosed in her OGE Form 278e, dated May 17, 2017, Ms. Donnelly reported a payment related to the sale of SBD Advisors LLC for \$390,000.² 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.³ Notably, both of Ms. Donnelly's OGE Forms failed to disclose the identity of the purchaser of SBD Advisors LLC.

Following my April 28, 2021, letter to the DoD, I requested an unredacted copy of the Purchase and Sale Agreement of SBD Advisors LLC from DoD OIG—once in advance of a

¹ Letter from Senator Charles E. Grassley, Ranking Member, S. Comm. on the Judiciary, to Lloyd J. Austin, Secretary, Dep't of Def. (Apr. 28, 2021),

https://www.grassley.senate.gov/imo/media/doc/grassley_to_defense_dept_jedifollowup.pdf.

² Exhibit A.

³ Exhibit B.

September 2021 bicameral call, and again on January 7, 2022.⁴ (DoD OIG released records, including a redacted Purchase and Sale Agreement, in response to a FOIA request.⁵) In response to my January 7, 2022 letter, Acting Inspector General Sean O'Donnell responded that Ms. Donnelly's attorney "did not authorize us to release the unredacted [Purchase and Sale Agreement]," that "DoD OIG does not have the legal authority to release the DoD documents," and that the "DoD is the release authority for the DoD documents."⁶

On March 8, 2022, in a letter to Congress, Acting Inspector General Sean O'Donnell further revealed that Ms. Donnelly's counsel provided DoD OIG the Purchase and Sale Agreement, but redacted the name of the purchaser.⁷ DoD OIG argued, "neither the purchaser nor the purchase vehicle of Ms. Donnelly's [company] was relevant to whether she complied with her ethical obligations."⁸ The DoD OIG's report on the JEDI cloud procurement also states, "[w]e found no evidence that [Ms. Donnelly] had an ongoing or undisclosed financial relationship with C5 or Amazon and its affiliates."⁹ However, not only did the DoD OIG fail to acquire an unredacted version of the Purchase and Sale Agreement, it never even interviewed Andre Pienaar, Chief Executive and Founder of C5 Capital, during its review of DoD's JEDI cloud procurement program.

Knowledge of the entity that purchased her firm is relevant and central to the question of whether a conflict of interest existed and could have substantively affected the protocols required to wall off Sally Donnelly from potential and actual conflicts of interest while employed at DoD. Based on information collected for this investigation, the DoD OIG's conclusion concerning Ms. Donnelly's lack of financial connection to C5 appears to be inaccurate. Indeed, two senior C5 officials, including the founder of C5 Capital, were involved in the purchase of SBD Advisors LLC—connections that existed while Donnelly was at DoD and received payments from the sale of her company.

On June 24, 2022, I sent a letter to Mr. Pienaar and requested an unredacted copy of the Purchase and Sale Agreement of SBD Advisors LLC as well as the names of individuals and entities involved in the sale of Ms. Donnelly's company.¹⁰ According to Ms. Donnelly's sworn

⁴ Letter from Senator Charles E. Grassley, Ranking Member, S. Comm. on the Judiciary, to Sean O'Donnell, Acting Inspector Gen., Dep't of Def. (Jan. 7, 2022),

https://www.grassley.senate.gov/imo/media/doc/grassley_to_defense_dept.inspectorgeneraljedicontract.pdf.

⁵ *JEDI Documents*, DEP'T OF DEF., <https://www.dodig.mil/foia/jedi-documents/> (last viewed Sept. 26, 2022).

⁶ Letter from Sean O'Donnell, Acting Inspector Gen., Dep't of Def., to Senator Charles E. Grassley, Ranking Member, S. Comm. on the Judiciary (Jan. 25, 2022) (on file with Committee).

⁷ Letter from Sean O'Donnell, Acting Inspector Gen., Dep't of Def., to Congresswoman Yvette Herrell 10 (Mar. 8, 2022) (on file with Committee).

⁸ *Id.* at 8.

⁹ REPORT ON THE JOINT ENTERPRISE DEFENSE INFRASTRUCTURE (JEDI) CLOUD PROCUREMENT, INSPECTOR GEN. DEP'T OF DEF., REPORT NO. DODIG-2020-079 at 201 (Apr. 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).

¹⁰ Letter from Senator Charles E. Grassley, Ranking Member, S. Comm. on the Judiciary, to Andre Pienaar, Chief Executive and Founder, C5 Capital (June 24, 2022), https://www.grassley.senate.gov/imo/media/doc/grassley_to_andre_pienaar.

testimony to the DoD OIG, “Andre Pienaar was the organizer of the sale of SBD.”¹¹ DoD OIG never asked Ms. Donnelly to expand on what she meant by “organizer” of the sale.

Following several months of negotiations with Mr. Pienaar’s counsel, Mr. Pienaar produced the Purchase and Sale Agreement in-camera for my staff to review and take notes.

The Purchase and Sale of SBD Advisors LLC

The following timeline details the purchase and sale of SBD Advisors LLC and the flow of money from Mr. Pienaar, and related third-party entities, to Ms. Donnelly.

a. August 2013 – July 2014

According to the Purchase and Sale Agreement, Mr. Pienaar made three capital contributions to SBD Advisors LLC—\$320,000 on August 1, 2013; \$150,000 on March 28, 2014; and \$210,000 on July 14, 2014.¹² According to counsel, Mr. Pienaar was a so-called “angel investor,” who gave capital contributions to Ms. Donnelly so that she could run her business, SBD Advisors LLC. Mr. Pienaar’s capital contributions are noteworthy because it shows that he had a significant financial interest in SBD Advisors LLC.

CAPITAL CONTRIBUTIONS		
CAPITAL CONTRIBUTION:	MEMBER:	DATE:
\$1,000.00	Sally Donnelly	February 16, 2013
\$320,000.00	Andre Pienaar	August 1, 2013
\$150,000.00	Andre Pienaar	March 28, 2014
\$210,000.00	Andre Pienaar	July 1, 2014

b. August 2016

According to Mr. Pienaar’s counsel, sometime in August 2016, Mr. Pienaar paid Ms. Donnelly \$390,000 for a 20 percent stake in SBD Advisors LLC and maintained his share in the company until March 2017.

¹¹ Donnelly Depo. 43: 49, https://www.dodig.mil/Portals/48/DODOIG-2020-001050%201st%20Interim%20response%20records_1.pdf.

¹² Exhibit D.

c. January 2017

On 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 \$780,000.¹³ 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.¹⁴ 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 2018.¹⁵

Mr. Pienaar signed on behalf of VMAP Investor LLC for the purchase of SBD Advisors LLC.¹⁶ More than three years later, on December 7, 2021, VMAP Investor LLC filed an amendment and changed its name to C5 Holdings USA, LLC.¹⁷ Vincent Mai signed as an “authorized person(s)” for VMAP Investor LLC. Vincent Mai is the Chairman and CEO of Cranemere, a private equity firm that acts as “a long-term holding company for founders, management teams and family-owned companies in the United States and Europe.”¹⁸ In public investment advisor disclosure forms filed with the U.S. Securities and Exchange Commission, Mr. Mai is also listed as an individual owner of C5 Holdings in Luxembourg.¹⁹

C5 Holdings USA, LLC is related to C5 Holdings, the parent company of C5 Capital and other related entities founded by Mr. Pienaar—the same companies connected to Amazon. Moreover, the address listed on the Purchase and Sale Agreement for VMAP Investor LLC is also the same address used for C5 Capital’s London office.²⁰ Mr. Pienaar’s counsel confirmed that Mr. Pienaar helped facilitate the sale of SBD Advisors LLC to VMAP Investor LLC and was involved in the creation of C5 Holdings USA, LLC. According to Mr. Pienaar’s counsel, two private investors established VMAP Investor LLC—Vincent Mai and Andre Pienaar.²¹

¹³ *Id.*

¹⁴ *Id.*

¹⁵ See REPORT ON THE JOINT ENTERPRISE DEFENSE INFRASTRUCTURE (JEDI) CLOUD PROCUREMENT, *supra* note 9, at 190-192.

¹⁶ Exhibit D.

¹⁷ Exhibit C. VMAP Investor LLC’s Company Number (#6287198) also corresponds to C5 Holdings USA LLC’s file number. See Exhibit E and F.

¹⁸ Home, CRANEMERE, <https://www.cranemere.com/> (last viewed Sept. 26, 2022).

¹⁹ C5 Capital Limited, SEC.GOV, <https://reports.adviserinfo.sec.gov/reports/ADV/297542/PDF/297542.pdf> (last viewed Sept. 26, 2022).


²⁰ Exhibit D.

²¹ At one point, counsel explained that Andre Pienaar owned 49 percent and Vincent Mai owned 51 percent of VMAP Investor LLC.

PURCHASE AND SALE AGREEMENT

SBD ADVISORS LLC

This Unit Purchase Agreement ("Agreement") is entered into as of January 19, 2017 by and between **VMAP Investor LLC** ("Purchaser") and Sally Donnelly ("Seller"). Purchaser and Seller may collectively be referred to as the "Parties."

PURCHASER:	SELLER:
VMAP Investor LLC	
By: _____	
Name: Andre Pienaar	Sally Donnelly
Title: Authorized Person	

VMAP Investor LLC was incorporated on January 18, 2017, one day before the sale of SBD Advisors LLC on January 19, 2017, and three days before Ms. Donnelly entered government service on January 21, 2017.²² Ms. Donnelly never disclosed the identity of the purchaser of her company, VMAP Investor LLC, or its connections to two senior C5 officials to the DoD or the DoD OIG, information that is relevant to better understanding the scope of her financial relationships with those parties and potential and actual conflicts.

d. March 2017

Two months later, in March 2017, Andre Pienaar sold his 20% stake in SBD Advisors LLC to Win Sheridan, Director of ASGN Incorporated.²³ According to Mr. Pienaar's counsel, around this same time, VMAP Investor LLC sold a 39% stake in SBD Advisors LLC to a third U.K.-based investor. Despite 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.

²² Exhibit F.

²³ *Government Ethics Watchdogs Fear Amazon's Web of Influence May Have Tainted Pentagon's \$10 Billion Jedi Cloud Deal*, DAILY CALLER (Aug. 8, 2018), <https://dailycaller.com/2018/08/08/sally-donnelly-defense-department-jedi-cloud-amazon/> (This article quotes Price Floyd, a former principal and advisor of SBD Advisors. According to Mr. Floyd, "SBD Advisors was sold to a group of investors led by Win Sheridan in January 2017.") See also, Exhibit A; Exhibit B. Counsel for Mr. Pienaar confirmed that Win Sheridan purchased Mr. Pienaar's 20 percent stake in March 2017.

