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United States Senate
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
WASHINGTON, DC 20510–6175

May 16, 2018

The Honorable Arthur A. Elkins, Jr.
Inspector General
U.S. Environmental Protection Agency
1301 Constitution Ave. NW, Rm 3102
Washington, DC 20460

Dear Mr. Elkins,

We write to request you conduct an investigation into the circumstances of Pasquale "Nino" Perrotta's self-employment while at the Environmental Protection Agency (EPA), his involvement in the selection of Edwin Steinmetz to conduct a "sweep" of Administrator Scott Pruitt's office, and the manner in which he and the Administrator worked together to advance the Administrator's security requests. Mr. Perrotta appears to have been the individual that Administrator Pruitt transmitted most or all of his security demands to, and appears to have obliged the Administrator's demands to spend exorbitantly on unjustified security measures.

Attached are letters we have written to Administrator Pruitt and Designated Agency Ethics Official Kevin Minoli about some of these issues. To date, we have not received a response to either letter. We understand Mr. Perrotta has subsequently retired from EPA. In our view, his retirement does not vitiate the need for your review because of the potential that other EPA processes and procedures that should have imposed oversight on Mr. Perrotta's activities were either not followed or not effective.

Specifically, Mr. Perrotta was authorized in 2013 by EPA to operate a security consulting business in addition to his EPA position. EPA has argued this authorization cleared Mr. Perrotta to run Sequoia Security Group, despite the fact that the authorization (1) was limited to five years, so had expired; and, (2) required Mr. Perrotta to seek a reauthorization of his outside employment upon a change in the nature of the outside work or his position at EPA, which it appears he did not do.[1] Furthermore, Mr. Perrotta appears to have directed a contract to his business associate at Sequoia Security Group, Mr. Steinmetz, without noting to any involved party the potential conflict of interest, according to emails reviewed by our staffs.

[1] After initial reporting about Perrotta's five-year old waiver, EPA spokesman Jahan Wilcox reportedly stated that Perrotta had received an extension on January 25, 2018. http://thehill.com/homenews/administration/384760-epa-security-chief-worked-for-tabloid-owner-linked-to-trump-report. While EPA provided the 2013 waiver to the media, to our knowledge it has not made public the extension.

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On May 7, 2018, Mr. Perrotta made several allegations in an interview with *The Daily Caller* about the course of events leading to the selection of Mr. Steinmetz by EPA.[2] He stated that at least two career officials:

> "...were informed, advised of a vendor that I knew. I explained to them that this vendor was someone that's a subcontractor through my company, that was cleared through EPA many many years prior. And the only reason that the vendor was selected that is in the news, Mr. Steinmetz, is because there was [sic] issues in the Agency in identifying a vendor, which to me was bizarre.... This is all out in the open, it was explained."

Based on interviews conducted by our staff, and documents they have reviewed, we believe Mr. Perrotta's version of events in this interview may be misleading. Specifically, if your office were to review email correspondence between Mr. Perrotta and EPA security and facilities management staff, you would find the following:

- Mr. Perrotta conveyed the Administrator's interest in performing a bug sweep to others at EPA.
- Career officials repeatedly tried to determine the official process for conducting the security sweep that was requested by the Administrator's office.
- Mr. Perrotta intervened in that process, circumventing the proper process for selecting a qualified contractor, including consultations with EPA's intelligence officials within the Office of Homeland Security and the United States Secret Service.
- Mr. Perrotta provided Mr. Steinmetz's name as someone able to conduct the security sweep without noting his own business relationship with Mr. Steinmetz.
- Mr. Perrotta was involved in scheduling Mr. Steinmetz's sweep and may have directed the use of an EPA purchase card to pay for it.
- On March 14, 2017, eleven days after the security sweep had been conducted, career officials raised concerns that the purchase of services from Mr. Steinmetz had not been properly approved through the EPA's process and that the charge to EPA had not been properly authorized.

