

ONE HUNDRED TWELFTH CONGRESS
Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
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The Honorable Darrell E. Issa
Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

I am writing to inform you of how I intend to approach my responsibilities as the new Ranking Member of the Committee on Oversight and Government Reform. I am looking forward to being your partner in responsible oversight that serves the American public by eliminating wasteful spending and making government work more effectively and efficiently. But I am equally determined to resist any efforts to use the power and resources of the Committee for ill-advised purposes.

Last year, you wrote an op-ed in *USA Today* stating:

“It’s very clear that the American people do not want a divided government hell-bent on fighting one another in an attempt to score cheap political points. They want a government with checks and balances, run by adults who are up to the task of solving the very real problems confronting our nation.”¹

I strongly agree with these sentiments. I want to join you in conducting responsible oversight to ensure accountability in government and effective operation of our nation’s laws. I also agree with President Obama’s statement last week that “a more civil and honest public discourse can help us face up to the challenges of our nation.”² Together, I hope we can elevate the level of discourse not only on our Committee, but across the nation.

¹ *Rep. Issa: How Oversight Should Work*, USA Today (Oct. 11, 2010) (online at www.usatoday.com/news/opinion/forum/2010-10-11-column11_ST1_N.htm).

² The White House, Remarks by the President at a Memorial Service for the Victims of the Shooting in Tucson, Arizona (Jan. 12, 2011) (online at www.whitehouse.gov/the-press-office/2011/01/12/remarks-president-barack-obama-memorial-service-victims-shooting-tucson).

I am concerned, however, that some actions over the past year—including within the past few days—fall short of this standard, raise questions about the use of Committee resources, and risk bringing our Committee into disrepute.

Unsubstantiated Statements

Over the past few months, you have made a series of unfounded and reckless assertions. Although you have sought to clarify some of these claims, you continue to defend others. Some of your allegations of wrong-doing resulted in the expenditure of large amounts of time and resources based on little or no evidence.

Calling President Obama “Corrupt”

For example, when you appeared on the Rush Limbaugh program on October 19, 2010, you stated that President Obama is “one of the most corrupt Presidents in modern times,” referring specifically to a potential job offer to Rep. Joe Sestak. On the same program, you stated that President Obama “has ignored the very laws that he said were so vital when he was a senator.”³

During an appearance on CNN on January 2, 2011, you attempted to clarify your remarks by suggesting that you were not referring to President Obama personally. You stated that you meant to say that “this is one of the most corrupt Administrations.”⁴

In a subsequent appearance on CNN on January 5, 2011, you stated that CNN officials “misunderstand the meaning of the word corrupt.” You also stated: “I have never said it’s illegal. I’ve never made any of the statements that are often said on CNN that implied wrong-doing of the president at a criminal level.”⁵

Yet, on May 25, 2010, you accused President Obama of an “impeachable” offense.⁶ You also wrote an op-ed four days later threatening to “petition the attorney general to appoint a special prosecutor” in order to investigate “a concerted scheme and cover-up strategy not seen in

³ *Rush to Issa: Just Stop Obama*, The Rush Limbaugh Show (Oct. 19, 2010) (online at www.rushlimbaugh.com/home/daily/site_101910/content/01125111.guest.html).

⁴ *State of the Union*, CNN (Jan. 2, 2011) (online at <http://transcripts.cnn.com/TRANSCRIPTS/1101/02/sotu.01.html>).

⁵ *Issa Defends Calling Obama ‘Corrupt,’* CNN (Jan. 5, 2011) (online at <http://politicalticker.blogs.cnn.com/2011/01/05/issa-defends-calling-obama-corrupt/?iref=allsearch>).

⁶ *Congressman: White House Job Offer to Sestak May Be an “Impeachable” Offense*, Fox News (May 25, 2010) (online at www.foxnews.com/politics/2010/05/25/congressman-white-house-job-offer-sestak-impeachable-offense/).

Washington since the days of Watergate.”⁷ Although this is perhaps the most widely reported example, there are others.

Claiming Medicare Paid \$125 Billion to Nonexistent People

During an appearance on CBS this month, you asserted: “We can save \$125 billion in simply not giving out money to Medicare recipients that don’t exist for procedures that didn’t happen.”⁸ You made a similar comment the same day on CNN when you stated: “We’re going to start into the whole question of Medicare. Here you have \$100 billion of waste.”⁹

After investigating your statement, PolitiFact, a political fact-checking project of the *St. Petersburg Times*, concluded that it was inaccurate. A report by the group stated:

“There’s no question improper payments in Medicare are a very significant problem. But Issa has overstated the potential savings in the Medicare program. For starters, the report on which Issa based the \$125 billion figure shows that the Medicare portion of that total is \$47.9 billion. That alone makes Issa’s figure simply wrong. But in addition, Issa wrongly suggests that all of the money from ‘improper payments’ can be ‘saved’ by simply making those payments. In fact, a good portion of that money lacked proper documentation, but upon further investigation, may very well be verified as proper. In other words, even the \$47.9 billion in improper payments in Medicare could not be fully recaptured for taxpayers. We rate Issa’s statement False.”¹⁰

