# The next Congress is already writing its oversight agenda (and OIGs may be providing a roadmap)

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As Washington turns its attention toward the upcoming midterm elections, federal contractors are understandably focused on budgets, procurement opportunities, and agency priorities. But another development deserves equal attention: the possibility that a shift in congressional control could reshape the federal oversight landscape.

For companies doing business with the federal government, the consequences could be significant. A change in control of either the House, Senate, or both would likely usher in an aggressive congressional oversight agenda focused on questions of procurement integrity, conflicts of interest, favoritism, and influence-peddling.

If that scenario unfolds, congressional investigators may not be starting from scratch. In many respects, the groundwork is already being laid through ongoing oversight activities of federal inspectors general, including the U.S. Department of Homeland Security (DHS) Office of Inspector General (OIG).

## Midterms could reshape the oversight environment

While election forecasts remain fluid, a change in control of one or both chambers remains a realistic possibility. Historically, shifts in congressional control have been accompanied by shifts in oversight priorities.

The party holding the gavel determines hearing schedules, subpoena authority, investigative priorities, and committee resources. Accordingly, changes in congressional leadership frequently lead to changes in the questions being asked — and the targets being examined.

For government contractors, those changes can be consequential. Investigations unlikely to gain traction under one Congress can quickly become major priorities under another.

Look no further than the last time Democrats took control of the House. Upon taking the House, Democrats quickly launched sweeping investigations that lasted the balance of the Administration. Contractors and other private actors were frequently caught up in these inquiries as Congress looked to them for information the Executive branch refused to provide on executive privilege and other grounds.

## Democrats are already signaling an aggressive oversight agenda

Congressional Democrats have not been subtle about their intentions. Public statements, letters, hearing requests, and inquiries already underway provide clues regarding the issues likely to receive attention should they gain control following the midterms.

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Many of these efforts have focused on concerns regarding transparency, ethics, procurement decision-making, the influence of political appointees, emergency spending, and the administration of federal programs. In numerous instances, lawmakers have expressed concern that partisan considerations may have influenced decisions that should have been driven by mission requirements and the public interest.

Taken together, these signals suggest that future oversight efforts may focus less on traditional questions of contract performance and more on questions of integrity, influence, and accountability.

## Expect investigators to follow the money

Should Democrats obtain committee leadership positions, oversight efforts will likely pursue two related objectives.

First, lawmakers will seek to identify instances of waste, abuse, misconduct, or corruption involving federal programs and expenditures. Investigations may examine allegations of pay-to-play arrangements, favoritism in contract awards, self-

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dealing, improper relationships between government officials and contractors, conflicts of interest, and other procurement integrity concerns.

Second, oversight activity will likely be used to scrutinize and challenge elements of the Administration's policy agenda. Programs associated with politically sensitive initiatives — including immigration enforcement, border security, and surveillance — are likely to make appealing candidates.

Importantly, these objectives are not mutually exclusive — in fact, the most attractive targets for congressional scrutiny may be those that allow a committee to accomplish both objectives at once.

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For contractors, the practical reality is that the most likely targets for oversight following the midterms may be those whose work sits at the intersection of government spending, perceived procurement risk, and political sensitivity.

## The roadmap may already exist

One of the most overlooked realities of congressional oversight is that major investigations rarely emerge from nowhere.

Historically, Congress has relied on the work of federal inspectors general when identifying oversight priorities. OIG audits, evaluations, and investigations often provide congressional committees with the factual foundation and investigative leads necessary to launch broader inquiries.

Inspector general reports identify weaknesses in internal controls, document procurement irregularities, highlight vulnerabilities in contract administration, and identify areas where agencies failed to follow established procedures or adequately safeguard taxpayer resources.

Congressional investigators routinely mine those findings for opportunities to pursue additional oversight.

Accordingly, contractors looking for clues regarding future congressional investigations — including early indications of the issues, industries, and contractors that could be targeted — would be wise to pay attention to ongoing OIG activity.

## DHS OIG's work offers important signals

DHS OIG's ongoing work provides a particularly useful lens through which to view potential oversight priorities.

The office continues to examine issues relating to contract management, procurement practices, grant administration, emergency spending, and program governance across DHS components.

However, several of OIG's recently announced audits and investigations involve questions that extend beyond routine compliance.