Contrary to Mr. Perrotta's claims, it is far from clear that this was all "out in the open." We believe these communications show Mr. Perrotta was far more involved in the events surrounding the Steinmetz sweep than he claims, that the "issues" related to selecting a vendor were career officials trying to follow proper EPA procedures, and that EPA funds may have been spent in violation of EPA contracting policy. Even after Mr. Perrotta's retirement, one EPA employee intervening in a contracting process to steer business to an associate indicates a breakdown in agency procedures that should be addressed. It could also suggest a violation of 18 U.S.C. 208, and also casts into question EPA's procedures for monitoring employee compliance with 5 C.F.R. 6401.103.[3]

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[2] The Daily Caller, "*EXCLUSIVE: Scott Pruitt's Head Bodyguard Takes On The 'False Dirty Laundry' Being Spread About EPA*," May 7,2017 available online at http://amp.dailycaller.com/2018/05/07/exclusive-epa-scott-pruitt-body-guard-nino-perrotta-false-dirty-laundry/

[3] Perrotta's violation of EPA's outside employment rules may not have been limited to Sequoia Security Group. At least two of Mr. Perrotta's EPA colleagues have told our staff that Mr. Perrotta was also authorized to operate a

In addition to the issues raised in our past correspondence, EPA officials with whom our offices have spoken and documents our staffs have reviewed corroborate media reports that Mr. Perrotta was deeply involved in many of the security-related decisions that your office is now reviewing. He has correctly been described as having clashed with other EPA officials who questioned Administrator Pruitt's spending, and as playing " a far larger role at the E.P.A. [than leading Pruitt's security detail], offering security justifications for management, personnel and spending decisions."[4] For example, a February 27, 2017 email (attached) from Mr. Perrotta to others at EPA states that Administrator Pruitt "encourages the use" of lights and sirens by his motorcade, a deviation from past EPA practice. It was also Mr. Perrotta who wrote the memo providing a blanket justification for Administrator Pruitt's first-class flights.[5]

Your May 14, 2018, correspondence[6] to us notes that you have an ongoing investigation related to Mr. Perrotta that stems from an anonymous complaint about him. We expect that your review of the Administrator's security spending will give extra scrutiny to decisions in which Mr. Perrotta was involved. Thank you for reviewing this request. If you have any questions, please contact Michal Freedhoff on the Environment on Public Works Committee staff, or Joe Gaeta of Senator Whitehouse's staff.

With best personal regards, we are

Sincerely yours,

Thomas R. Carper
Ranking Member

Sheldon Whitehouse
United States Senator

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construction business in the past, and that he frequently conducted personal business related to this company on EPA time to a point where his managers may have formally recorded or conveyed their concerns.

[4] https://www.nytimes.com/2018/04/12/climate/epa-scott-pruitt-pasquale-perrotta.html

[5] https://www.washingtonpost.com/news/energy-environment/wp/2018/05/07/heres-the-epa-memo-that-justified-scott-pruitts-first-class-travel/?noredirect=on&utm_term=.a77c683e2408

[6] https://www.whitehouse.senate.gov/imo/media/doc/IG%20Final%20To%20Carper_05-14-18.pdf

United States Senate
WASHINGTON, DC 20510

March 6, 2018

The Honorable Scott Pruitt
Administrator
Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, D.C. 20004

Dear Administrator Pruitt,

We write to request that you provide information about the role Pasquale "Nino" Perrotta plays at Environmental Protection Agency ("EPA"). It has come to our attention that, in addition to being employed by EPA, Mr. Perrotta is also a Principal at Sequoia Security Group. We understand that at least one business partner of Mr. Perrotta's at Sequoia, Edwin Steinmetz, has received a security-related contract from EPA within the last year. These facts raise questions about Mr. Perrotta's compliance with EPA regulations and concerns that he may have used his position at the agency to influence the award of EPA contracts to a person or company in which he has a financial interest.

It is our understanding that Mr. Perrotta is a key member of your protective security detail. His LinkedIn profile states he serves as "Acting Special Agent in Charge" of a U.S. Government agency.[1] According to records provided by EPA to Senator Whitehouse last year, Mr. Perrotta has accompanied you on several trips outside Washington DC, including trips to Kentucky on June 7, 2017, Tulsa and Guymon, OK on July 27, 2017, Denver and Durango, CO on August 4, 2017, and Grand Forks, ND on August 9, 2017. This is likely an incomplete list of out-of-state travel by you and Mr. Perrotta because the documents provided were related only to your travel on non-commercial flights through August 2017, and Mr. Perrotta accompanied you on all four of the flights identified.