Claiming the Goldman Sachs Investigation Was Politically Motivated

In April of last year, you claimed that the investigation of Goldman Sachs by the Securities Exchange Commission (SEC) was politically motivated. You asserted that the filing of a civil securities fraud action against Goldman Sachs “created serious questions about the Commission’s independence and impartiality” and “fueled legitimate suspicion” that “the Commission has attempted to assist the White House, the Democratic Party, and Congressional Democrats by timing the suit to coincide with the Senate’s consideration of financial regulatory legislation, or by providing the Democrats with advance notice.”¹¹

⁷ *Rep. Darrell Issa: If White House Won’t Investigate, Special Prosecutor Will*, Washington Examiner (Mar. 29, 2010) (online at <http://washingtonexaminer.com/node/104496>).

⁸ *Face the Nation*, CBS (Jan. 2, 2011) (online at www.cbsnews.com/htdocs/pdf/FTN_010211.pdf?tag=contentMain;contentBody).

⁹ *State of the Union*, CNN (Jan. 2, 2011) (online at <http://transcripts.cnn.com/TRANSCRIPTS/1101/02/sotu.01.html>).

¹⁰ *Rep. Darrell Issa Claims Government Could Save \$125 Billion by Not Paying Improper Medicare Claims*, PolitiFact (Jan. 4, 2011) (online at <http://politifact.com/truth-o-meter/statements/2011/jan/04/darrell-issa/rep-darrell-issa-claims-government-could-save-125-/>).

¹¹ Letter from Rep. Darrell E. Issa to Mary Schapiro, Chairman, U.S. Securities and Exchange Commission (Apr. 20, 2010) (online at <http://>

In response to your requests, the SEC Inspector General launched a major investigation, reviewing an estimated 3.4 million e-mails from 64 current and former employees and obtaining sworn testimony from 32 witnesses, including the SEC Chairman, the other four SEC commissioners, the SEC enforcement director, and the SEC deputy enforcement director.¹² In the end, the Inspector General found no wrongdoing. The final investigative report stated:

“The OIG has not found evidence indicating that the SEC’s investigation of, or its action against, Goldman was intended to influence, or was influenced by, financial regulatory reform legislation. ...

The OIG has not found evidence indicating that the SEC coordinated its investigation of, or its action against, Goldman with the Executive Office of the President, the White House, any White House employees, any Member of Congress, any Congressional employee, the Democratic National Committee, the Democratic Senate Campaign Committee, the Democratic Congressional Campaign Committee, or any of their employees. ...

The documents reviewed and testimony taken, as described below, indicate no information about the SEC’s investigation of Goldman was shared with any outside entities or individuals prior to the SEC’s April 16 action against Goldman. ...

The OIG investigation also found no evidence indicating that the SEC coordinated the settlement of its action against Goldman with the Executive Office of the President, the White House, any White House employees, any Member of Congress, any Congressional employee, the Democratic National Committee, the Democratic Senate Campaign Committee, the Democratic Congressional Campaign Committee, or any of their employees.”¹³

Although you had no evidence to support your allegations, the Inspector General expended significant resources investigating your claims. When asked “how much taxpayer money you’re spending on all of this,” you responded that the Inspector General “lived within his budget,” and “That’s government doing what it’s supposed to do.”¹⁴

<http://oversight.house.gov/images/stories/Letters/20100420deilettertosecgoldmansachs.pdf>); see also letter from Rep. Darrell E. Issa to David Kotz, Inspector General, U.S. Securities and Exchange Commission (July 22, 2010) (online at http://oversight.house.gov/images/stories/Letters/7-22-10_Issa_Letter_to_SEC_IG_-_Goldman_Sachs_Filing.pdf).

¹² United States Securities and Exchange Commission Office of Inspector General, *Report of Investigation: Allegations of Improper Coordination Between the SEC and Other Governmental Entities Concerning the SEC’s Enforcement Action Against Goldman Sachs & Co.* (Sept. 30, 2010) (online at www.sec.gov/foia/docs/oig-534.pdf).

¹³ *Id.*

¹⁴ *State of the Union*, CNN (Jan. 2, 2011) (online at <http://transcripts.cnn.com/TRANSCRIPTS/1101/02/sotu.01.html>).

“Oversight Productions” and “Issa Enterprises”

Questions have also been raised about whether taxpayer dollars are being spent wisely on two new sub-units you have created within the Committee.

The first is a video filming and web-posting unit called “Oversight Productions.” On January 5, 2011, you and Speaker John Boehner announced a new initiative to release broadcast-quality videos of Committee hearings. In your video announcement, you stated:

“I’m Darrell Issa, top watchdog in the new House of Representatives, and my mission is to shape a government where you can see—hassle-free—what Washington actually does with your money. ... Going forward, we’ll keep sharing high-quality videos of tough oversight work.”¹⁵

Although I support innovative ways to communicate with the public and the media, many of the videos issued by Oversight Productions seem to be one-sided and sometimes juvenile advocacy pieces.

