

EDO Principal Correspondence Control

FROM: Stephen A. Perry
GSA

DUE: 02/08/02

EDO CONTROL: G20020048
DOC DT: 01/30/02
FINAL REPLY:

TO: Chairman

FOR SIGNATURE OF : ** GRN **

Springer

CRC NO: 02-0059

DESC: Request a list of all contracts the NRC has with Arthur Andersen and Enron

ROUTING: Travers
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Kane
Norry
Burns/Cyr

DATE: 02/01/02

ASSIGNED TO: ADM

CONTACT: Springer

SPECIAL INSTRUCTIONS OR REMARKS:

Template: sseg-017

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OFFICE OF THE SECRETARY
CORRESPONDENCE CONTROL TICKET

Date Printed: Jan 31, 2002 14:38

PAPER NUMBER: LTR-02-0059 **LOGGING DATE:** 01/31/2002
ACTION OFFICE: EDO

AUTHOR: Stephen Perry
AFFILIATION: GSA
ADDRESSEE: Richard Meserve
SUBJECT: Request a list of all contracts the NRC has with Arthur Andersen and Enron

ACTION: Direct Reply
DISTRIBUTION: RF

LETTER DATE: 01/30/2002
ACKNOWLEDGED: No
SPECIAL HANDLING:

NOTES: Chairman's Correspondence
FILE LOCATION: Adams

DATE DUE: 02/07/2002 **DATE SIGNED:**

EDO --G20020048



GSA Administrator

VIA FACSIMILE

January 30, 2002

The Honorable Richard A. Meserve
Chairman
Nuclear Regulatory Commission
Washington, DC 20555

Dear Mr. Chairman:

In a letter to me dated January 25, 2002 (copy enclosed), Mitchell E. Daniels, Jr., Director of the Office of Management and Budget, Executive Office of the President, noted press reports of possible irregularities in work done by the accounting firm of Arthur Andersen, LLP, and Enron Corporation. Both firms currently hold government contracts and provide services to several federal agencies. As Mr. Daniels further noted, Federal Acquisition Regulations require that firms seeking to do business with the government must have a satisfactory record of business ethics and integrity. The OMB Director asked GSA, on behalf of all federal agencies doing business with Arthur Andersen and Enron, to "determine whether their business practices are sufficient to meet the responsibility requirement for the award of future contracts." He added: "Consideration should be given to the initiation of suspension or debarment proceedings for all, or a part, of Arthur Andersen and Enron, as appropriate."

GSA has begun the task of compiling information to determine the present responsibility of these two companies. Should the information indicate the companies are not presently responsible, GSA will initiate suspension or debarment proceedings. Suspension and debarment, as you may know, are sanctions used to protect the government's interests by excluding nonresponsible contractors from future government contracts. Because of the serious nature of suspension and debarment, GSA must gather information and conduct an investigation into the companies' activities and corporate behavior.

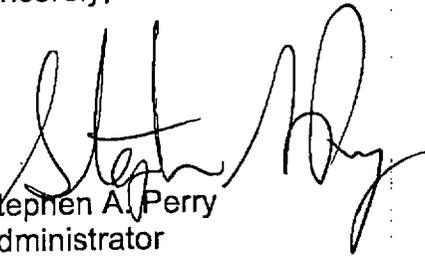
Accordingly, I would like you to provide GSA with a listing of all contracts your agency has with Arthur Andersen and Enron. At this point we seek only basic information on these contracts: (1) contract number, (2) contract name, e.g., if it is known by a project name, (3) date of award, (4) description of the goods or services provided, (5) estimated value of the contract, (6) name and telephone number of the administrative contracting officer, (7) whether or not any performance problems have arisen, and (8) whether you have any basis for concern about the completion of the contract. Lastly, indicate whether your agency has any imminent contract awards to either firm.

U.S. General Services Administration
1800 F Street, NW
Washington, DC 20405-0002
www.gsa.gov

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Since we intend to address this project expeditiously, we would appreciate receiving information from you by February 8, 2002. If you send your information in hardcopy, please furnish it to Raymond J. McKenna, General Counsel, GSA, Room 4140, 1800 F Street, NW, Washington, DC 20405 (or fax to 202-501-2509). If you are sending information electronically, please forward it to Mr. McKenna at raymond.mckenna@gsa.gov. If you have any questions, contact Mike Ettner at 202-501-0727 or mike.ettner@gsa.gov.