Sequoia Security Group, Inc. is a Maryland-based firm that purports to provide "unique and proven senior executive strategic leadership…in national security, cyber security, protection, investigations, risk, compliance, emergency preparedness and technical surveillance countermeasures."[2] As a Principal in this company, Mr. Perrotta highlights his experience "in threat analysis/mitigation, physical and facility security, major event logistics and VIP travel."[3] His firm biography includes the following:

> Since 2004, Nino has been a Senior Special Agent with a United States Govenment [sic] Agency. He is charged with a dual mission, protecting a member of the U.S. Presidential cabinet and coordinating protective intelligence information. Nino has conducted numerous security preparations for his mission and has been responsible for the coordination of both domestic and foreign security advances and conducted sensitive

[1] https://www.linkedin.com/in/nino-perrotta-6b8bb412/
[2] http://sequoiasecuritygroup.com/about.html
[3] http://sequoiasecuritygroup.com/nino-perrota.html

internal and contract investigations valued up to $250 million relating to waste, fraud, abuse and other violations of criminal and civil law.[4]

The firm has described Mr. Perrotta as its founder.[5] His biography on the Sequoia website does not specifically mention that he works for EPA or that the cabinet member he protects is you.

In December, the Associated Press reported that you hired one or more private contractors with federal funds to have your "office swept for hidden listening devices and bought sophisticated biometric locks for additional security."[6] That article indicated that a $3,000 contract was given to Edwin Steinmetz Associates for a "bug sweep" and two other contracts, both under the $3,500 threshold for public reporting, were given for the purchase of biometric locks. Mr. Steinmetz is Vice President of Technical Surveillance Countermeasures at Sequoia; in other words, he is a business partner of Mr. Perrotta.[7] The recipients of the other contracts were not identified in the article.

EPA has adopted supplemental regulations governing outside employment by EPA employees. Those regulations:

- Require approval from an EPA ethics official before an employee engages in outside employment, including consulting services or a subject matter that deals with the policies, programs or operations of EPA;
- Require that any request for approval of outside employment be submitted in writing, and specify the nature of the activity, the name of the organization for which the work will be done, the estimated time to be devoted to the job, and whether the service will be performed entirely outside business hours;
- Prohibit the use of official duty time or federal resources from being used for the outside employment;
- Require that the employee submit revised requests for approval upon a change in the nature and scope of the employee's duties at EPA or the employee's outside employment; and
- Limit any approval to five years.[8]

EPA employees are also subject to federal law and regulations governing conflicts of interest. 18 U.S.C. 208 prohibits federal employees from participating "personally and substantially as a Government officer or employee…in a…contract, claim…or other particular matter in which, to his knowledge, he, his…general partner, [or] organization in which he is serving as officer, director, trustee, general partner or employee…has a financial interest." A waiver to the provisions of section 208 may be granted only if EPA determines in advance that the "employee's financial interest in the particular matter or matters is not so substantial as to be deemed likely to affect the integrity of the services which the Government may expect from such employee."[9]

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[4] Id.

[5] https://www.prnewswire.com/news-releases/sequoia-security-group-inc-and-global-security-solutions-inc-team-up-in-strategic-global-partnership-300153905.html

[6] Michael Biesecker, "EPA chief sweeps office for bugs, installs high-tech locks" Associated Press, Dec. 19, 2017, available at: https://www.apnews.com/242fd35342c34a41b2e2db69b64c44d1.

[7] http://sequoiasecuritygroup.com/edwin-steinmetz.html

[8] 5 C.F.R. 6401.103

[9] 5 C.F.R. 2635.402(d)(2)(ii).

