

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM

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WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5051

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<http://oversight.house.gov>

July 10, 2019

The Honorable Alex M. Azar II
Secretary
U.S. Department of Health and Human Services
330 C Street, S.W.
Washington, D.C. 20201

Dear Mr. Secretary:

The Committee is investigating the Trump Administration's use of for-profit contractors to run unlicensed shelters that house thousands of immigrant children. We are alarmed by reports of alleged sexual abuse of children, lack of staff training, and whistleblower retaliation at Homestead Shelter—the nation's largest shelter for immigrant children. Homestead is run by the for-profit Comprehensive Health Services, LLC (CHS), a subsidiary of Caliburn International, which is owned and controlled by private equity firm DC Capital Partners. The Department of Health and Human Services (HHS) awarded CHS a massive no-bid contract in April 2019, just weeks before Caliburn International announced that former White House Chief of Staff and Secretary of Homeland Security, General John F. Kelly, was joining its board of directors. As a senior official in the Trump Administration, General Kelly helped develop and implement the Administration's child separation policy that resulted in thousands of children being placed in shelters—and he now appears to be reaping a financial reward from this cruel policy.

Under President Trump, the number of immigrant children in the custody of the HHS's Office of Refugee Resettlement (ORR) has increased substantially. Thousands of these children were sent to ORR after being separated from their families.¹ In January 2019, HHS announced it was increasing the bed capacity at Homestead Shelter from 1,350 to 2,350 beds.² In April, HHS expanded the bed capacity again to 3,200, marking a nearly 140 percent increase in just four months.³

¹ See, e.g., Department of Health and Human Services, Office of Inspector General, *Separated Children Placed in Office of Refugee Resettlement Care* (Jan. 2019) (online at <https://oig.hhs.gov/oei/reports/oei-BL-18-00511.pdf>).

² *Inquiry Into Migrant Shelters Poses Dilemma: What Happens to the Children?*, New York Times (Jan. 5, 2019) (online at www.nytimes.com/2019/01/05/us/southwest-key-migrant-shelters.html).

³ Department of Health and Human Services, *Fact Sheet: Unaccompanied Alien Children Sheltered at Homestead Job Corps Site, Homestead, Florida* (May 10, 2019) (online at www.hhs.gov/sites/default/files/Unaccompanied-Alien-Children-Sheltered-at-Homestead.pdf).

The value of HHS contracts awarded to CHS has also increased sharply under the Trump Administration. Since the start of 2018, CHS has received three HHS contracts totaling over \$545 million for operating Homestead Shelter, including a \$50 million award in February 2018, a \$222 million award in July 2018, and a \$273 million award in April 2019. CHS has also recently received more than \$71 million in HHS grants to operate other facilities housing immigrant children.⁴ According to HHS, the cost of caring for a child at Homestead Shelter is \$750 a day—three times the cost of other shelters.⁵

CHS received these lucrative contracts from HHS despite serious questions about whether Homestead Shelter—which is not licensed by the State of Florida as a child care facility—is adequately caring for and protecting the thousands of children housed there. Over the past year, there have been reports of multiple serious allegations of sexual abuse, some by caregivers, at Homestead Shelter.⁶ Rather than crack down on such abuses, the Trump Administration has granted Homestead Shelter a waiver to hire new employees without conducting child abuse and neglect background checks.⁷ CHS employees have alleged that training for caregivers at Homestead Shelter is inadequate and that CHS retaliated against them for raising those concerns.⁸ In May 2019, HHS announced that it would no longer fund even basic education, legal, or recreation services at shelters housing immigrant children, including Homestead.⁹

⁴ Department of Health and Human Services, Tracking Accountability in Government Grants System (online at https://taggs.hhs.gov/Detail/RecipDetail?arg_RecipId=uR9Ix75R%2BYmy2D3r9f7r2g%3D%3D) (accessed July 8, 2019).