Sincerely,



Stephen A. Perry
Administrator

Enclosure (OMB letter to GSA)





EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

January 25, 2002

THE DIRECTOR

The Honorable Stephen Perry
Administrator
General Services Administration
Washington, DC 20405

Dear Mr. Perry:

Recent press reports have highlighted potential irregularities in work done by the accounting firm of Arthur Andersen, LLP, and the Enron Corporation ("Enron"). Some of these allegations are serious in nature and include charges of document shredding, manipulative accounting practices, and other activities that could reflect poorly on these corporate entities and their ability to provide quality work. Information obtained from the Federal Procurement Data System (FPDS) indicates that numerous federal agencies have contracts with Arthur Andersen and Enron. The FPDS data also reveals that, through the third quarter of fiscal year 2001, the General Services Administration had significant contract activity with Arthur Andersen and Enron.

As you know, Federal Acquisition Regulation (FAR) provisions require that firms seeking to do business with the government have a satisfactory record of business ethics and integrity. Accordingly, we request that the General Services Administration, on behalf of all federal agencies doing business with Arthur Andersen and Enron, determine whether their business practices are sufficient to meet the FAR responsibility requirements for the award of future government contracts. Consideration should be given to the initiation of suspension or debarment proceedings for all, or a part, of Arthur Andersen and Enron as appropriate.

Enclosed is a summary of contracts awarded to Arthur Andersen and Enron by federal agencies through the third quarter of FY 2001. A copy of this letter is being provided to agencies with Arthur Andersen and Enron contracts. These agencies should ensure that existing contracts with Arthur Andersen and Enron are being performed in accordance with contract terms and proper business practices.

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in black ink that reads "M. E. Daniels, Jr." with a stylized flourish at the end.

Mitchell E. Daniels, Jr.
Director

Enclosure

- cc: The Honorable Tommy Thompson
Secretary of Health and Human Services
- The Honorable Melvin Martinez
Secretary of Housing and Urban Development
- The Honorable Donald H. Rumsfeld
Secretary of Defense
- The Honorable Paul H. O'Neill
Secretary of the Treasury
- The Honorable Anthony J. Principi
Secretary of Veterans' Affairs
- The Honorable John Ashcroft
Attorney General
- The Honorable Richard A. Meserve
Chairman
Nuclear Regulatory Commission
- The Honorable Norman Y. Mineta
Secretary of Transportation
- The Honorable John W. Carlin
Archivist
National Archives and Records Administration

**ENRON CORPORATION
CONTRACTS WITH THE FEDERAL GOVERNMENT**

**FISCAL YEAR 2001 (Up to and including 3 Qtr Ending June 30, 2001)
(Source: Federal Procurement Data System)**

AGENCY	NUMBER OF CONTRACT ACTION(S)	DOLLARS (000)	EXAMPLES OF SERVICES/PRODUCTS PROVIDED
Department of Defense	5	5,663	Chemicals, Gases: Compressed and Liquid
Department of Justice	11	479	Gas Services and Electric Services
Department of Transportation	2	127	A/E-Inspect-Non Construction
Department of the Treasury	3	977	Construction (Basic) and Electric Services
Department of Veterans Affairs	7	2,102	Electric Services
General Services Administration	13	24,893	Electric Services, Main-Rep-Alt/Office Buildings
National Archives and Records Administration	1	582	Electric Services
TOTAL	42	34,823	

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ARTHUR ANDERSEN, LLP
CONTRACTS WITH THE FEDERAL GOVERNMENT

FISCAL YEAR 2001 (Up to and including Qtr Ending June 30, 2001)
(Source: Federal Procurement Data System)

AGENCY	NUMBER OF CONTRACT ACTION(S)	DOLLARS (000)	EXAMPLES OF SERVICES PROVIDED
Department of Defense	16	11,361	Program Management/Support Services, Miscellaneous Items, Other Environmental Services/Studies/Support, ADP Acquisition Support Services, ADP Supplies, Other Management Services, Defense Studies, Study/Organization/Admin/Personnel, Other ADP & Telecommunications Services
Department of Health and Human Services	1	1,479	Other Management Support Services
Department of Housing and Urban Development	23	7,217	Other Management Support Services, Other Professional Services, Program Management/Support Services, Technical Assistance
Department of Justice	12	2,597	Program Management/Support Services, Expert Witnesses
General Services Administration	7	1,332	ADP Systems Development Services, Legal Services, Other Management Support Services, ADP Systems Analysis Services
Nuclear Regulatory Commission	5	691	Miscellaneous Items, Technical Assistance, Other Professional Services
TOTAL	64	24,677	

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