Knowledge 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. For 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."²⁴ Around 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.²⁵ 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."²⁶

Ms. Donnelly's involvement in this dinner is noteworthy for several reasons. First, from 2013 to 2016, Ms. Donnelly worked as a consultant for C5 Capital.²⁷ Second, in 2015, Amazon Web Services (AWS) hired Ms. Donnelly to advise them on "understanding how the DoD operates."²⁸ 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.²⁹ Further, "C5 [also] became part of the AWS Partner Network Channel Reseller Program for one deal supporting the Bahrain Information and eGovernment Authority," in April 2017.³⁰

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.

e. March/April 2018

In March or April 2018, ITC Secure acquired a majority stake in SBD Advisors LLC.³¹ Mr. Pienaar is the Chairman of the Board for ITC Secure.³² The company is also a portfolio company of C5 Capital.³³

²⁴ REPORT ON THE JOINT ENTERPRISE DEFENSE INFRASTRUCTURE (JEDI) CLOUD PROCUREMENT, *supra* note 9, at 191.

²⁵ *Id.* at 173-75.

²⁶ *Id.* at 176.

²⁷ *Id.* at 169.

²⁸ *Id.* at 189.

²⁹ *Setting the Record Straight on Inaccurate Reporting about AWS and JEDI*, AWS (Dec. 13, 2018), <https://aws.amazon.com/blogs/publicsector/setting-the-record-straight-on-inaccurate-reporting-about-aws-and-jedi/>.

³⁰ *Id.*

³¹ *ITC Secure Acquires U.S.-based SBD Advisors*, BUSINESSWIRE (Apr. 3, 2018), <https://www.businesswire.com/news/home/20180403005624/en/ITC-Secure-Acquires-U.S.-based-SBD-Advisors>.

³² *Our People*, ITC SECURE, <https://itcsecure.com/our-people/> (last viewed Sept. 20, 2022).

³³ *ITC Secure Acquires U.S.-based SBD Advisors*, BUSINESSWIRE (Apr. 3, 2018), <https://www.businesswire.com/news/home/20180403005624/en/ITC-Secure-Acquires-U.S.-based-SBD-Advisors>.

Conclusion

In order to conduct a thorough and complete conflicts of interest analysis, the DoD and DoD OIG should have known who purchased SBD Advisors LLC. In this case, DoD and DoD OIG failed to obtain the necessary information and failed in their duty to protect the American taxpayer. In addition, the statement in the DoD OIG's report that states, "[w]e . . . found no evidence that [Ms. Donnelly] had an ongoing or undisclosed financial relationship with C5 . . . that would have required her to recuse from any of her official duties during her service in the DoD," appears to be incorrect. Especially in light of the aforementioned connections to VMAP Investor LLC, the two senior C5 officials, and financial payments received from the sale of SBD Advisors LLC during her time at DoD—information which would have been discovered by reviewing the unredacted purchase agreement.³⁴

The American people must have confidence that their government isn't plagued by conflicts of interest and that the decisions made by government officials are done for the people and their best interests, not the financial interests of government officials. In light of the new information I've shared with you today, please describe in detail how it does or does not affect your conflicts of interest analysis with regards to Sally Donnelly and whether you will reopen the review. In addition, please describe how your offices will review and improve their internal processes and procedures so that they capture the true sources of income from the sale of businesses connected to government employees before performing a conflicts of interest review.



Senator Charles E. Grassley
Ranking Member
Senate Judiciary Committee

³⁴ REPORT ON THE JOINT ENTERPRISE DEFENSE INFRASTRUCTURE (JEDI) CLOUD PROCUREMENT, *supra* note 9, at 201.

Exhibit A

Executive Branch Personnel Public Financial Disclosure Report (OGE Form 278e)

Filer's Information

DONNELLY, SALLY

Senior Advisor to Secretary of Defense, OSD, Office of the Secretary of Defense

Date of Appointment: 01/21/2017

Other Federal Government Positions Held During the Preceding 12 Months:

Advisor, Defense Business Board, 1/2015 - 1/2016

Electronic Signature - I certify that the statements I have made in this form are true, complete and correct to the best of my knowledge.

eSigned in FDM by:

SALLY DONNELLY

User ID: 760E3EC284BE6251

05/17/2017

Agency Ethics Official's Opinion - On the basis of information contained in this report, I conclude that the filer is in compliance with applicable laws and regulations(Subject to any comments below).

eSigned in FDM by:

KURT T. GERLACH

User ID: A362E5D13AC976AA

08/30/2017

Other review conducted by

Supervisor:

eSigned in FDM by:

KEVIN M. SWEENEY

User ID: 4C72DC3B5E257D4D

07/27/2017

U.S. Office of Government Ethics Certification

Comments of Reviewing Officials (public annotations):

PART	#	REFERENCE	COMMENT
2.	2	SBD Advisors LLC	(08/30/17, GERLACH, KURT T.): Confirmed that this asset actually has \$0 value to filer as she no longer has any stake in the company. ADAO Clarification: Filer confirmed this was total sale of filer's partial interest.

2. 13 Personal Salary / Distributions (SBD Advisors)

(08/30/17, GERLACH, KURT T.): Filer earned an additional \$20,833 for work in CY 2017.
ADAO Clarification: Filer confirmed that income received in 2017 was for work performed in 2016.

1. Filer's Positions Held Outside United States Government

#	NAME	CITY, STATE	ORG TYPE	POSITION	FROM	TO
1	American Friends of the Black Stork	New York, NY, USA	Non-Profit Organization	Director	01/2013	06/2015
2	Donnelly Seaview LLC	Columbia, SC, USA	Business Enterprise	co-owner	11/2012	Present
3	Imperatis	Arlington, VA, USA	Business Enterprise	Director	06/2014	12/2016
4	SBD Advisors	Washington, DC, USA	Business Enterprise	Officer	02/2012	01/2017

2. Filer's Employment Assets & Income and Retirement Accounts

#	DESCRIPTION	EIF	VALUE	INCOME TYPE	INCOME AMOUNT
1	Time Warner Employee Savings Plan(401K)	N/A	\$50,001 - \$100,000		None (or less than \$201)
1.1	Time Warner Inc. Common Stock	No	\$1,001 - \$15,000	Dividends	\$201 - \$1,000
1.2	Time Warner Large Cap Value Fund	No	\$1,001 - \$15,000		None (or less than \$201)
1.3	Time Warner Growth Fund	No	\$15,001 - \$50,000		None (or less than \$201)
1.4	Capital Preservation Fund	No	\$1,001 - \$15,000		None (or less than \$201)
2	SBD Advisors LLC	N/A	\$1,000,001 - \$5,000,000	Partial sale/SBD	\$390,000
3	Donnelly Seaview LLC - Columbia, SC (Residential Real Estate)	N/A	\$500,001 - \$1,000,000	Rent and Royalties	\$5,001 - \$15,000
4	Calvert Balanced Portfolio Fund - A	Yes	\$1,001 - \$15,000	Dividends, Capital Gains	\$201 - \$1,000
5	"TEGNA Common Stock (Sole Ownership)"	Yes	\$100,001 - \$250,000	Dividends	\$2,501 - \$5,000
6	TEGNA Common Stock (Joint Ownership)	Yes	\$100,001 - \$250,000	Dividends	\$201 - \$1,000
7	T. Rowe Price Diversified Mutual Funds (Joint Account with Spouse)	N/A	\$250,001 - \$500,000	Dividends, Capital Gains	\$1,001 - \$2,500
7.1	T. Rowe Price Capital Opportunity (PRCOX) (Joint Account with Spouse)	Yes	\$15,001 - \$50,000	Dividends, Capital Gains	\$201 - \$1,000
7.2	T. Rowe Price New Era Fund (PRNEX) (Joint Account with Spouse)	Yes	\$15,001 - \$50,000	Dividends	\$201 - \$1,000
7.3	T. Rowe Price Science & Technology Fund (PRSCX) (Joint Account with Spouse)	Yes	\$1,001 - \$15,000	Dividends, Capital Gains	\$201 - \$1,000
7.4	T. Rowe Price TRP Capital Appreciation (Joint Account with Anna Rumer)	Yes	\$15,001 - \$50,000	Dividends, Capital Gains	\$201 - \$1,000
7.5	T. Rowe Price TRP New Era (Joint Account with Anna Rumer)	Yes	\$15,001 - \$50,000	Dividends	\$201 - \$1,000
8	Gannett Investments Common Stock (Joint Account with DC)	No	\$15,001 - \$50,000	Dividends	\$201 - \$1,000
9	Gannett Investments Common Stock (Individual Account)	No	\$15,001 - \$50,000	Dividends	\$1,001 - \$2,500
10	Gannett Investments Common Stock (Joint Account with Spouse)	No	\$15,001 - \$50,000	Dividends, Capital Gains	\$201 - \$1,000
11	Wells Fargo Checking Account (Joint with Spouse)	N/A	\$250,001 - \$500,000	Interest	\$1,001 - \$2,500
12	Wells Fargo Savings Account (Joint with Spouse)	N/A	\$500,001 - \$1,000,000	Interest	\$1,001 - \$2,500
13	Personal Salary / Distributions (SBD Advisors)	N/A		Salary	\$250,000

14	SBD Advisors	N/A	Bonus Income	\$25000
15	Time Warner Pension	N/A	Retirement Plan or Account	\$9745

3. Filer's Employment Agreements and Arrangements

#	EMPLOYER OR OTHER PARTY TO AGREEMENT/ARRANGEMENT	CITY/STATE	STATUS AND TERMS	DATE
1	Time Warner Defined Benefit Pension	New York, NY, USA	Continuing participation in Employee Benefit Plan: receive pension payments from my former employer. This information is also included under income.	1 04/2007
2	Time Warner Savings Plan (401K)	New York, NY, USA	Continuing participation in Employee Benefit Plan: either I nor my former employer continue to make contributions to this plan.	N 10/1985

4. Filer's Sources of Compensation Exceeding \$5,000 in a Year

#	SOURCE NAME	CITY, STATE	BRIEF DESCRIPTION OF DUTIES
1	Amazon Web Services	Seattle, WA	Consulting
2	Association of the US Army	Arlington, VA	Consulting
3	Bloomberg, LP	New York, NY	Consulting
4	C. Ham	Washington, DC	Consulting
5	C5	New York, NY	Consulting
6	ETO Group, LLC	Tampa, FL	Consulting
7	Foreign Policy	Washington, DC	Consulting
8	General Motors LLC	Detroit, MI	Consulting
9	GeoPoll	Washington, DC	Consulting
10	Human Rights First	Washington, DC	Consulting
11	KnuEdge, Inc.	San Diego, CA	Consulting
12	M. Flynn	Washington, DC	Consulting
13	Medecins Sans Frontiers USA, Inc	New York, NY	Consulting
14	MGM Consulting	Annapolis, MD	Consulting
15	Palantir Technologies	Palo Alto, CA	Consulting
16	RCF Management LLC	Escondido, CA	Consulting
17	Sasakawa Peace Foundation USA	Washington, DC	Consulting
18	SBD Advisors	Washington, DC	Officer
19	Skadden, Arps, Slate, Meagher & Flom LLP	Washington, DC	Consulting
20	The Palm Center	San Francisco, CA	Consulting
21	Uber	San Francisco, CA	Consulting
22	World Wildlife Fund	Washington, DC	Consulting