⁵ *First Stop For Migrant Kids: For-Profit Detention Center*, Reuters (online at www.reuters.com/article/us-usa-immigration-children/first-stop-for-migrant-kids-for-profit-detention-center-idUSKCN1Q3261).

⁶ *Another Sex Abuse Allegation at Homestead Shelter*, Florida Politics (June 20, 2019) (online at <https://floridapolitics.com/archives/299252-another-sex-abuse-allegation-at-homestead-shelter>); *State Investigated Abuse Claims at South Florida Migrant Shelter for Children*, Sun Sentinel (Mar. 20, 2019) (online at www.sun-sentinel.com/news/politics/fl-ne-nsf-migrant-shelter-sex-abuse-20190320-story.html).

⁷ *Facility for Migrant Children Extends Offer Letters on the Spot Amid Rapid Expansion*, CBS News (Jan. 11, 2019) (online at www.cbsnews.com/news/homestead-florida-nations-largest-facility-for-migrant-children-extends-offer-letters-on-the-spot-amid-rapid-expansion/); Department of Health and Human Services, *Fact Sheet: Unaccompanied Alien Children Sheltered at Homestead Job Corps Site, Homestead, Florida* (May 10, 2019) (online at www.hhs.gov/sites/default/files/Unaccompanied-Alien-Children-Sheltered-at-Homestead.pdf).

⁸ *Employees at Homestead Shelter for Migrant Children Say They Weren't Properly Trained*, Miami New Times (May 30, 2019) (online at www.miaminewtimes.com/news/lawsuit-former-employees-at-homestead-shelter-for-migrant-children-werent-properly-trained-11184111); *Critics Deplore This Migrant Shelter. Its Operator Just Got a Huge, Hush-Hush No-Bid Deal*, Miami Herald (May 1, 2019) (online at www.miamiherald.com/news/local/immigration/article229744049.html).

⁹ Department of Health and Human Services, *Fact Sheet: Unaccompanied Alien Children Program* (June 2019) (online at www.hhs.gov/sites/default/files/Unaccompanied-Alien-Children-Program-Fact-Sheet.pdf); *Trump Administration Cancels English Classes, Soccer, Legal Aid for Unaccompanied Child Migrants in U.S. Shelters*, Washington Post (June 5, 2019) (online at www.washingtonpost.com/immigration/trump-administration-cancels-english-classes-soccer-legal-aid-for-unaccompanied-child-migrants-in-us-shelters/2019/06/05/df2a0008-8712-11e9-a491-25df61c78dc4_story.html?utm_term=.b6c34aafa2b9).

In April 2019, HHS awarded CHS its largest contract to date for Homestead Shelter—worth \$273 million—without any competitive bidding. The contract was awarded just weeks before General Kelly joined the board of directors of CHS’s parent company, Caliburn International.¹⁰ As Secretary of Homeland Security and then White House Chief of Staff, General Kelly played a central role in the Trump Administration’s child separation policy, which led to thousands of children being placed in ORR custody. He reportedly toured Homestead Shelter on April 4, 2019—just five days before HHS awarded CHS the massive no-bid contract.¹¹ In May, Caliburn International announced publicly that he had joined its board of directors.¹²

For all these reasons, please produce by July 24, 2019, the following documents and information, covering the time period of January 20, 2017, to present:

1. All HHS contracts with for-profit companies that house immigrant children, whether those companies serve as direct contractors with the federal government or as subcontractors to a state or local government or other entity;
2. The following documents related to any of these contracts awarded without full and open competition:
 - a. all justification and approval documents;
 - b. documents sufficient to identify the factors used to evaluate the contractor’s proposal, how ICE used those factors to evaluate the proposal, the results of ICE’s evaluation, and who the source selection authority was; and
 - c. documents sufficient to identify cost and pricing data and analysis, and labor rates charged, if applicable;
3. All documents related to these contracts regarding any organizational or personal conflicts of interest identified with respect to the selected contractor and how those conflicts were mitigated;
4. Documents sufficient to identify each facility managed by a for-profit contractor for HHS, the average daily number of children housed at each of these facilities per month, the average length of stay for a child at each facility, and the total number of children housed at each facility per month;

¹⁰ Contract Summary, USA Spending.gov (online at www.usaspending.gov/#/award/79537497); *Gen. Kelly, Trump’s Ex-Top Aide, Joins Board of Firm Running Homestead Migrant Shelter*, Miami Herald (May 3, 2019) (online at www.miamiherald.com/news/local/immigration/article230007499.html).

