Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM 2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225–5051 MINORITY (202) 225–5074 https://oversight.house.gov

August 13, 2020

Mr. Vitor Rocha Chief Executive Officer Philips North America Corporation 3000 Minuteman Road Andover, MA 01810

Dear Mr. Rocha:

The Subcommittee on Economic and Consumer Policy invites you to testify at 10:00 a.m. on Wednesday, September 16, 2020, in Room 2154 of the Rayburn House Office Building on Philips Respironics' contracts with the Department of Health and Human Services (HHS), the most recent of which may have included up to \$504 million of overspending, raising questions of waste, fraud, or abuse.

On Friday, August 31, 2020, I issued a staff report detailing concerning findings about Philips' two contracts to deliver ventilators to HHS. We are concerned that Philips may have misled the Administration while securing a lengthy delay of delivery of cheap ventilators under Philips' first contract with HHS. With respect to Philips' second contract to provide ventilators to HHS for \$646 million, we are concerned that the company may have misled White House negotiators by suggesting they should buy a more expensive model because of its "more clinician-friendly screens," when its screens appear to be identical to the cheaper models. We also question Philips' employees steering the Administration to its most expensive of three functionally identical models and seemingly overcharging for the model it did sell.²

Philips issued a press release stating that the company does "not recognize the conclusions in the subcommittee's report." If you, in fact, believe anything in the staff report is inaccurate, or disagree with the conclusions in the report, please inform the Subcommittee as soon as possible. I also invite you to testify at this public hearing to present specific evidence to support your position to the American people.

¹ Subcommittee on Economic and Consumer Policy Staff Report, *The Trump Administration's Failure in Contract Management and Inept Negotiations by Senior White House Officials Denied Americans Ventilators During the Coronavirus Pandemic and Squandered Up to \$504 Million in Taxpayer Funds* (July 29, 2020) (online at

https://oversight.house.gov/sites/democrats.oversight.house.gov/files/Economic%20and%20Consumer%20Policy%20Subcommittee%20Staff%20Report%20on%20Ventilators%20Contract.pdf).

²*Id.* at 23-26; 31-34; 36-49.

Mr. Vitor Rocha Page 2

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.

If you have any questions, please contact Subcommittee staff at (202) 225-5051.

Sincerely,

Raja Krishnamoorthi

Chairman

Subcommittee on Economic and Consumer Policy

Enclosure

cc: The Honorable Michael Cloud, Ranking Member

Committee on Oversight & Reform Witness Instruction Sheet

- 1. Witnesses should provide their testimony, biography, and "Truth in Testimony" disclosure and certification form via email to Oversight_Clerks@mail.house.gov no later than 10:00 a.m. two business days prior to the hearing.
- 2. Witnesses should also provide a short biographical summary and include it with the electronic copy of testimony provided to the Clerk.
- 3. At the hearing, each witness will be asked to summarize his or her written testimony in five minutes or less in order to maximize the time available for discussion and questions. Written testimony will be entered into the hearing record and may extend to any reasonable length.
- 4. Written testimony will be made publicly available and will be posted on the Committee's website and the U.S. House of Representatives Document Repository. It is therefore recommended that personally identifiable information, such as addresses and phone numbers, not be included in the biographical information.
- 5. The Committee does not provide financial reimbursement for witness travel or accommodations. Witnesses with extenuating circumstances, however, may submit a written request for such reimbursements to Robin Butler, Financial Administrator, 2157 Rayburn House Office Building, at least one week prior to the hearing. Reimbursements will not be made without prior approval.
- 6. Witnesses with disabilities should contact Committee staff to arrange any necessary accommodations.
- 7. Please note that Committee Rule 16(b) requires counsel representing an individual or entity before the Committee or any of its subcommittees, whether in connection with a request, subpoena, or testimony, promptly submit a notice of appearance to the Committee. If this applies to you, please email the address above to acquire this form.

For inquiries regarding these rules and procedures, please contact the Committee on Oversight and Reform at (202) 225-5051.

Truth in Testimony Disclosure Form

In accordance with Rule XI, clause 2(g)(5)*, of the *Rules of the House of Representatives*, witnesses are asked to disclose the following information. Please complete this form electronically by filling in the provided blanks.

Committee:
Subcommittee:
Hearing Date:
Hearing :
Witness Name:
Position/Title:
Witness Type: O Governmental O Non-governmental
Are you representing yourself or an organization? Organization
If you are representing an organization, please list what entity or entities you are representing:
If you are a <u>non-governmental witness</u> , please list any federal grants or contracts (including subgrants or subcontracts) related to the hearing's subject matter that you or the organization(s) you represent at this hearing received in the current calendar year and previous two calendar years. Include the source and amount of each grant or contract. If necessary, attach additional sheet(s) to provide more information.
If you are a <u>non-governmental witness</u> , please list any contracts or payments originating with a foreign government and related to the hearing's subject matter that you or the organization(s) you represent at this hearing received in the current year and previous two calendar years. Include the amount and country of origin of each contract or payment. If necessary, attach additional sheet(s) to provide more information.

False Statements Certification Knowingly providing material false information to this committee/subcommittee, or knowingly concealing material information from this committee/subcommittee, is a crime (18 U.S.C. § 1001). This form will be made part of the hearing record.		
Witness signature	Date	
If you are a <u>non-governmental witness</u> , please ensure that you attach the following documents to this disclosure. Check both boxes to acknowledge that you have done so.		
☐ Written statement of proposed testimony ☐ Curriculum vitae		
Currection vitae		

- (5)(A) Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof.
- (B) In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of any Federal grants or contracts, or contracts or payments originating with a foreign government, received during the current calendar year or either of the two previous calendar years by the witness or by an entity represented by the witness and related to the subject matter of the hearing.
 - (C) The disclosure referred to in subdivision (B) shall include—
 - (i) the amount and source of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) related to the subject matter of the hearing; and
 - (ii) the amount and country of origin of any payment or contract related to the subject matter of the hearing originating with a foreign government.
- (D) Such statements, with appropriate redactions to protect the privacy or security of the witness, shall be made publicly available in electronic form not later than one day after the witness appears.

^{*}Rule XI, clause 2(g)(5), of the U.S. House of Representatives provides:

COMMITTEE ON OVERSIGHT AND REFORM U.S. HOUSE OF REPRESENTATIVES 116TH CONGRESS

NOTICE OF APPEARANCE OF COUNSEL

Counsel submitting:	
	State/District of admission:
Attorney for:	
Address:	
Telephone: (
Pursuant to Rule 16 of the Commit	tee Rules, notice is hereby given of the entry of the
undersigned as counsel for	in (select one):
All matters before the Com	mittee
The following matters (desc	ribe the scope of representation):
All further notice and copies of pap directed to and served upon:	pers and other material relevant to this action should be
Attorney's name:	
Attorney's email add	dress:
Firm name (where a	applicable):
Complete Mailing A	ddress:
I agree to notify the Committee wit	thin 1 business day of any change in representation.
Signature of Attorney	Date