5. Spouse's Employment Assets & Income and Retirement Accounts

#	DESCRIPTION	EIF	VALUE	INCOME TYPE	INCOME AMOUNT
1	Spouse Individual Retirement Account (IRA)	N/A	\$250,001 - \$500,000	Dividends, Capital Gains	\$1,001 - \$2,500
1.1	Avenue Credit Strategies Investor	Yes	\$1,001 - \$15,000		None (or less than \$201)
1.2	Baron Emerging Markets Fund Retail	Yes	\$1,001 - \$15,000	Dividends, Capital Gains	\$2,501 - \$5,000
1.3	Columbia Dividend Opportunity Class A	Yes	\$1,001 - \$15,000		None (or less than \$201)

1.4	Columbia Select LRG Cap Growth Class A	Yes	\$15,001 - \$50,000		None (or less than \$201)
1.5	Delaware Value FD CL A	Yes	\$15,001 - \$50,000	Dividends, Capital Gains	\$2,501 - \$5,000
1.6	Doubleline Low DURTN EMERG MKTS FX INC	Yes	\$1,001 - \$15,000	Dividends, Capital Gains	\$2,501 - \$5,000
1.7	Dreyfus Bond Market Index INVS	Yes	\$15,001 - \$50,000	Dividends, Capital Gains	\$2,501 - \$5,000
1.8	Driehaus Micro CAP Growth Fund	Yes	\$1,001 - \$15,000	Dividends, Capital Gains	\$2,501 - \$5,000
1.9	Driehaus Event Driven Fund	Yes	\$1,001 - \$15,000	Dividends, Capital Gains	\$1,001 - \$2,500
1.10	Driehaus Active Income Fund	Yes	\$1,001 - \$15,000		None (or less than \$201)
1.11	Fidelity 500 Index Premium Class	Yes	\$15,001 - \$50,000	Dividends, Capital Gains	\$2,501 - \$5,000
1.12	Fidelity Government Cash Reserves	Yes	\$1,001 - \$15,000	Dividends, Capital Gains	\$1,001 - \$2,500
1.13	JP Morgan Strategic Income Opportunity A	Yes	\$1,001 - \$15,000		None (or less than \$201)
1.14	LM BW Absolute RTRN Opportunities CL A	Yes	\$1,001 - \$15,000		None (or less than \$201)
1.15	MFS International Value Fund CL A	Yes	\$1,001 - \$15,000		None (or less than \$201)
1.16	T Rowe Price Growth Stock Advisor CL	Yes	\$15,001 - \$50,000	Dividends, Capital Gains	\$2,501 - \$5,000
1.17	Ridgeworth Ceredex Mid-Cap VAL EQ I	Yes	\$15,001 - \$50,000	Dividends, Capital Gains	\$5,001 - \$15,000
1.18	Rivernorth Core Opportunities FD CL R	Yes	\$1,001 - \$15,000		None (or less than \$201)
1.19	Riverpark Short Term Hi Yield	Yes	\$1,001 - \$15,000		None (or less than \$201)
1.20	Riverpark Strategic Income	Yes	\$1,001 - \$15,000		None (or less than \$201)
1.21	Double Line Total Return Bond Fund	Yes	\$15,001 - \$50,000		None (or less than \$201)
1.22	Victory Global Natural Resources Fund	Yes	\$1,001 - \$15,000		None (or less than \$201)
1.23	Touchstone Small Cap Value Fund	Yes	\$1,001 - \$15,000		None (or less than \$201)
1.24	Touchstone Focused Fund	Yes	\$1,001 - \$15,000	Dividends, Capital Gains	\$1,001 - \$2,500
1.25	Wasatch Frontier Emerging Small Fund	Yes	\$1,001 - \$15,000		None (or less than \$201)
1.26	Wasatch International Opportunities Fund	Yes	\$1,001 - \$15,000	Dividends, Capital Gains	\$1,001 - \$2,500
1.27	T Rowe Price International Stock	Yes	\$1,001 - \$15,000	Dividends, Capital Gains	\$1,001 - \$2,500
1.28	TCW Relative Value Dividend Fund	Yes	\$15,001 - \$50,000	Dividends, Capital Gains	\$5,001 - \$15,000
2	Carnegie Endowment for International Peace	N/A		Salary	
3	College of Charleston	N/A		Income from personal services	

4	Cowen Services Company LLC	N/A	Income from personal services
5	Dartmouth College	N/A	Income from personal services
6	Gerson Lehrman Group, 60 East 42d Street, NY	N/A	Income from personal services
7	Massachusetts Institute of Technology	N/A	Royalties
8	SAIC, 151 Lafayette Dr., Oak Ridge, TN	N/A	Income from personal services

6. Other Assets and Income

#	DESCRIPTION	EIF	VALUE	INCOME TYPE	INCOME AMOUNT
1	Time Warner Cable stock (IRA)	N/A	\$15,001 - \$50,000		None (or less than \$201)
2	AOL stock (IRA)	N/A	\$50,001 - \$100,000		None (or less than \$201)

7. Transactions

This report has no reported Transactions

8. Liabilities

#	CREDITOR NAME	TYPE OF LIABILITY	AMOUNT	YEAR INCURRED	INTEREST RATE	TERM
1	Wells Fargo Bank	Mortgage, Washington, DC, USA	\$250,001 - \$500,000	2016	3.0%	15 years

9. Gifts and Travel Reimbursements

This report has no reported Gifts and Reimbursements

Summary of Contents

1. Filer's Positions Held Outside United States Government

Part 1 discloses positions that the filer held at any time during the reporting period (excluding positions with the United States Government). Positions are reportable even if the filer did not receive compensation. This section does not include the following: (1) positions with religious, social, fraternal, or political organizations; (2) positions solely of an honorary nature; (3) positions held as part of the filer's official duties with the United States Government; (4) mere membership in an organization; and (5) passive investment interests as a limited partner or non-managing member of a limited liability company.

2. Filer's Employment Assets & Income and Retirement Accounts

Part 2 discloses the following:

- Sources of earned and other non-investment income of the filer totaling more than \$200 during the reporting period (e.g., salary, fees, partnership share, honoraria, scholarships, and prizes)

- Assets related to the filer's business, employment, or other income-generating activities that (1) ended the reporting period with a value greater than \$1,000 or (2) produced more than \$200 in income during the reporting period (e.g., equity in business or partnership, stock options, retirement plans/accounts and their underlying holdings as appropriate, deferred compensation, and intellectual property, such as book deals and patents)

This section does not include assets or income from United States Government employment or assets that were acquired separately from the filer's business, employment, or other income-generating activities (e.g., assets purchased through a brokerage account). Note: The type of income is not required if the amount of income is \$0 - \$200 or if the asset qualifies as an excepted investment fund (EIF).

3. Filer's Employment Agreements and Arrangements

Part 3 discloses agreements or arrangements that the filer had during the reporting period with an employer or former employer (except the United States Government), such as the following:

- Future employment
- Leave of absence
- Continuing payments from an employer, including severance and payments not yet received for previous work (excluding ordinary salary from a current employer)
- Continuing participation in an employee welfare, retirement, or other benefit plan, such as pensions or a deferred compensation plan
- Retention or disposition of employer-awarded equity, sharing in profits or carried interests (e.g., vested and unvested stock options, restricted stock, future share of a company's profits, etc.)

4. Filer's Sources of Compensation Exceeding \$5,000 in a Year

Part 4 discloses sources (except the United States Government) that paid more than \$5,000 in a calendar year for the filer's services during any year of the reporting period. The filer discloses payments both from employers and from any clients to whom the filer personally provided services. The filer discloses a source even if the source made its payment to the filer's employer and not to the filer. The filer does not disclose a client's payment to the filer's employer if the filer did not provide the services for which the client is paying.

5. Spouse's Employment Assets & Income and Retirement Accounts

Part 5 discloses the following:

- Sources of earned income (excluding honoraria) for the filer's spouse totaling more than \$1,000 during the reporting period (e.g., salary, consulting fees, and partnership share)
- Sources of honoraria for the filer's spouse greater than \$200 during the reporting period
- Assets related to the filer's spouse's employment, business activities, other income-generating activities that (1) ended the reporting period with a value greater than \$1,000 or (2) produced more than \$200 in income during the reporting period (e.g., equity in business or partnership, stock options, retirement plans/accounts and their underlying holdings as appropriate, deferred compensation, and intellectual property, such as book deals and patents)

This section does not include assets or income from United States Government employment or assets that were acquired separately from the filer's spouse's business, employment, or other income-generating activities (e.g., assets purchased through a brokerage account). Note: The type of income is not required if the amount of income is \$0 - \$200 or if the asset qualifies as an excepted investment fund (EIF). Amounts of income are not required for a spouse's earned income (excluding honoraria).

6. Other Assets and Income

Part 6 discloses each asset, not already reported, that (1) ended the reporting period with a value greater than \$1,000 or (2) produced more than \$200 in investment income during the reporting period. For purposes of the value and income thresholds, the filer aggregates the filer's interests with those of the filer's spouse and dependent children. This section does not include the following types of assets: (1) a personal residence (unless it was rented out during the reporting period); (2) income or retirement benefits associated with United States Government employment (e.g., Thrift Savings Plan); and (3) cash accounts (e.g., checking, savings, money market accounts) at a single financial institution with a value of \$5,000 or less (unless more than \$200 of income was produced). Additional exceptions apply. Note: The type of income is not required if the amount of income is \$0 - \$200 or if the asset qualifies as an excepted investment fund (EIF).

7. Transactions

Part 7 discloses purchases, sales, or exchanges of real property or securities in excess of \$1,000 made on behalf of the filer, the filer's spouse or dependent child during reporting period. This section does not include transactions that concern the following: (1) a personal residence, unless rented out; (2) cash accounts (e.g., checking, savings, CDs, money market accounts) and money market mutual funds; (3) Treasury bills, bonds, and notes; and (4) holdings within a federal Thrift Savings Plan account. Additional exceptions apply.

