

Congress of the United States
Washington, DC 20515

May 15, 2014

The Honorable Marilyn Tavenner
Administrator
Centers for Medicare and Medicaid Services
200 Independence Avenue, SW
Washington, D.C. 20201

Dear Administrator Tavenner:

We write to express our strong concern surrounding recent reports that taxpayer dollars have been misused at a Serco facility in Wentzville, Missouri, and to learn more about the Centers for Medicare and Medicaid Services' (CMS) role in the contracting and oversight of this operation, which processes applications for the health care exchanges established under the *Patient Protection and Affordable Care Act* (PPACA).

As you may be aware, Serco staff members have come forward with accusations that, despite the fact that Serco continues to seek employment applications at its Wentzville facility, there is little to no work to be done. According to whistleblower reports, Serco management at the Wentzville facility set a goal for each employee to process just one to two applications per month, and regularly told employees to "look busy" during their eight hour shifts despite the fact that there were no applications to process. Reports have also indicated that Serco's government contract, valued at approximately \$1.2 billion, is based on the number of employees working at a facility, rather than on workload; thereby incentivizing Serco to hire regardless of whether or not there is any sort of work to be done. This runs contrary to any sort of good governance standard.

Reports also indicate that CMS representatives visited the Wentzville facility at least once. The day of the visit, according to whistleblowers, staff members were instructed to give the illusion that work was being done. We wonder whether or not there was any sort of concern voiced by CMS staff or any question of legitimacy stemming from that visit that may have made its way to CMS headquarters.

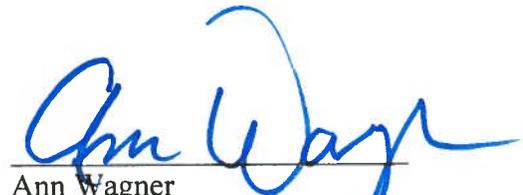
We applaud the Serco whistleblowers, who continue to come forward, for airing these accusations and promoting responsible stewardship of taxpayer dollars. As Members of Congress, it is our obligation to seek answers to the numerous questions these reports have raised about waste, fraud, and abuse of taxpayer dollars in connection with this contract and the PPACA. It is imperative that we fully understand the role of CMS and any potential role played by the Department of Health and Human Services in this matter. This is particularly true given our understanding that this same company is under investigation by the government of the United Kingdom for similar accusations centered on overbilling of government contracts.

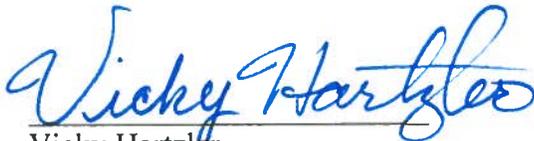
Specifically, please detail to us the nature of this contract and why it was structured to compensate the company based on the number of employees working rather than amount of work to be done or employees needed to meet applicant demand. Additionally, please provide information on historical Serco staffing levels at all federally contracted Serco facilities, including Wentzville, so that Members of Congress can better identify whether or not changes in staffing levels correlates in any way to PPACA rollout and programmatic deadlines. We also request that you detail any report or other information stemming from any CMS staff visit to the aforementioned Serco facilities, and indicate whether or not any oversight or action against Serco was or has been taken. More generally, we would appreciate information as to how CMS conducts regular oversight of PPACA-related contracts.

Our questions and the questions of taxpayers stemming from these reports deserve immediate consideration. We thank you for your attention to this matter and look forward to your response no later than May 30, 2014.

Sincerely,


Blaine Luetkemeyer
Member of Congress


Ann Wagner
Member of Congress


Vicky Hartzler
Member of Congress


Billy Long
Member of Congress


Jason T. Smith
Member of Congress


Sam Graves
Member of Congress