

United States Senate
WASHINGTON, DC 20510

November 22, 2024

VIA ELECTRONIC TRANSMISSION

Mr. Lonnie G. Bunch III
Secretary
Smithsonian Institution

Dear Secretary Bunch:

On April 1, 2024, I sent the Smithsonian Institution (Smithsonian) a letter containing a request to provide me with rolling updates with respect to the steps it has taken to close all of the recommendations contained in the Smithsonian Office of Inspector General (IG) report *Acquisition Management: Smithsonian Did Not Consistently Comply with Spending and Reporting Requirements for CARES Act Funds*.¹ I also asked “what steps has the Smithsonian taken to return all improper and unjustified spending to the taxpayer?”² On April 30, 2024, the Smithsonian provided a response that contained constructive information on several issues but also left questions unanswered.³

My letter discussed 9 purchases that the IG found were improperly made through the sole-source process.⁴ Smithsonian’s response states that its Office of Contracting conducted a post-purchase analysis that determined the prices to be “fair and reasonable and that we did not waste taxpayer funds.”⁵ It does not, however, provide records of this analysis or explain how this conclusion was reached.

My letter also discussed a physician that the Smithsonian hired in July 2020 whose salary of \$214,463 was paid with CARES Act funds.⁶ The IG report states that, in contrast to statements from the doctor’s supervisor that 95% of the doctor’s work was either directly or tangentially related to COVID-19, the audit team was unable to substantiate this estimate through appointment records, testimony, and position description.⁷ The IG report states that in November 2023 the Smithsonian re-allocated 50 percent of the doctor’s salary to another

¹ Letter from Senator Charles Grassley, Ranking Member, Senate Budget Committee, to Lonnie G. Bunch III, Secretary, Smithsonian Institute, (April 1, 2024); Smithsonian Institution Office of Inspector General, *Acquisition Management: Smithsonian Did Not Consistently Comply with Spending and Reporting Requirements for CARES Act Funds* (2024), See <https://www.oversight.gov/sites/default/files/oig-reports/SI/OIG-24-05.pdf>.

² Letter from Senator Charles Grassley, Ranking Member, Senate Budget Committee, to Lonnie G. Bunch III, Secretary, Smithsonian Institute, (April 1, 2024).

³ Letter from Lonnie G. Bunch III, Secretary, Smithsonian Institute, to Senator Charles Grassley, Ranking Member, Senate Budget Committee, (April 30, 2024), (on file with Comm. Staff).

⁴ Letter from Senator Charles Grassley, Ranking Member, Senate Budget Committee, to Lonnie G. Bunch III, Secretary, Smithsonian Institute, (April 1, 2024).

⁵ Letter from Lonnie G. Bunch III, *supra* note 3.

⁶ Letter from Senator Charles Grassley, *supra* note 2.

⁷ *Acquisition Management: Smithsonian Did Not Consistently Comply with Spending and Reporting Requirements for CARES Act Funds* (2024) at 14, See <https://www.oversight.gov/sites/default/files/oig-reports/SI/OIG-24-05.pdf>.

physician who, according to the Smithsonian, worked 100 percent on the COVID-19 response.⁸ The Smithsonian's response does not address any efforts to return improperly allocated funds before this change, or provide an update on CARES Act funds going towards doctor pay.

Finally, the Smithsonian has not provided information on substantive steps it has taken in response to the report's recommendations beyond a description of anticipated actions. The Smithsonian concurred with all of the IG's 10 recommendations (with one partially concurred) and provided the IG with Target Dates for implementation of the recommendations.⁹ My letter requested rolling updates and, as of the date of this letter, 9 of the 10 Target Dates have passed (with one portion of one recommendation having an additional Target Date of November 29, 2024).¹⁰

In order to provide a full response to the issues raised in the IG report, provide answers to the following by December, 6, 2024:

1. Provide all records of how the Office of Contracting determined the 9 sole-source purchases were fair and reasonable.
2. Has the Smithsonian returned improperly allocated CARES Act funds that went to the doctor's salary before November 2023? If so, when and how much? If not, why not? Provide an update on CARES Act funds going towards doctor pay November 2023-present.
3. Provide updates on all 9 recommendations implementations that are past their Target Dates.

Thank you for your prompt attention to this matter. Should you have any questions, please contact my Committee staff at (202) 224-0642.

Sincerely,



Charles E. Grassley
Ranking Member
Committee on the Budget

cc: Smithsonian Board of Regents

⁸ *Id.*

⁹ *Id.* at 31-34.

¹⁰ *Id.*