8. Liabilities

Part 8 discloses liabilities over \$10,000 that the filer, the filer's spouse or dependent child owed at any time during the reporting period. This section does not include the following types of liabilities: (1) mortgages on a personal residence, unless rented out (limitations apply for PAS filers); (2) loans secured by a personal motor vehicle, household furniture, or appliances, unless the loan exceeds the item's purchase price; and (3) revolving charge accounts, such as credit card balances, if the outstanding liability did not exceed \$10,000 at the end of the reporting period. Additional exceptions apply.

9. Gifts and Travel Reimbursements

This section discloses:

- Gifts totaling more than \$375 that the filer, the filer's spouse, and dependent children received from any one source during the reporting period.
- Travel reimbursements totaling more than \$375 that the filer, the filer's spouse, and dependent children received from any one source during the reporting period.

For purposes of this section, the filer need not aggregate any gift or travel reimbursement with a value of \$150 or less. Regardless of the value, this section does not include the following items: (1) anything received from relatives; (2) anything received from the United States Government or from the District of Columbia, state, or local governments; (3) bequests and other forms of inheritance; (4) gifts and travel reimbursements given to the filer's agency in connection with the filer's official travel; (5) gifts of hospitality (food, lodging, entertainment) at the donor's residence or personal premises; and (6) anything received by the filer's spouse or dependent children totally independent of their relationship to the filer. Additional exceptions apply.

Privacy Act Statement

Title I of the Ethics in Government Act of 1978, as amended (the Act), 5 U.S.C. app. § 101 et seq., as amended by the Stop Trading on Congressional Knowledge Act of 2012 (Pub. L. 112-105) (STOCK Act), and 5 C.F.R. Part 2634 of the U. S. Office of Government Ethics regulations require the reporting of this information. The primary use of the information on this report is for review by Government officials to determine compliance with applicable Federal laws and regulations. This report may also be disclosed upon request to any requesting person in accordance with sections 105 and 402(b)(1) of the Act or as otherwise authorized by law. You may inspect applications for public access of your own form upon request. Additional disclosures of the information on this report may be made: (1) to any requesting person, subject to the limitation contained in section 208(d)(1) of title 18, any determination granting an exemption pursuant to sections 208(b)(1) and 208(b)(3) of title 18; (2) to a Federal, State, or local law enforcement agency if the disclosing agency becomes aware of violations or potential violations of law or regulation; (3) to another Federal agency, court or party in a court or Federal administrative proceeding when the Government is a party or in order to comply with a judge-issued subpoena; (4) to a source when necessary to obtain information relevant to a conflict of interest investigation or determination; (5) to the National Archives and Records Administration or the General Services Administration in records management inspections; (6) to the Office of Management and Budget during legislative coordination on private relief legislation; (7) to the Department of Justice or in certain legal proceedings when the disclosing agency, an employee of the disclosing agency, or the United States is a party to litigation or has an interest in the litigation and the use of such records is deemed relevant and necessary to the litigation; (8) to reviewing officials in a new office, department or agency when an employee transfers or is detailed from one covered position to another; (9) to a Member of Congress or a congressional office in response to an inquiry made on behalf of an individual who is the subject of the record; (10) to contractors and other non-Government employees working on a contract, service or assignment for the Federal Government when necessary to accomplish a function related to an OGE Government-wide system of records; and (11) on the OGE Website and to any person, department or agency, any written ethics agreement filed with OGE by an individual nominated by the President to a position requiring Senate confirmation. See also the OGE/GOVT-1 executive branch-wide Privacy Act system of records.

Public Burden Information

This collection of information is estimated to take an average of three hours per response, including time for reviewing the instructions, gathering the data needed, and completing the form. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Program Counsel, U.S. Office of Government Ethics (OGE), Suite 500, 1201 New York Avenue, NW., Washington, DC 20005-3917.

Pursuant to the Paperwork Reduction Act, as amended, an agency may not conduct or sponsor, and no person is required to respond to, a collection of information unless it displays a currently valid OMB control number (that number, 3209-0001, is displayed here and at the top of the first page of this OGE Form 278e).

Exhibit B

Executive Branch Personnel Public Financial Disclosure Report (OGE Form 278e)

Filer's Information

DONNELLY, SALLY
Senior Advisor to Secretary of Defense, OSD, Office of the Secretary of Defense
Date of Termination: 03/09/2018

Other Federal Government Positions Held During the Preceding 12 Months: None

Electronic Signature - I certify that the statements I have made in this form are true, complete and correct to the best of my knowledge.

Agency Ethics Official's Opinion - On the basis of information contained in this report. I conclude that the filer is in compliance with applicable laws and regulations(Subject to any comments below).
Report Completed administratively without
eSignatures by Dani Irvine
on 05/04/2018
05/04/2018

Other review conducted by

U.S. Office of Government Ethics Certification

1. Filer's Positions Held Outside United States Government

#	NAME	CITY, STATE	OGE TYPE	POSITION	FROM	TO
1	Donnelly Seaview LLC	Columbia, SC, USA	Business Enterprise co-owner		11/2012	Present
2	SBD Advisors	Washington, DC, USA	Business Enterprise Officer		02/2012	01/2017

2. Filer's Employment Assets & Income and Retirement Accounts

#	DESCRIPTION	EIF	VALUE	INCOME TYPE	INCOME AMOUNT
1	Time Warner Employee Savings Plan(401K)	No			None (or less than \$201)
1.1	Time Warner Inc. Common Stock	N/A	\$15,001 - \$50,000	Dividends, Capital Gains	\$100,001 - \$1,000,000
1.2	Time Warner Large Cap Value Fund	Yes	\$1,001 - \$15,000		None (or less than \$201)
1.3	Time Warner Growth Fund	Yes	\$15,001 - \$50,000		None (or less than \$201)

1.4	Capital Preservation Fund	Yes	\$1,001 - \$15,000		None (or less than \$201)
2	SBD Advisors LLC	N/A	None (or less than \$1,001)	Sale Proceeds	\$1,170,000
3	Donnelly Seaview LLC - Bethany Beach, DE (Residential Real Estate)	N/A	\$500,001 - \$1,000,000	Rent and Royalties	\$15,001 - \$50,000
4	"TEGNA Common Stock (Sole Ownership) "	N/A	\$15,001 - \$50,000	Dividends	\$1,001 - \$2,500
5	TEGNA Common Stock (Joint Ownership)	N/A	\$15,001 - \$50,000	Dividends	\$201 - \$1,000
6	LFG SEP IRA (Self)	No			
6.1	Fidelity Cash Reserves	N/A	\$15,001 - \$50,000		None (or less than \$201)
6.2	BlackRock Global Long/Short Credit Fund	Yes	\$15,001 - \$50,000		None (or less than \$201)
6.3	Driehaus international small cap growth fund	Yes	\$15,001 - \$50,000		None (or less than \$201)
6.4	WCM Focused international growth	Yes	\$50,001 - \$100,000		None (or less than \$201)
6.5	ASG Managed Futures strategy Fund	Yes	\$15,001 - \$50,000		None (or less than \$201)
6.6	Oppenheimer Developing Markets Fund	Yes	\$15,001 - \$50,000		None (or less than \$201)
6.7	Congress large cap growth	Yes	\$50,001 - \$100,000		None (or less than \$201)
6.8	boston partners long-short research fund	Yes	\$15,001 - \$50,000		None (or less than \$201)
6.9	sterling capital equity income	Yes	\$50,001 - \$100,000		None (or less than \$201)
6.10	Dana Small Cap Equity Fund	Yes	\$15,001 - \$50,000		None (or less than \$201)
6.11	BlackRock Multi-Asset Income	Yes	\$15,001 - \$50,000		None (or less than \$201)
6.12	DoubleLine Core Fixed Income	Yes	\$100,001 - \$250,000		\$201 - \$1,000
6.13	Putnam Diversified Income Fund	Yes	\$15,001 - \$50,000		None (or less than \$201)
6.14	iShares Core S&P 500 ETF	Yes	\$15,001 - \$50,000		None (or less than \$201)
6.15	iShares Core S&P Mid Cap ETF	Yes	\$15,001 - \$50,000		None (or less than \$201)
6.16	iShares TR EAFE Value ETF	Yes	\$50,001 - \$100,000		None (or less than \$201)
6.17	iShares TR Cohen & Steers REIT ETF	Yes	\$50,001 - \$100,000		None (or less than \$201)
7	Time Warner Pension	N/A		Retirement Plan or Account	\$9745

3. Filer's Employment Agreements and Arrangements

#	EMPLOYER OR OTHER PARTY TO AGREEMENT/ARRANGEMENT	CITY/STATE	STATUS AND TERMS	DATE
1	Time Warner Defined Benefit Pension	New York, NY, USA	Continuing participation in Employee Benefit Plan: receive pension payments from my former employer. This information is also included under income.	I 04/2007

2	Time Warner Savings Plan (401K)	New York, NY, USA	Continuing participation in Employee Benefit Plan: N 10/1985 either I nor my former employer continue to make contributions to this plan.
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4. Filer's Sources of Compensation Exceeding \$5,000 in a Year

This report has no reported **Compensation Exceeding \$5,000**

5. Spouse's Employment Assets & Income and Retirement Accounts

#	DESCRIPTION	EIF	VALUE	INCOME TYPE	INCOME AMOUNT
1	Spouse IRA	No	None (or less than \$1,001)		None (or less than \$201)
1.1	Avenue Credit Strategies Investor	Yes	\$1,001 - \$15,000		None (or less than \$201)
1.2	Baron Emerging Markets Fund Retail	Yes	\$1,001 - \$15,000	Dividends, Capital Gains	\$2,501 - \$5,000
1.3	Columbia Dividend Opportunity Class A	Yes	\$1,001 - \$15,000		None (or less than \$201)
1.4	Columbia Select LRG Cap Growth Class A	Yes	\$15,001 - \$50,000		None (or less than \$201)
1.5	Delaware Value FD CL A	Yes	\$15,001 - \$50,000	Dividends, Capital Gains	\$2,501 - \$5,000
1.6	Doubleline Low DURTN EMERG MKTS FX INC	Yes	\$1,001 - \$15,000	Dividends, Capital Gains	\$2,501 - \$5,000
1.7	Dreyfus Bond Market Index INVS	Yes	\$15,001 - \$50,000	Dividends, Capital Gains	\$2,501 - \$5,000
1.8	Driehaus Micro CAP Growth Fund	Yes	\$1,001 - \$15,000	Dividends, Capital Gains	\$2,501 - \$5,000
1.9	Driehaus Event Driven Fund	Yes	\$1,001 - \$15,000	Dividends, Capital Gains	\$1,001 - \$2,500
1.10	Driehaus Active Income Fund	Yes	\$1,001 - \$15,000		None (or less than \$201)
1.11	Fidelity 500 Index Premium Class	Yes	\$15,001 - \$50,000	Dividends, Capital Gains	\$2,501 - \$5,000
1.12	Fidelity Government Cash Reserves	Yes	\$1,001 - \$15,000	Dividends, Capital Gains	\$1,001 - \$2,500
1.13	JP Morgan Strategic Income Opportunity A	Yes	\$1,001 - \$15,000		None (or less than \$201)
1.14	LM BW Absolute RTRN Opportunities CL A	Yes	\$1,001 - \$15,000		None (or less than \$201)
1.15	MFS International Value Fund CL A	Yes	\$1,001 - \$15,000		None (or less than \$201)
1.16	T Rowe Price Growth Stock Advisor CL	Yes	\$15,001 - \$50,000	Dividends, Capital Gains	\$2,501 - \$5,000
1.17	Ridgeworth Ceredex Mid-Cap VAL EQ I	Yes	\$15,001 - \$50,000	Dividends, Capital Gains	\$5,001 - \$15,000
1.18	Rivernorth Core Opportunities FD CL R	Yes	\$1,001 - \$15,000		None (or less than \$201)
1.19	Riverpark Short Term Hi Yield	Yes	\$1,001 - \$15,000		None (or less than \$201)