For example, a video posted on March 22, 2010, entitled “Health Care Hangover,” criticizes the passage of health care reform legislation. It opens and closes with sounds of vomiting and shows an individual in costume, play-acting as if he is inebriated on the Capitol steps. The video includes no mention of the Committee or its activities, other than crediting “Oversight Productions” for its release.¹⁶

At one point, the video assails “more than \$560 billion in tax increases,” and the actor asks, “Where’s all that money I borrowed from China and my grandkids?” The video fails to mention a report issued two days earlier by the nonpartisan Congressional Budget Office estimating that the bill “would produce a net reduction in federal deficits” of approximately \$124 billion from 2010 to 2019.¹⁷

Other videos produced by Oversight Productions include a cartoon character named “Terry Transparency,” a stick figure with a high-pitched voice and his own Twitter account. A video posted on November 19, 2009, includes this stick figure as a member of the “Oversight Police” questioning Treasury Secretary Timothy Geithner and raising handcuffs. Again, the

¹⁵ *Issa and Boehner Announce Release of Broadcast-Quality Oversight Hearing Videos, Oversight Productions* (Jan. 5, 2011) (online at www.youtube.com/watch?v=3wXP7xUYQOw).

¹⁶ *Health Care Hangover*, Oversight Productions (Mar. 22, 2010) (online at www.youtube.com/user/oversightandreform#p/c/9236CAD63DFD3A15/10/2CKSmPq4I6s).

¹⁷ Letter from Douglas W. Elmendorf, Director, Congressional Budget Office, to the Honorable Nancy Pelosi, Speaker, U.S. House of Representatives (Mar. 20, 2010) (online at www.cbo.gov/ftpdocs/113xx/doc11379/AmendReconProp.pdf).

video includes no mention of the Committee or its activities, other than the “Oversight Productions” credit.¹⁸

Explaining the purpose of these videos, your staff stated: “If you’re being taken to task by a stick figure, you’re probably doing something pretty ridiculous.”¹⁹ Obviously, the logic of that statement is misguided since anyone with a computer could create a cartoon character to mock federal officials. The more significant issue, in my view, is that these activities have little to do with the serious oversight work we should be conducting on the Committee.

In addition to Oversight Productions, you have established another sub-entity within the Committee called “Issa Enterprises.” A profile of you posted yesterday by the *New Yorker* reports that you are using Committee staff and taxpayer funds in an effort to transform your public image “from an obscure congressman to a fixture of the Washington media-political establishment.”²⁰ According to your aides, Issa Enterprises is “a highly organized effort to manage his image.” Your official Committee spokesman explained:

“My goal is very simple. ... I’m going to make Darrell Issa an actual political figure. I’m going to focus like a laser beam on the five hundred people here who care about this crap, and that’s it.”²¹

In addition to characterizing the Committee’s work as “crap,” your spokesman openly disparaged the media. He stated:

“Some people in the press, I think, are just lazy as hell. There are times when I pitch a story and they do it word for word. That’s just embarrassing. They’re adjusting to a time that demands less quality and more quantity. And it works to my advantage most of the time.”²²

While I support robust communications to inform the public and the media about the activities of the Committee, the article describes an unprecedented level of resources devoted to your personal reputation. I do not know how many staff or how many taxpayer dollars you are dedicating to these two sub-units, but it is difficult to understand how any of this relates to the official activities of our Committee.

¹⁸ *The Case of the Math-Challenged Treasury Secretary*, Oversight Productions (Nov. 19, 2009) (online at www.youtube.com/user/oversightandreform#p/c/0/lnZVOu1Q6bs).

¹⁹ *There’s a New Sheriff in Town*, The Hill (Jan. 13, 2011) (online at www.rollcall.com/issues/56_67/-202413-1.html).

²⁰ *Don’t Look Back*, The New Yorker (dated Jan. 24, 2011; posted Jan. 17, 2011) (online at www.newyorker.com/reporting/2011/01/24/110124fa_fact_lizza).

²¹ *Id.*

²² *Id.*

Conclusion

As the Committee's new Ranking Member, my goals are straightforward: I want the Committee to engage in oversight that is regarded as serious rather than dismissed as silly or absurd; to establish strong predicates for investigations rather than making unsubstantiated allegations that waste taxpayer funds; to use Committee resources to inform and educate the American people rather than attacking opponents; and to conduct comprehensive, balanced investigations that seek out the truth rather than launching one-sided inquiries designed to fulfill predetermined outcomes.

As you said in your op-ed in *USA Today*, the American people want a government "run by adults who are up to the task of solving the very real problems confronting our nation." That includes this Committee. As our new Chairman, your actions and statements, as well as those of your spokesman, carry the imprimatur of the Committee, and you lead by example.

For my part, I pledge to work closely with you to elevate the level of political discourse to one of respect and esteem among Members and staff and to begin the serious and bipartisan work of improving the way our government works for the American people.

Sincerely,



Elijah E. Cummings
Ranking Democratic Member