¹¹ *Gen. Kelly, Trump’s Ex-Top Aide, Joins Board of Firm Running Homestead Migrant Shelter*, Miami Herald (May 3, 2019) (online at www.miamiherald.com/news/local/immigration/article230007499.html).

¹² *John Kelly Joins Board of Company Operating Largest Shelter for Unaccompanied Migrant Children*, CBS News (May 3, 2019) (online at www.cbsnews.com/news/john-kelly-joins-board-of-caliburn-international-company-operating-largest-unaccompanied-migrant-children-shelter/).

5. The daily average cost to HHS to house immigrant children at:
 - a. state-licensed facilities operated by HHS contractors;
 - b. unlicensed influx facilities; and
 - c. Homestead Shelter;
6. ORR's policy *Children Entering the United States Unaccompanied: Section 1* requires ORR to deploy Federal staff to each influx facility to oversee the implementation of ORR policies and procedures. Please provide documents sufficient to demonstrate ORR's compliance with that requirement at Homestead Shelter;
7. All communications related to the selection of CHS for the April 2019 no-bid award for Homestead Shelter, Award Number 75P00119C00042;
8. All communications involving HHS or ORR political appointees or leadership with anyone at CHS, Caliburn International, or DC Capital Partners;
9. All documents and communications regarding the decision to cease funding education, legal, and recreation services at shelters for immigrant children;
10. The daily average cost per child to provide educational and recreational programs and legal aid to children at HHS-contracted facilities for immigrant children;
11. All documents related to any deficiencies in compliance with contractual, legal, or other obligations for care of children at any facility managed for HHS by a for-profit contractor—whether identified by HHS, the HHS Inspector General, or any other entity or individual—including all reports of deficiencies or violations, communications related to these deficiencies or violations, and documentation of any corrective action taken;
12. All documents related to any waivers issued by HHS to for-profit contractors operating facilities for immigrant children for any contractual or legal obligations, including any requests for waivers, waivers granted by HHS, and communications related to these waivers;
13. All documents related to any complaints HHS has received pertaining to the health or well-being of any child at any facility operated by a for-profit company, including the complaints, any investigation into those complaints, and any corrective actions taken;
14. Documents sufficient to identify how HHS ensures that facilities run by for-profit contractors operate in compliance with HHS and other applicable standards for the care and treatment of children;

15. The names and titles of the officials responsible for ensuring compliance with these standards at each facility;
16. All policies and procedures related to:
 - a. HHS oversight over emergency influx care facilities, such as Homestead Shelter;
 - b. child health and safety at these facilities; or
 - c. hiring or background checks for caregivers at these facilities; and
17. All communications with General Kelly referring or related to ORR, CHS, Caliburn International, DC Capital Partners, Homestead Shelter, housing of immigrant children, any federal contracts, federal immigration policies, or child separations since April 1, 2016.

In addition, we request a briefing for Committee staff by July 24, 2019 on any HHS contracts awarded to a for-profit contractor using other than full and open competition for the management of a facility housing immigrant children, including Homestead Shelter.

The Committee on Oversight and Reform is the principal oversight committee of the House of Representatives and has broad authority to investigate “any matter” at “any time” under House Rule X.

An attachment to this letter provides additional instructions for responding to the Committee’s request. If you have any questions regarding this request, please contact Committee staff at (202) 225-5051.