So we can understand how EPA is ensuring that Mr. Perrotta is complying with the requirements of 5 C.F.R. 6401.103, please provide the following:

- All requests for approval of outside employment by Mr. Perrotta, including supporting documentation and any other information relevant to the requirements of 5 C.F.R. 6401.103.
- All approvals given by EPA for his outside employment, including any guidance about or limitations to those approvals in any form.
- All financial disclosures made by Mr. Perrotta during his employment at EPA. If Mr. Perrotta did not make financial disclosures for any period of his employment at EPA, please provide an explanation of those gaps.

With respect to Mr. Perrotta's current work at EPA:

- What are Mr. Perrotta's current job title and responsibilities? How have his position and responsibilities changed during your tenure as Administrator?
- Mr. Perrotta's LinkedIn page describes his current position as "Acting Special Agent in Charge." If that is an accurate description, why is he in an "acting" role? Are there plans to post that position for all eligible applicants to compete for? If not, why not? Under what circumstances did the prior Special Agent in Charge leave?
- If Mr. Perrotta's job responsibilities have changed, how did EPA account for them in decisions authorizing his outside employment pursuant to 5 C.F.R. 6401.103?
- In his private employment at Sequoia, Mr. Perrotta notes his expertise in "threat analysis and mitigation" and "VIP travel." Please provide any written assessments authored in whole or in part, or reviewed by, Mr. Perrotta, of security threats to you, including but not limited to the determination that security considerations required you to fly first-class, that you needed to have your office swept for electronic listening devices, that you needed to install biometric locks, that you needed a secure communications booth, that you require around-the-clock security protection, and any other non-disclosed security measure or project you have decided to undertake.
- Is Mr. Perrotta responsible for any contracting decisions, including the determination that EPA should contract for private security services or who should be awarded a contract?
- Please provide any waivers to the conflict of interest provisions of 18 U.S.C. 208 issued by EPA to Mr. Perrotta.

With respect to Sequoia and Edwin Steinmetz Associates:

- Please provide copies of all contracts between EPA and Sequoia, Edwin Steinmetz Associates, or any other person associated with Sequoia.
- Please provide copies of all three contracts related to the bug sweep and biometric locks identified in the Associated Press article.
- Was Mr. Perrotta involved in any decision related to the need for this particular security assessment or the award of these contracts in particular? If so, please provide any documentation authorizing him to participate in these decisions.

- Were these contracts competitively bid? If not, why not and please describe how contractors were selected.

We would appreciate a response to these questions, and responsive documents, not later than March 21, 2018. If you have any questions about these requests please contact Michal Freedhoff (michal_freedhoff@epw.senate.gov) or Joe Gaeta (joe_gaeta@whitehouse.senate.gov).

Sincerely,

Thomas R. Carper
United States Senator

Sheldon Whitehouse
United States Senator

United States Senate
WASHINGTON, DC 20510

April 24, 2018

Kevin Minoli
Principal Deputy General Counsel
Designated Agency Ethics Official
Environmental Protection Agency
1200 Pennsylvania Avenue NW, 2310A
Washington, D.C. 20460

Dear Mr. Minoli,

On March 6, 2018, we wrote to EPA Administrator Scott Pruitt requesting information about whether Pasquale "Nino" Perrotta, the Acting Special Agent in Charge of the Administrator's personal security detail, had been properly cleared by EPA officials to be a "principal" in Sequoia Security Group, a security firm Mr. Perrotta claims he founded. We specifically asked for:

- All requests for approval of outside employment by Mr. Perrotta, including supporting documentation and any other information relevant to the requirements of 5 C.F.R. 6401.103.
- All approvals given by EPA for his outside employment, including any guidance about or limitations to those approvals in any form.
- All financial disclosures made by Mr. Perrotta during his employment at EPA. If Mr. Perrotta did not make financial disclosures for any period of his employment at EPA, please provide an explanation of those gaps.[1]

While we have not yet received a response to our letter, EPA has been able to release the attached "Approval of Request for Outside Activity/Employment" in response to an article about Perrotta in the *New York Times*.[2] If this document is EPA's basis for claiming that Mr. Perrotta has been cleared, under EPA regulations, to run a private security consulting firm while running the Administrator's personal security detail, it is insufficient on its face for at least three reasons.