For instance, in May, DHS OIG announced (https://bit.ly/3S0Zky2) it had initiated an audit of U.S. Immigration and Customs Enforcement's (ICE) efforts to acquire additional detention space. Among other things, the audit will seek to determine whether ICE "purchased and converted facilities for detention space that meets its operational need in a cost-effective manner."

This audit follows a Senate Judiciary Committee hearing in March, in which Senator Cory Booker raised questions about hundreds of millions of dollars DHS has spent on warehouses over recent months. He specifically noted that DHS paid more than double the assessment value for a facility in New Jersey. See also reporting from USA Today: https://bit.ly/3SuczYa.

Similarly, DHS OIG is believed to be investigating DHS Secretary Kristi Noem's handling of DHS contracts during her tenure, including a $220 million no-bid contract awarded to a company to produce an ad campaign featuring Secretary Noem. At his March confirmation hearing, Secretary Markwayne Mullin confirmed that the IG was leading the investigation and that he, if confirmed as Secretary, would support the effort. See also here: https://bit.ly/4uub1uG.

At the same time, the OIG has initiated a broader audit (https://bit.ly/43oJccc) assessing the extent to which DHS complied with applicable laws and regulations when awarding contracts through means other than full and open competition in fiscal year 2025 (e.g., through no-bid and sole source processes).

This level of concentrated OIG oversight may be a harbinger of congressional scrutiny to come.

If congressional committees are searching for leads on procurement integrity concerns, potential favoritism, inadequate controls, or politically sensitive spending decisions, ongoing inspector general work may provide a valuable starting point.

In short, today's OIG audit or investigation can easily become tomorrow's congressional hearing.

## What contractors should be doing now

If congressional oversight shifts and/or expands following the midterms, government contractors will need to be prepared for a very different operating environment.

Organizations that wait until they receive a document request, subpoena, or inquiry letter may find themselves operating from a defensive posture. Those that prepare now will be better positioned to respond strategically.


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There are a number of steps contractors can take now to prepare for potential congressional oversight — none of which are particularly time- or resource-intensive.

### 1. Conduct a candid assessment of government-facing relationships

Contractors should review interactions involving government officials, political appointees, consultants, lobbyists, and third-party representatives.

The objective is not simply to identify legal concerns. Companies should also evaluate how those relationships might appear under congressional scrutiny.

### 2. Review procurement integrity controls

Organizations should ensure that policies governing communications with government personnel, proposal activities, gifts, entertainment, travel, and business development remain robust and current.

Strong procurement integrity controls help mitigate both legal and reputational risk.

### 3. Revisit conflict-of-interest management processes

Congressional investigators frequently focus on actual and perceived conflicts of interest.

Companies should review processes for identifying, disclosing, mitigating, and documenting organizational conflicts, personal financial interests, and potential revolving-door concerns involving former government officials.

### 4. Prepare for Congressional inquiries

Congressional investigations differ substantially from traditional agency audits.

Contractors should identify response teams, review document preservation procedures, clarify internal reporting channels, begin to develop a response strategy, and ensure that senior executives understand how congressional investigations typically unfold.

### 5. Monitor Inspector General activity closely

As noted, inspector general reports often serve as early warning indicators.

Contractors should track ongoing audits, investigations, and oversight reports relevant to the agencies and programs they support. Such reviews frequently reveal issues that later attract congressional attention.

### 6. Understand that appearances matter

Perhaps most importantly, contractors should recognize that congressional oversight often extends beyond determining whether laws were violated.

Lawmakers may investigate conduct that creates the appearance of favoritism, undermines confidence in procurement processes, or raises questions regarding the integrity of government decision-making.

As a result, actions that survive legal scrutiny may nonetheless become the subject of political scrutiny.

### Looking ahead

The coming midterm elections may prove to be a turning point not only for policy, but also for oversight.

If Democrats gain control of one or both chambers, signs point toward an aggressive investigative agenda focused on procurement integrity, contractor relationships, conflicts of interest, and the role private-sector actors may have played in implementing and benefiting from Administration priorities.

Should that occur, congressional investigators are unlikely to begin with a blank sheet of paper. Ongoing work by inspectors general — including within DHS — may provide a ready-made roadmap for future inquiries.

Contractors who prepare for the possibility of congressional oversight today will be better positioned to navigate the investigations, hearings, and public scrutiny that may follow tomorrow.

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