Sincerely,



Elijah E. Cummings
Chairman



Jamie Raskin
Chairman
Subcommittee on Civil Rights and Civil
Liberties

Enclosure

cc: The Honorable Jim Jordan, Ranking Member

The Honorable Chip Roy, Ranking Member
Subcommittee on Civil Rights and Civil Liberties

Responding to Oversight Committee Document Requests

1. In complying with this request, produce all responsive documents that are in your possession, custody, or control, whether held by you or your past or present agents, employees, and representatives acting on your behalf. Produce all documents that you have a legal right to obtain, that you have a right to copy, or to which you have access, as well as documents that you have placed in the temporary possession, custody, or control of any third party.
2. Requested documents, and all documents reasonably related to the requested documents, should not be destroyed, altered, removed, transferred, or otherwise made inaccessible to the Committee.
3. In the event that any entity, organization, or individual denoted in this request is or has been known by any name other than that herein denoted, the request shall be read also to include that alternative identification.
4. The Committee's preference is to receive documents in electronic form (i.e., CD, memory stick, thumb drive, or secure file transfer) in lieu of paper productions.
5. Documents produced in electronic format should be organized, identified, and indexed electronically.
6. Electronic document productions should be prepared according to the following standards:
 - a. The production should consist of single page Tagged Image File ("TIF"), files accompanied by a Concordance-format load file, an Opticon reference file, and a file defining the fields and character lengths of the load file.
 - b. Document numbers in the load file should match document Bates numbers and TIF file names.
 - c. If the production is completed through a series of multiple partial productions, field names and file order in all load files should match.
 - d. All electronic documents produced to the Committee should include the following fields of metadata specific to each document, and no modifications should be made to the original metadata:

BEGDOC, ENDDOC, TEXT, BEGATTACH, ENDATTACH, PAGECOUNT, CUSTODIAN, RECORDTYPE, DATE, TIME, SENTDATE, SENTTIME, BEGINDATE, BEGINTIME, ENDDATE, ENDTIME, AUTHOR, FROM, CC, TO, BCC, SUBJECT, TITLE, FILENAME, FILEEXT, FILESIZE, DATECREATED, TIMECREATED, DATELASTMOD, TIMELASTMOD,

INTMSGID, INTMSGHEADER, NATIVELINK, INTFILPATH, EXCEPTION,
BEGATTACH.

7. Documents produced to the Committee should include an index describing the contents of the production. To the extent more than one CD, hard drive, memory stick, thumb drive, zip file, box, or folder is produced, each should contain an index describing its contents.
8. Documents produced in response to this request shall be produced together with copies of file labels, dividers, or identifying markers with which they were associated when the request was served.
9. When you produce documents, you should identify the paragraph(s) or request(s) in the Committee's letter to which the documents respond.
10. The fact that any other person or entity also possesses non-identical or identical copies of the same documents shall not be a basis to withhold any information.
11. The pendency of or potential for litigation shall not be a basis to withhold any information.
12. In accordance with 5 U.S.C. § 552(d), the Freedom of Information Act (FOIA) and any statutory exemptions to FOIA shall not be a basis for withholding any information.
13. Pursuant to 5 U.S.C. § 552a(b)(9), the Privacy Act shall not be a basis for withholding information.
14. If compliance with the request cannot be made in full by the specified return date, compliance shall be made to the extent possible by that date. An explanation of why full compliance is not possible shall be provided along with any partial production.
15. In the event that a document is withheld on the basis of privilege, provide a privilege log containing the following information concerning any such document: (a) every privilege asserted; (b) the type of document; (c) the general subject matter; (d) the date, author, addressee, and any other recipient(s); (e) the relationship of the author and addressee to each other; and (f) the basis for the privilege(s) asserted.
16. If any document responsive to this request was, but no longer is, in your possession, custody, or control, identify the document (by date, author, subject, and recipients), and explain the circumstances under which the document ceased to be in your possession, custody, or control.
17. If a date or other descriptive detail set forth in this request referring to a document is inaccurate, but the actual date or other descriptive detail is known to you or is otherwise apparent from the context of the request, produce all documents that would be responsive as if the date or other descriptive detail were correct.

