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United States House of Representatives

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COMMITTEE ON THE BUDGET

September 16, 2010

Secretary Tom Vilsack U.S. Department of Agriculture 1400 Independence Ave., S.W. Washington, DC 20250

Dear Secretary Vilsack:

I write to you today to ask the USDA to begin an investigation by the Officer of the Inspector General and to alert state education and agriculture agencies to the \$20 million settlement between New York Attorney General Andrew M. Cuomo and Sodexo for overcharging 21 New York school districts and the SUNY system for food service.

Attorney General Cuomo's investigation revealed that it is common practice within the food service industry for providers like Sodexo to leverage their size and market dominance to obtain rebates from vendors that supply food products, equipment and supplies without passing those savings onto local school districts – despite federal and state laws and local contract language that requires them to do so.

I am concerned that these practices are prevalent in many more school districts around the country, potentially resulting in the misuse of tens of millions of dollars of taxpayer funds intended to provide school children with access to healthy school meals.

I am therefore requesting that the USDA Office of Inspector General conducting a review of contract school meal programs in other states to help identify and recover any federal funds that have been misappropriated through the illegal procurement practices revealed in the New York investigation.

Additionally, I would urge the USDA to issue a directive to relevant state agencies with oversight responsibility over these contracts advising them to be aware of possible illegal overcharges related to rebates when conducting reviews and audits of contracted school meal programs and to be more vigilant overall in their enforcement of USDA procurement regulations

In a time of economic hardship and increased hunger, the National School Lunch and Breakfast Programs are more vital than ever. And given the enormous fiscal pressure facing all levels of government, we owe it to American taxpayers to make every dollar invested in these programs count.

I look forward to working with you to ensure we continue to do everything possible to guarantee the proper, legal and effective use of federal school meal funding.

Sincerely yours,

Rosa DeLauro

Member of Congress

Cc: Kevin Concannon, USDA Under Secretary for Food, Nutrition and Consumer Services Janey Thornton, USDA Deputy Under Secretary for Food, Nutrition and Consumer Services