1.20	Riverpark Strategic Income	Yes	\$1,001 - \$15,000		None (or less than \$201)
1.21	Double Line Total Return Bond Fund	Yes	\$15,001 - \$50,000		None (or less than \$201)
1.22	Victory Global Natural Resources Fund	Yes	\$1,001 - \$15,000		None (or less than \$201)
1.23	Touchstone Small Cap Value Fund	Yes	\$1,001 - \$15,000		None (or less than \$201)
1.24	Touchstone Focused Fund	Yes	\$1,001 - \$15,000	Dividends, Capital Gains	\$1,001 - \$2,500
1.25	Wasatch Frontier Emerging Small Fund	Yes	\$1,001 - \$15,000		None (or less than \$201)
1.26	Wasatch International Opportunities Fund	Yes	\$1,001 - \$15,000	Dividends, Capital Gains	\$1,001 - \$2,500
1.27	T Rowe Price International Stock	Yes	\$1,001 - \$15,000	Dividends, Capital Gains	\$1,001 - \$2,500
1.28	TCW Relative Value Dividend Fund	Yes	\$15,001 - \$50,000	Dividends, Capital Gains	\$5,001 - \$15,000
2	LFG SEP IRA (Spouse)	No			
2.1	Fidelity Cash Reserves	Yes	\$1,001 - \$15,000		None (or less than \$201)
2.2	BlackRock Global Long Short Credit Fund	Yes	\$15,001 - \$50,000		None (or less than \$201)
2.3	Driehaus international small cap growth fund	Yes	\$15,001 - \$50,000		None (or less than \$201)
2.4	WCM Focused international growth	Yes	\$15,001 - \$50,000		None (or less than \$201)
2.5	ASG Managed Futures strategy Fund	Yes	\$15,001 - \$50,000		None (or less than \$201)
2.6	Oppenheimer Developing Markets Fund	Yes	\$15,001 - \$50,000		None (or less than \$201)
2.7	boston partners long-short research fund	Yes	\$15,001 - \$50,000		None (or less than \$201)
2.8	Dana Small Cap Equity Fund	Yes	\$15,001 - \$50,000		None (or less than \$201)
2.9	BlackRock Multi-Asset Income	Yes	\$1,001 - \$15,000		None (or less than \$201)
2.10	DoubleLine Core Fixed Income	Yes	\$50,001 - \$100,000		\$201 - \$1,000
2.11	Putnam Diversified Income Fund	Yes	\$15,001 - \$50,000		None (or less than \$201)
2.12	iShares Core S&P 500 ETF	Yes	\$50,001 - \$100,000		None (or less than \$201)
2.13	iShares Core S&P Mid Cap ETF	Yes	\$15,001 - \$50,000		None (or less than \$201)
2.14	iShares TR EAFE Value ETF	Yes	\$15,001 - \$50,000		None (or less than \$201)
2.15	iShares TR Cohen & Steers REIT ETF	Yes	\$1,001 - \$15,000		None (or less than \$201)
3	Carnegie Endowment for International Peace	N/A		Salary	
4	College of Charleston	N/A		Income from personal services	
5	Cowen Services Company LLC	N/A		Income from personal services	

6	Dartmouth College	N/A	Income from personal services
7	Gerson Lehrman Group, 60 East 42d Street, NY	N/A	Income from personal services
8	Massachusetts Institute of Technology	N/A	Royalties
9	SAIC, 151 Lafayette Dr., Oak Ridge, TN	N/A	Income from personal services

6. Other Assets and Income

#	DESCRIPTION	EIF	VALUE	INCOME TYPE	INCOME AMOUNT
1	T. Rowe Price brokerage accounts	No			
1.1	T. Rowe Price Capital Opportunity (PRCOX) (Joint Account with Spouse)	Yes	\$15,001 - \$50,000	Dividends, Capital Gains	\$201 - \$1,000
1.2	T. Rowe Price New Era Fund (PRNEX) (Joint Account with Spouse)	Yes	\$15,001 - \$50,000	Dividends	\$201 - \$1,000
1.3	T. Rowe Price Science & Technology Fund (PRSCX) (Joint Account with Spouse)	Yes	\$1,001 - \$15,000	Dividends, Capital Gains	\$201 - \$1,000
1.4	T. Rowe Price TRP Capital Appreciation (Joint Account with AR)	Yes	\$15,001 - \$50,000	Dividends, Capital Gains	\$201 - \$1,000
1.5	T. Rowe Price TRP New Era (Joint Account with JR)	Yes	\$50,001 - \$100,000	Dividends	\$201 - \$1,000
2	Gannett Investments Common Stock (Joint Account with DC)	N/A	\$1,001 - \$15,000		None (or less than \$201)
3	Gannett Investments Common Stock (Individual Account)	N/A	\$15,001 - \$50,000	Dividends	\$1,001 - \$2,500
4	Gannett Investments Common Stock (Joint Account with Spouse)	N/A	\$1,001 - \$15,000	Dividends, Capital Gains	\$201 - \$1,000
5	Wells Fargo Checking Account (Joint with Spouse)	N/A	\$1,000,001 - \$5,000,000	Interest	\$2,501 - \$5,000
6	Wells Fargo Savings Account (Joint with Spouse)	N/A	\$500,001 - \$1,000,000	Interest	\$2,501 - \$5,000
7	Time Warner Cable stock (IRA)	N/A	\$15,001 - \$50,000	Capital Gains	\$5,001 - \$15,000

7. Transactions

#	DESCRIPTION	TYPE	DATE	AMOUNT
1	ASG Managed Futures strategy Fund	purchase	01/24/2018	\$15,001 - \$50,000
2	ASG MANAGED FUTURES STRATEGY FUND CL Y ASFYX	purchase	01/24/2018	\$15,001 - \$50,000
3	Avenue Credit Strategies Fund	sale	04/05/2017	\$1,001 - \$15,000
4	BARON EMERGING BEXFX	sale	04/05/2017	\$1,001 - \$15,000
5	BlackRock Global Long/Short Credit Fund	purchase	01/24/2018	\$15,001 - \$50,000
6	BLACKROCK GLOBAL LONG/SHORT CREDIT I BGCIX	purchase	01/24/2018	\$15,001 - \$50,000
7	BLACKROCK MULTI - ASSET INCOME INSTL BIICX	purchase	02/08/2018	\$1,001 - \$15,000
8	BlackRock Multi-Asset Income Fund	purchase	02/09/2018	\$15,001 - \$50,000
9	BOSTON PARTNERS LONG SHORT RESEARCH INSTL BPIRX	purchase	01/24/2018	\$15,001 - \$50,000
10	boston partners long-short research fund	purchase	01/24/2018	\$15,001 - \$50,000
11	Calvert Balanced Portfolio Fund - A	sale	01/24/2018	\$1,001 - \$15,000
12	CHARTER COMMUNICATIONS INC NEW CL A CHTR	sale	01/24/2018	\$100,001 - \$250,000
13	COLUMBIA DIVIDEND INUTX	sale	04/04/2017	\$1,001 - \$15,000
14	COLUMBIA SELECT LRG ELGAX	sale	04/04/2017	\$15,001 - \$50,000
15	Congress Large Cap Growth Fund	purchase	02/09/2018	\$50,001 - \$100,000
16	DANA SMALL CAP EQTY FD INSTITUTIONAL CL DSCIX	purchase	01/24/2018	\$15,001 - \$50,000
17	Dana Small Cap Equity Fund	purchase	01/24/2018	\$15,001 - \$50,000
18	DELAWARE VALUE FD CL DDVAX	sale	04/03/2017	\$15,001 - \$50,000
19	DESTINATIONS CORE DCFFX	purchase	Multiple	\$50,001 - \$100,000