18. This request is continuing in nature and applies to any newly-discovered information. Any record, document, compilation of data, or information not produced because it has not been located or discovered by the return date shall be produced immediately upon subsequent location or discovery.
19. All documents shall be Bates-stamped sequentially and produced sequentially.
20. Two sets of each production shall be delivered, one set to the Majority Staff and one set to the Minority Staff. When documents are produced to the Committee, production sets shall be delivered to the Majority Staff in Room 2157 of the Rayburn House Office Building and the Minority Staff in Room 2105 of the Rayburn House Office Building.
21. Upon completion of the production, submit a written certification, signed by you or your counsel, stating that: (1) a diligent search has been completed of all documents in your possession, custody, or control that reasonably could contain responsive documents; and (2) all documents located during the search that are responsive have been produced to the Committee.

Definitions

1. The term “document” means any written, recorded, or graphic matter of any nature whatsoever, regardless of how recorded, and whether original or copy, including, but not limited to, the following: memoranda, reports, expense reports, books, manuals, instructions, financial reports, data, working papers, records, notes, letters, notices, confirmations, telegrams, receipts, appraisals, pamphlets, magazines, newspapers, prospectuses, communications, electronic mail (email), contracts, cables, notations of any type of conversation, telephone call, meeting or other inter-office or intra-office communication, bulletins, printed matter, computer printouts, teletypes, invoices, transcripts, diaries, analyses, returns, summaries, minutes, bills, accounts, estimates, projections, comparisons, messages, correspondence, press releases, circulars, financial statements, reviews, opinions, offers, studies and investigations, questionnaires and surveys, and work sheets (and all drafts, preliminary versions, alterations, modifications, revisions, changes, and amendments of any of the foregoing, as well as any attachments or appendices thereto), and graphic or oral records or representations of any kind (including without limitation, photographs, charts, graphs, microfiche, microfilm, videotape, recordings and motion pictures), and electronic, mechanical, and electric records or representations of any kind (including, without limitation, tapes, cassettes, disks, and recordings) and other written, printed, typed, or other graphic or recorded matter of any kind or nature, however produced or reproduced, and whether preserved in writing, film, tape, disk, videotape, or otherwise. A document bearing any notation not a part of the original text is to be considered a separate document. A draft or non-identical copy is a separate document within the meaning of this term.
2. The term “communication” means each manner or means of disclosure or exchange of information, regardless of means utilized, whether oral, electronic, by document or otherwise, and whether in a meeting, by telephone, facsimile, mail, releases, electronic

message including email (desktop or mobile device), text message, instant message, MMS or SMS message, message application, or otherwise.

3. The terms “and” and “or” shall be construed broadly and either conjunctively or disjunctively to bring within the scope of this request any information that might otherwise be construed to be outside its scope. The singular includes plural number, and vice versa. The masculine includes the feminine and neutral genders.
4. The term “including” shall be construed broadly to mean “including, but not limited to.”
5. The term “Company” means the named legal entity as well as any units, firms, partnerships, associations, corporations, limited liability companies, trusts, subsidiaries, affiliates, divisions, departments, branches, joint ventures, proprietorships, syndicates, or other legal, business or government entities over which the named legal entity exercises control or in which the named entity has any ownership whatsoever.
6. The term “identify,” when used in a question about individuals, means to provide the following information: (a) the individual’s complete name and title; (b) the individual’s business or personal address and phone number; and (c) any and all known aliases.
7. The term “related to” or “referring or relating to,” with respect to any given subject, means anything that constitutes, contains, embodies, reflects, identifies, states, refers to, deals with, or is pertinent to that subject in any manner whatsoever.
8. The term “employee” means any past or present agent, borrowed employee, casual employee, consultant, contractor, de facto employee, detailee, fellow, independent contractor, intern, joint adventurer, loaned employee, officer, part-time employee, permanent employee, provisional employee, special government employee, subcontractor, or any other type of service provider.
9. The term “individual” means all natural persons and all persons or entities acting on their behalf.