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[1] Letter from Senator Tom Carper and Senator Sheldon Whitehouse to EPA Administrator Scott Pruitt (Mar. 6, 2018) (available at https://www.whitehouse.senate.gov/news/release/whitehouse-carper-raise-red-flags-about-epa-contract-with-business-partner-of-pruitts-security-chief).

[2] Kenneth P. Vogel, Eric Lipton, and Lisa Friedman, "At E.P.A., Pruitt's 'Sheriff' Clashed With Critics of Spending," *The New York Times*, Apr. 12, 2018 (available at https://www.nytimes.com/2018/04/12/climate/epa-scott-pruitt-pasquale-perrotta.html).

First, the approval states that it "is effective for a period of five (5) years." That five-year limitation is required by 5 CFR 6401.103(d). Mr. Perrotta's approval was issued on March 5, 2013, so it has expired.

Second, 5 CFR 6401.103(d) also states, "[i]f there is a change in the nature or scope of the duties or services performed or the nature of the employee's business, the employee must submit a revised request for approval." Mr. Perrotta's duties at EPA have changed significantly since 2013. As *The New York Times* reported, and as we have confirmed through interviews with current and former EPA staff, Mr. Perrotta was named acting Special Agent in Charge just last year, and was elevated from a GS-13 to a GS-15 pay grade. The *Times* also reported that Mr. Perrotta "played a central role in approving Mr. Pruitt's regular use of first-class flights," "pushed for the construction of a $43,000 surveillance-proof booth in Mr. Pruitt's office in Washington," and "pressed, unsuccessfully, for a bulletproof vehicle for Mr. Pruitt and a bulletproof desk for his security detail." This reporting has also been confirmed by people with knowledge who have spoken with our staffs. Mr. Perrotta did not perform any of these functions for prior EPA administrators, so they plainly constitute a "change in the nature and scope of the duties or services" he performs.

Third, it appears that Mr. Perrotta has failed to keep EPA apprised of the nature and scope of his business. When he sought authorization for this outside employment in 2013, Mr. Perrotta represented to the agency that he expected to be "self-employed" "to provide consulting to 2-3 clients, for approximately 3-6 hours per week" related to cybersecurity and "denial of service insurance." He did not mention that his self-employment would be establishing a firm, the Sequoia Security Group, that currently lists six officers and advisors. The firm offers a far broader range of services than originally disclosed, including investigation, executive protection, risk and crisis management, cyber security, corporate compliance, security vulnerability and threat assessments, and technical surveillance countermeasures.[3] Not only does the nature and scope of Mr. Perrotta's business appear to have changed since 2013, but he now does work for private clients that closely aligns with his work for EPA and it appears he directed some of that work to one of his business associates, Edwin Steinmetz.

Based on the facts we know, we seek to understand how your office has evaluated and monitored authorizations it provides under 5 CFR 6401.103 for Mr. Perrotta and perhaps others at EPA as well. So that we may better understand whether EPA is following its own policies and regulations, we request copies of all requests for and approvals or denials of outside employment processed by your office since January 21, 2009, along with supporting documentation. Our staffs would be pleased to work with your office to establish a procedure for reviewing these documents that does not improperly infringe upon the privacy rights of EPA employees.

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[3] http://sequoiasecuritygroup.com/service.html

We request the courtesy of a response no later than May 4, 2018. Should you have any questions, please do not hesitate to contact Michal Freedhoff (michal_freedhoff@epw.senate.gov) or Joe Gaeta (joe_gaeta@whitehouse.senate.gov).

Sincerely,

Thomas R. Carper
United States Senator

Sheldon Whitehouse
United States Senator

cc: Troy Lyons, Associate Administrator, Office of Congressional and Intergovernmental Relations, Environmental Protection Agency

Lights and Sirens

Perrotta, Pasquale

Mon 2/27/2017 6:16 PM

To: [redacted]@epa.gov>; [redacted]@epa.gov>; [redacted]@epa.gov>; [redacted]@epa.gov>; [redacted]@epa.gov>;

Btw - Administrator encourages the use...

Sent from my iPhone