20	DESTINATIONS CORE FIXED INCOME INSTL DCFFX	sale	01/24/2018	\$50,001 - \$100,000
21	DESTINATIONS EQUITY DGEFX	purchase	Multiple	\$1,001 - \$15,000
22	DESTINATIONS EQUITY INCOME FD INSTL DGEFX	sale	01/24/2018	\$1,001 - \$15,000
23	DESTINATIONS EQUITY INCOME FD INSTL DGEFX	sale	01/24/2018	\$1,001 - \$15,000
24	DESTINATIONS GLOBAL DGFFX	purchase	Multiple	\$15,001 - \$50,000
25	DESTINATIONS GLOBAL FIXD INC OPPOR INSTL DGFFX	sale	Multiple	\$15,001 - \$50,000
26	DESTINATIONS INTL DIEFX	purchase	Multiple	\$50,001 - \$100,000
27	DESTINATIONS INTL EQUITY FD INSTL DIEFX	sale	01/24/2018	\$50,001 - \$100,000
28	DESTINATIONS LARGE DLCFX	purchase	Multiple	\$100,001 - \$250,000
29	DESTINATIONS LARGE DLCFX	sale	07/13/2017	\$1,001 - \$15,000
30	DESTINATIONS LARGE CAP EQUITY INSTL DLCFX	sale	01/24/2018	\$100,001 - \$250,000
31	DESTINATIONS LARGE CAP EQUITY INSTL DLCFX	sale	01/24/2018	\$100,001 - \$250,000
32	DESTINATIONS LOW DUR DLDFX	purchase	Multiple	\$1,001 - \$15,000
33	DESTINATIONS LOW DUR FIXED INC INSTL DLDFX	sale	01/24/2018	\$1,001 - \$15,000
34	DESTINATIONS MULTI DMSFX	purchase	Multiple	\$50,001 - \$100,000
35	DESTINATIONS MULTI STRGY ALT INSTL DMSFX	sale	01/24/2018	\$15,001 - \$50,000
36	DESTINATIONS REAL DRAFX	purchase	Multiple	\$1,001 - \$15,000
37	DESTINATIONS REAL ASSETS FD INSTL DRAFX	sale	Multiple	\$1,001 - \$15,000
38	DESTINATIONS SMALL DSMFX	purchase	Multiple	\$15,001 - \$50,000
39	DESTINATIONS SMALL DSMFX	sale	07/13/2017	\$1,001 - \$15,000
40	DESTINATIONS SMALL MID CAP EQ INSTL DSMFX	sale	Multiple	\$15,001 - \$50,000
41	DODGE & COX STOCK DODGX	sale	01/24/2018	\$100,001 - \$250,000
42	DoubleLine Core Fixed Income	purchase	01/24/2018	\$100,001 - \$250,000
43	DOUBLELINE CORE FIXED INCOME CL I DBLFX	purchase	01/24/2018	\$50,001 - \$100,000
44	DOUBLELINE LOW DURTN DELNX	sale	Multiple	\$1,001 - \$15,000
45	DOUBLELINE TOTAL RT DLTNX	sale	04/03/2017	\$15,001 - \$50,000
46	DREYFUS BOND MARKET DBMIX	sale	Multiple	\$15,001 - \$50,000
47	DRIEHAUS ACTIVE LCMAX	sale	04/04/2017	\$1,001 - \$15,000
48	DRIEHAUS EVENT DEVDX	purchase	04/04/2017	\$1,001 - \$15,000
49	DRIEHAUS EVENT DEVDX	sale	Multiple	\$1,001 - \$15,000
50	DRIEHAUS INTERNAT'L SMALL CAP GROWTH FD DRIOX	purchase	01/24/2018	\$15,001 - \$50,000
51	Driehaus international small cap growth fund	purchase	01/24/2018	\$15,001 - \$50,000
52	DRIEHAUS MICRO CAP DMCRX	sale	04/04/2017	\$1,001 - \$15,000
53	FIDELITY 500 INDEX FUSVX	sale	04/03/2017	\$15,001 - \$50,000
54	FIDELITY INDEPENDENCE FDFFX	sale	01/24/2018	\$15,001 - \$50,000
55	GLOBAL X FUNDS MLP &ENERGY INFRASTRUCTURE ETF MLPX	sale	02/07/2018	\$1,001 - \$15,000
56	GLOBAL X FUNDS MLP &ENERGY INFRASTRUCTURE ETF MLPX	purchase	01/24/2018	\$1,001 - \$15,000
57	iShares Core S&P 500 ETF	purchase	01/24/2018	\$15,001 - \$50,000
58	ISHARES CORE S&P 500 ETF IVV	purchase	01/24/2018	\$50,001 - \$100,000
59	iShares Core S&P Mid Cap ETF	purchase	01/24/2018	\$15,001 - \$50,000
60	ISHARES CORE S&P MID-CAP ETF IJH	purchase	01/24/2018	\$15,001 - \$50,000
61	ISHARES TR COHEN STEER REIT ICF	purchase	01/24/2018	\$1,001 - \$15,000
62	iShares TR EAFE Value ETF	purchase	01/24/2018	\$50,001 - \$100,000
63	ISHARES TR EAFE VALUE ETF EFV	purchase	01/24/2018	\$15,001 - \$50,000
64	ISHARES TR US TELECOM ETF IYZ	sale	02/08/2018	\$1,001 - \$15,000
65	JP MORGAN STRATEGIC JSOAX	sale	04/04/2017	\$1,001 - \$15,000
66	LM BW ABSOLUTE RTRN LROAX	sale	Multiple	\$1,001 - \$15,000
67	MFS INTERNATIONAL MGIAX	sale	04/03/2017	\$1,001 - \$15,000
68	OPPENHEIMER DEV MARKETS CLASS I ODVIX	purchase	01/24/2018	\$15,001 - \$50,000
69	Oppenheimer Developing Markets Fund	purchase	01/24/2018	\$15,001 - \$50,000
70	PUTNAM DIVERSIFIED INCOME FD CL Y PDVYX	purchase	01/24/2018	\$15,001 - \$50,000
71	Putnam Diversified Income Fund	purchase	01/24/2018	\$15,001 - \$50,000
72	RIDGEWORTH CEREDX SMVTX	sale	04/03/2017	\$15,001 - \$50,000

73	RIVERNORTH CORE RNCOX	sale	04/04/2017	\$1,001 - \$15,000
74	RIVERPARK SHORT TERM RPHYX	sale	Multiple	\$1,001 - \$15,000
75	RIVERPARK STRATEGIC RSIVX	sale	Multiple	\$1,001 - \$15,000
76	SECTOR SPDR TR SHS BEN INT CONSUMER STAPLES XLP	sale	02/08/2018	\$1,001 - \$15,000
77	SECTOR SPDR TR SHS BEN INT FINANCIAL XLF	sale	02/08/2018	\$15,001 - \$50,000
78	SECTOR SPDR TR SHS BEN INT INDUSTRIAL XLI	sale	02/08/2018	\$1,001 - \$15,000
79	SECTOR SPDR TR SHS BEN INT TECHNOLOGY XLK	sale	02/08/2018	\$15,001 - \$50,000
80	SECTOR SPDR TR SHS BEN INT UTILITIES XLU	sale	02/08/2018	\$1,001 - \$15,000
81	SELECT SECTOR SPDR TR CONSUMER DISCRETIONARY FORMERLY CYCLICAL/ TRANSN TO 06/24/2002 XLY	sale	02/08/2018	\$15,001 - \$50,000
82	SELECT SECTOR SPDR TR ENERGY XLE	sale	02/08/2018	\$1,001 - \$15,000
83	SELECT SECTOR SPDR TR HEALTH CARE FORMERLY CONSUMER S VCS TO 06/24/2002 XLV	sale	02/08/2018	\$15,001 - \$50,000
84	SELECT SECTOR SPDR TR RL EST SEL SEC XLRE	sale	02/08/2018	\$1,001 - \$15,000
85	SELECT SECTOR SPDR TR SHS BEN INT MATERIALS XLB	sale	02/08/2018	\$1,001 - \$15,000
86	Sterling Capital Equity Income Fund	purchase	02/09/2018	\$50,001 - \$100,000
87	T ROWE PRICE GROWTH TRSAX	sale	04/03/2017	\$15,001 - \$50,000
88	T ROWE PRICE INTL PAITX	sale	04/03/2017	\$1,001 - \$15,000
89	TCW RELATIVE VALUE TGIGX	sale	04/05/2017	\$15,001 - \$50,000
90	TOUCHSTONE FOCUSED TFOAX	sale	04/05/2017	\$1,001 - \$15,000
91	TOUCHSTONE SMALL TVOAX	sale	04/05/2017	\$1,001 - \$15,000
92	VICTORY GLOBAL RSNRX	sale	04/04/2017	\$1,001 - \$15,000
93	WASATCH FRONTIER WAFMX	sale	04/04/2017	\$1,001 - \$15,000
94	WASATCH INTERNATIONAL	purchase	Multiple	\$1,001 - \$15,000
95	WASATCH INTERNATIONAL WAIOX	sale	Multiple	\$15,001 - \$50,000
96	WCM Focused International Growth Fund	purchase	02/09/2018	\$50,001 - \$100,000
97	WCM FOCUSED INTL GROWTH FUND INSTL WCMIX	purchase	01/24/2018	\$15,001 - \$50,000

8. Liabilities

#	CREDITOR NAME	TYPE OF LIABILITY	AMOUNT	YEAR INCURRED	INTEREST RATE	TERM
1	Wells Fargo Bank	Mortgage, Washington , DC, USA	\$250,001 - \$500,000	2016	3.0%	15 years

9. Gifts and Travel Reimbursements

This report has no reported **Gifts and Reimbursements**

Summary of Contents

1. Filer's Positions Held Outside United States Government

Part 1 discloses positions that the filer held at any time during the reporting period (excluding positions with the United States Government). Positions are reportable even if the filer did not receive compensation. This section does not include the following: (1) positions with religious, social, fraternal, or political organizations; (2) positions solely of an honorary nature; (3) positions held as part of the filer's official duties with the United States Government; (4) mere membership in an organization; and (5) passive investment interests as a limited partner or non-managing member of a limited liability company.

2. Filer's Employment Assets & Income and Retirement Accounts

Part 2 discloses the following:

- Sources of earned and other non-investment income of the filer totaling more than \$200 during the reporting period (e.g., salary, fees, partnership share, honoraria, scholarships, and prizes)
- Assets related to the filer's business, employment, or other income-generating activities that (1) ended the reporting period with a value greater than \$1,000 or (2) produced more than \$200 in income during the reporting period (e.g., equity in business or partnership, stock options, retirement plans/accounts and their underlying holdings as appropriate, deferred compensation, and intellectual property, such as book deals and patents)

This section does not include assets or income from United States Government employment or assets that were acquired separately from the filer's business, employment, or other income-generating activities (e.g., assets purchased through a brokerage account). Note: The type of income is not required if the amount of income is \$0 - \$200 or if the asset qualifies as an excepted investment fund (EIF).

3. Filer's Employment Agreements and Arrangements

Part 3 discloses agreements or arrangements that the filer had during the reporting period with an employer or former employer (except the United States Government), such as the following:

- Future employment
- Leave of absence
- Continuing payments from an employer, including severance and payments not yet received for previous work (excluding ordinary salary from a current employer)
- Continuing participation in an employee welfare, retirement, or other benefit plan, such as pensions or a deferred compensation plan
- Retention or disposition of employer-awarded equity, sharing in profits or carried interests (e.g., vested and unvested stock options, restricted stock, future share of a company's profits, etc.)

4. Filer's Sources of Compensation Exceeding \$5,000 in a Year

Part 4 discloses sources (except the United States Government) that paid more than \$5,000 in a calendar year for the filer's services during any year of the reporting period. The filer discloses payments both from employers and from any clients to whom the filer personally provided services. The filer discloses a source even if the source made its payment to the filer's employer and not to the filer. The filer does not disclose a client's payment to the filer's employer if the filer did not provide the services for which the client is paying.

5. Spouse's Employment Assets & Income and Retirement Accounts

Part 5 discloses the following:

- Sources of earned income (excluding honoraria) for the filer's spouse totaling more than \$1,000 during the reporting period (e.g., salary, consulting fees, and partnership share)
- Sources of honoraria for the filer's spouse greater than \$200 during the reporting period
- Assets related to the filer's spouse's employment, business activities, other income-generating activities that (1) ended the reporting period with a value greater than \$1,000 or (2) produced more than \$200 in income during the reporting period (e.g., equity in business or partnership, stock options, retirement plans/accounts and their underlying holdings as appropriate, deferred compensation, and intellectual property, such as book deals and patents)

This section does not include assets or income from United States Government employment or assets that were acquired separately from the filer's spouse's business, employment, or other income-generating activities (e.g., assets purchased through a brokerage account). Note: The type of income is not required if the amount of income is \$0 - \$200 or if the asset qualifies as an excepted investment fund (EIF). Amounts of income are not required for a spouse's earned income (excluding honoraria).

6. Other Assets and Income

Part 6 discloses each asset, not already reported, that (1) ended the reporting period with a value greater than \$1,000 or (2) produced more than \$200 in investment income during the reporting period. For purposes of the value and income thresholds, the filer aggregates the filer's interests with those of the filer's spouse and dependent children. This section does not include the following types of assets: (1) a personal residence (unless it was rented out during the reporting period); (2) income or retirement benefits associated with United States Government employment (e.g., Thrift Savings Plan); and (3) cash accounts (e.g., checking, savings, money market accounts) at a single financial institution with a value of \$5,000 or less (unless more than \$200 of income was produced). Additional exceptions apply. Note: The type of income is not required if the amount of income is \$0 - \$200 or if the asset qualifies as an excepted investment fund (EIF).

7. Transactions

Part 7 discloses purchases, sales, or exchanges of real property or securities in excess of \$1,000 made on behalf of the filer, the filer's spouse or dependent child during reporting period. This section does not include transactions that concern the following: (1) a personal residence, unless rented out; (2) cash accounts (e.g., checking, savings, CDs, money market accounts) and money market mutual funds; (3) Treasury bills, bonds, and notes; and (4) holdings within a federal Thrift Savings Plan account. Additional exceptions apply.

8. Liabilities

Part 8 discloses liabilities over \$10,000 that the filer, the filer's spouse or dependent child owed at any time during the reporting period. This section does not include the following types of liabilities: (1) mortgages on a personal residence, unless rented out (limitations apply for PAS filers); (2) loans secured by a personal motor vehicle, household furniture, or appliances, unless the loan exceeds the item's purchase price; and (3) revolving charge accounts, such as credit card balances, if the outstanding liability did not exceed \$10,000 at the end of the reporting period. Additional exceptions apply.

9. Gifts and Travel Reimbursements

This section discloses:

- Gifts totaling more than \$390 that the filer, the filer's spouse, and dependent children received from any one source during the reporting period.
- Travel reimbursements totaling more than \$390 that the filer, the filer's spouse, and dependent children received from any one source during the reporting period.

For purposes of this section, the filer need not aggregate any gift or travel reimbursement with a value of \$156 or less. Regardless of the value, this section does not include the following items: (1) anything received from relatives; (2) anything received from the United States Government or from the District of Columbia, state, or local governments; (3) bequests and other forms of inheritance; (4) gifts and travel reimbursements given to the filer's agency in connection with the filer's official travel; (5) gifts of hospitality (food, lodging, entertainment) at the donor's residence or personal premises; and (6) anything received by the filer's spouse or dependent children totally independent of their relationship to the filer. Additional exceptions apply.

Privacy Act Statement

Title I of the Ethics in Government Act of 1978, as amended (the Act), 5 U.S.C. app. § 101 et seq., as amended by the Stop Trading on Congressional Knowledge Act of 2012 (Pub. L. 112-105) (STOCK Act), and 5 C.F.R. Part 2634 of the U. S. Office of Government Ethics regulations require the reporting of this information. The primary use of the information on this report is for review by Government officials to determine compliance with applicable Federal laws and regulations. This report may also be disclosed upon request to any requesting person in accordance with sections 105 and 402(b)(1) of the Act or as otherwise authorized by law. You may inspect applications for public access of your own form upon request. Additional disclosures of the information on this report may be made: (1) to any requesting person, subject to the limitation contained in section 208(d)(1) of title 18, any determination granting an exemption pursuant to sections 208(b)(1) and 208(b)(3) of title 18; (2) to a Federal, State, or local law enforcement agency if the disclosing agency becomes aware of violations or potential violations of law or regulation; (3) to another Federal agency, court or party in a court or Federal administrative proceeding when the Government is a party or in order to comply with a judge-issued subpoena; (4) to a source when necessary to obtain information relevant to a conflict of interest investigation or determination; (5) to the National Archives and Records Administration or the General Services Administration in records management inspections; (6) to the Office of Management and Budget during legislative coordination on private relief legislation; (7) to the Department of Justice or in certain legal proceedings when the disclosing agency, an employee of the disclosing agency, or the United States is a party to litigation or has an interest in the litigation and the use of such records is deemed relevant and necessary to the litigation; (8) to reviewing officials in a new office, department or agency when an employee transfers or is detailed from one covered position to another; (9) to a Member of Congress or a congressional office in response to an inquiry made on behalf of an individual who is the subject of the record; (10) to contractors and other non-Government employees working on a contract, service or assignment for the Federal Government when necessary to accomplish a function related to an OGE Government-wide system of records; and (11) on the OGE Website and to any person, department or agency, any written ethics agreement filed with OGE by an individual nominated by the President to a position requiring Senate confirmation. See also the OGE/GOVT-1 executive branch-wide Privacy Act system of records.

Public Burden Information

This collection of information is estimated to take an average of three hours per response, including time for reviewing the instructions, gathering the data needed, and completing the form. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Program Counsel, U.S. Office of Government Ethics (OGE), Suite 500, 1201 New York Avenue, NW., Washington, DC 20005-3917.

Pursuant to the Paperwork Reduction Act, as amended, an agency may not conduct or sponsor, and no person is required to respond to, a collection of information unless it displays a currently valid OMB control number (that number, 3209-0001, is displayed here and at the top of the first page of this OGE Form 278e).

Exhibit C

State of Delaware
Secretary of State
Division of Corporations
Delivered 01:02 PM 01/18/2017
FILED 01:02 PM 01/18/2017
SR 20170294188 - File Number 6287198

**CERTIFICATE OF FORMATION
OF
VMAP INVESTOR LLC**

This Certificate of Formation is duly executed and filed by the undersigned, an authorized person, to form a limited liability company under the Delaware Limited Liability Company Act (6 *Del.C.* § 18-101, *et seq.*, the “Act”).

1. The name of the limited liability company is:

VMAP Investor LLC

2. The address of its registered office in the State of Delaware is 1209 Orange St, Wilmington, DE 19801, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

IN WITNESS WHEREOF, this Certificate of Formation has been duly executed as of the 18th day of January, 2017, and is being filed in accordance with Section 18-206 of the Act.

/s/ Barbara Erwin

Barbara Erwin, Authorized Person

**STATE OF DELAWARE
CERTIFICATE OF AMENDMENT**

1. Name of Limited Liability Company: VMAP Investor LLC
2. The Certificate of Formation of the limited liability company is hereby amended as follows:

The name of the limited liability company is changed to "C5 Holdings USA LLC."

IN WITNESS WHEREOF, the undersigned have executed this Certificate on the 7th day of December, A.D. 2021.

By: 

Authorized Person(s)

Name: VINCENT MAI

Print or Type

Exhibit D

PURCHASE AND SALE AGREEMENT

SBD ADVISORS LLC

This Unit Purchase Agreement ("Agreement") is entered into as of January 19, 2017 by and between **VMAP Investor LLC** ("Purchaser") and Sally Donnelly ("Seller"). Purchaser and Seller may collectively be referred to as the "Parties."

WHEREAS, Seller is the record owner and holder of membership units of SBD Advisors LLC (the "Company"), a District of Columbia Limited Liability Company; and

WHEREAS, the Parties desire to enter into this Agreement pursuant to which Purchaser will purchase from Seller her membership units in the Company.

NOW, THEREFORE, in consideration for the promises set forth in this Agreement, the Parties agree as follows:

PURCHASE AND SALE: Subject to the terms and conditions set forth in this Agreement and in reliance on the representations, warranties and covenants contained herein, Purchaser hereby agrees to purchase from Seller, and Seller hereby agrees to sell, transfer and convey to the Purchaser eighty (80) percent of the membership units of the Company (the "Units") currently owned by Seller, in two installments ("Purchase and Sale").

1. **PURCHASE PRICE:** The total purchase price for the Units sold by Seller shall be US\$1,560,000.00 to be paid to the Purchaser in two installments: (a) US\$780,000.00 within two (2) weeks of execution of this Agreement, and (b) US\$780,000.00 within six (6) months of the first payment on a mutually agreed date.
2. **CLOSING PROCEDURES:** The conveyance of the ownership of and title in and to the Units shall occur automatically upon the execution of this Agreement by the Parties.
3. **(b) (4) COSTS AND EXPENSES.** Purchaser and Seller will each pay their respective costs and expenses incurred in connection with the Purchase and Sale including fees and expenses of attorneys, accountants and other representatives and advisors.
4. **(b) (4) CONFIDENTIALITY:** Prior to the closing or for all time thereafter, no press release or other public announcement relating to this Purchase and Sale will be made without the prior mutual agreement of the Seller and Purchaser, and the existing confidentiality agreement, dated _____, between the Parties shall remain in effect in accordance with the terms thereof.
5. **REPRESENTATIONS AND WARRANTIES OF THE PARTIES:** Seller and Purchaser, as applicable, hereby warrant and represent that:

(a) **Seller Restrictions on Units.** Seller is not a party to, nor aware of, any agreements that create rights or obligations in the Units relating to any third party including voting or unit holder agreements that would restrict the sale and purchase effected herein. The Seller is the lawful owner of the Units, free and clear of any encumbrances, security interests or liens of any kind and has full power and authority to sell and transfer the Units as contemplated in this Agreement.

(b) ^{(b) (4)} **Purchaser Restrictions on Units.** Purchaser is not a party to, nor aware of, any agreements that create rights or obligations in the Units relating to any third party including voting or unit holder agreements that would restrict the sale and purchase effected herein.

(c) **Organization and Standing.** The Company is duly organized, validly existing and in good standing under the laws of the District of Columbia and has full power and authority to own and operate its property and assets and to carry on its business as presently conducted.

(d) **Power and Authority.** Each Party has all requisite power and authority to enter into and perform its obligations under this Agreement.

(e) **Capitalization.** Seller represents and warrants that the Units, together with the remaining twenty (20) percent of the membership units in the Company held in the name of Andre Pienaar constitute all of the issued and outstanding membership units in the Company, and no other shares, membership units, equity interests, or other securities of or direct, indirect or derivative ownership interests in the Company, including any options, warrants, or other rights with respect thereto (including conversion or preemptive rights and rights of first refusal or similar rights) are outstanding, nor is the Company or any other person obligated to issue any of the foregoing. ^{(b) (4)} **The operating agreement attached hereto**

^{(b) (4)} **as Exhibit A is the true and correct Operating Agreement of the Company in effect as of the date hereof.**

(f) ^{(b) (4)} **Cash on Hand.** The Company has approximately US\$375,000.00 in cash as of the date hereof, which is sufficient cash on hand to operate the business in the ordinary course for at least two (2) months following the Effective Date of this Agreement. Other than the withdrawal of US\$71,342.50 in January 2017, the Company has been operated, in all material respects, in the ordinary course of business consistent with past practice since November 1, 2016.

The foregoing representations and warranties shall survive the closing of the transactions contemplated hereby.

6. **SEVERABILITY:** If any part or parts of this Agreement shall be held unenforceable for any reason, the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is deemed invalid or unenforceable by any court of competent jurisdiction, and if limiting such provision would make the provision valid, then such provision shall be deemed to be construed as so limited.

7. **BINDING EFFECT:** The covenants and conditions contained in this Agreement shall apply to and bind the parties and the heirs, legal representatives, successors and permitted assigns of the Parties.
8. ^{(b) (4)} **BROKER'S FEES:** The Parties represent that there has been no act in connection with the transactions contemplated in this Agreement that would give rise to a valid claim against either party for a broker's fee or other similar payment.
9. **ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement between the Parties and supersedes any prior understanding or representation of any kind preceding the date of this Agreement. There are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Agreement. This Agreement may be modified in writing and must be signed by both the Seller and Purchaser.
10. ^{(b) (4)} **GOVERNING LAW:** This Agreement shall be governed by and construed in accordance with the laws of the District of Columbia.
11. **NOTICE:** Any notice required or otherwise given pursuant to this Agreement shall be in writing and mailed through registered courier services:
- (a) **If to Purchaser:**
VMAP Investor LLC, 7 Vigo Street London W153HF UK
- (b) **If to Seller:**
Sally Donnelly
12. **WAIVER:** The failure of either party to enforce any provisions of this Agreement shall not be deemed a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.
13. ^{(b) (4)} **USE OF NAME:** Seller represents the the Company owns all right, title and interest in and to the current company name (SBD Advisors LLC), including the right to use such name as the name as it has been in operation of the business. Seller further agrees not to use such name, a similar name, or any derivation thereof in any business that is the same or substantially similar to the business carried on by the Company.
14. **WITHDRAWAL AND RESIGNATION:** Concurrently with the execution of this Agreement, Seller hereby irrevocably withdraws from being a Member (as defined in the Operating Agreement of the Company) and resigns from any and all positions with the Company, including, but not limited to, Manager of the Company.

[Signatures appear on following page(s)]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the day and year first above written.

PURCHASER:

VMAP Investor LLC

SELLER:

By: **Andre Pienaar (signature)**

Name: **Andre Pienaar**

Title: Authorized Person

Sally Donnelly

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the day and year first above written.

PURCHASER:

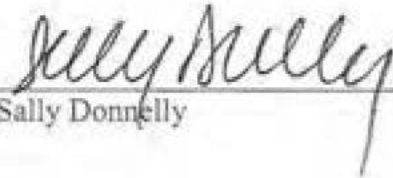
VMAP Investor LLC

By: _____

Name: **Andre Pienaar**

Title: Authorized Person

SELLER:


Sally Donnelly

CAPITAL CONTRIBUTIONS

CAPITOL CONTRIBUTION:

MEMBER:

DATE:

\$1,000.00

Sally Donnelly

February 16, 2013

\$320,000.00

Andre Pienaar

August 1, 2013

\$150,000.00

Andre Pienaar

March 28, 2014

\$210,000.00

Andre Pienaar

July 1, 2014

Exhibit E

VMAP INVESTOR LLC; OpenCorporates - US - Delaware

August 2019

VMAP INVESTOR LLC

US_DE

Company Identifiers

COMPANY NUMBER: 6287198



OpenCorporates - US - Delaware
Powered by OpenCorporates

End of Document

Exhibit F

Department of State: Division of Corporations

[Allowable Characters](#)[HOME](#)

Entity Details

THIS IS NOT A STATEMENT OF GOOD STANDING

[File Number:](#) **6287198** [Incorporation Date / Formation Date:](#) **1/18/2017**
(mm/dd/yyyy)

[Entity Name:](#) **C5 HOLDINGS USA LLC**

[Entity Kind:](#) **Limited Liability Company** [Entity Type:](#) **General**

[Residency:](#) **Domestic** State: **DELAWARE**

[REGISTERED AGENT INFORMATION](#)

[Name:](#) **THE CORPORATION TRUST COMPANY**

[Address:](#) **CORPORATION TRUST CENTER 1209 ORANGE ST**

[City:](#) **WILMINGTON** [County:](#) **New Castle**

[State:](#) **DE** [Postal Code:](#) **19801**

[Phone:](#) **302-658-7581**

Additional Information is available for a fee. You can retrieve Status for a fee of \$10.00 or more detailed information including current franchise tax assessment, current filing history and more for a fee of \$20.00.

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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.¹ 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.² 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.³ 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.⁴ 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.

¹ 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).

² 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_deptdefenseinspectorgeneralsbdsadvisorslleconflictsofinterestreview1.pdf.

³ OGE Form 278, on file with staff.

⁴ *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.⁵ 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.⁶ 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.”⁷ 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*.”⁸ The OIG allowed this response to pass without further questioning.⁹ 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.¹⁰ 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 records¹¹ no later than July 27, 2023:

⁵ 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>.

⁶ *Id.*

⁷ *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.

⁸ 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.

⁹ *Id.*

¹⁰ *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.

¹¹ “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.¹ 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.² For the sake of good government, these lingering questions cannot to 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.³ 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.⁴ You failed to disclose the

¹ 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).

² 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.

³ Dep't of Defense, *supra* n.1 at 189.

⁴ 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.⁵

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.⁶ 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.⁷ 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."⁸ 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.⁹ 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.¹⁰ 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.¹¹ 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

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/OGESites/0/A7FBDC0209B57819852585B6005A06C4/\\$FILE/8c47512231004e2d98b6966829afebfb4.pdf](https://www.oge.gov/Web/OGESites/0/A7FBDC0209B57819852585B6005A06C4/$FILE/8c47512231004e2d98b6966829afebfb4.pdf).

⁵ 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_deptdefenseinspectorgeneralsbdladvisorsilleconflictsofinterestreview1.pdf.

⁶ 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>.

⁷ *Id.*

⁸ *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.

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

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

¹¹ *Id.* (Emphasis added.)

in an ethics review, redacted.¹² 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.¹³ 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.¹⁴ Mr. DeMartino apparently took part in certain matters related to JEDI procurement at DOD as well.¹⁵ 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.¹⁶ 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.¹⁷ 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

¹² *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.

¹³ Letter from Senator Charles Grassley, *supra* n. 5.

¹⁴ Dep't of Defense, *supra* n. 1 at 190.

¹⁵ *Id.* at 204-206.

¹⁶ 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/>.

¹⁷ 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 records¹⁸ 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.

¹⁸ "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

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).¹ 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.²
- 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

¹ 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>.

² 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.”³ 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.”⁴

- 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.⁵
- 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.”⁶
- 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.”⁷
- 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.

³ 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.

⁴ *Id.* at 3.

⁵ 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>.

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

⁷ 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.⁸ 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.⁹
 - 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."¹⁰
 - 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

⁸ Letter to Secretary Austin and Acting Inspector General O'Donnell, available at https://www.grassley.senate.gov/imo/media/doc/grassley_to_defense_deptdefenseinspectorgeneralsbdatadvisorsllconflctsofinterestreview1.pdf.

⁹ Available at <https://www.oge.gov>

¹⁰ Available at 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.”¹¹

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

¹¹ 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.¹²
 - 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.

¹² 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 Peacetechn 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.

A handwritten signature in blue ink, appearing to read "CJ Armstrong", is positioned above the printed name.

Christopher J. Armstrong

The Honorable Charles E. Grassley

The Honorable Nancy Mace

July 27, 2023

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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.¹ 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.² 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

¹ 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.

² *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.³ 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.⁴ 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.”⁵ 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.⁶ 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:

³ 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”).

⁴ *Id.* at 5-6.

⁵ *Id.* at 9 (emphasis added).

⁶ *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.⁷

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.”⁸ 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.⁹

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

⁷ *Id.* at 200-01 (emphasis added).

⁸ 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_deptdefenseinspectorgeneralsbdadvisorsllccconflictsofinterestreview1.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).

⁹ 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.¹⁰ 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.

¹⁰ 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.¹¹

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 2021.¹² 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

¹¹ IG Report at 200-01.

¹² 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 year¹³ 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

¹³ 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 17th St. NW
Washington, DC 20006

Dear Mr. Armstrong:

Thank you for your July 27th 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.¹ 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,

¹ 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.²

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.³

² 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.

³ 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) (5) CIV SD
Sent: Friday, March 24, 2017 9:15 AM
To: (b) (5) CIV OSD OGC (US); (b) (5); (b) (5)
Cc: (b) (5) CIV SD; (b) (5); (b) (5); (b) (5) CIV SD; (b) (5); (b) (5)
Subject: dinners we spoke of...

Hi (b) (5),

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 Phunridge
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, Morgan Stanley
Gerald Hassell, CEO, Bank of New York
Stephen Schwarzman, CEO, Blackstone
Ursula Burns, Chairman of the Board, Xerox
Mike Corbat, CEO, Citigroup
Anne Finckh, 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.⁴ 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.⁵

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.⁶ 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.

⁴ 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.

⁵ 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/>.

⁶ 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.⁷

From: "Donnelly, Sally SES SD" <SD/EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPOLT)/RECIPIENTS/DONNELLY, SALLY258>
 Sent: 4/23/2017 2:17:20 AM -0400
 To: "Faller, Craig RADM SD" (b)
 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.⁸ 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.⁹

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

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

⁸ 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.

⁹ *Supra* n. 6.

to the cloud,” Donnelly responded: “Excellent.”¹⁰ 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.¹¹ 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

¹⁰ 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.

¹¹ 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.¹² 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)."¹³ 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.¹⁴ 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.

¹² 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.")

¹³ 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/>.

¹⁴ 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 30th 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.¹

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.

¹ 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.

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.² 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.³ 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."⁴ 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.⁵ 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

² 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).

³ 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.

⁴ 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).

⁵ 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_deptdefenseinspectorgeneralsbdadvisorsllconflitsofinterestreview1.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.⁶ As you must be aware, Ms. Carlson used that opportunity to ask Secretary Mattis to meet with then Amazon CEO, Jeff Bezos.⁷ 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.⁸ 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.⁹

⁶ 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).

⁷ 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.

⁸ 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.

⁹ 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.¹⁰ 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

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.

¹⁰ 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



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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