

Congress of the United States
Washington, DC 20515

July 9, 2015

Lieutenant General David Quantock
US Army Inspector General
1700 Army, Pentagon SAIG-ZA
Washington, D.C. 20301

Dear General Quantock:

We were dismayed to learn that Ingersoll Rand has been cleared to win contracts from the Department of Homeland Security despite multiple federal prohibitions on contracting with inverted corporations. According to a Bloomberg story, *U.S. Sided With Tax-Avoiding Companies Over Contracting Ban*, Principal Deputy General Counsel Joseph cleared Ingersoll Rand to receive federal contracts after reviewing a legal memorandum from the company. We believe this may have violated the Homeland Security Act of 2002, the Consolidated Appropriations Act, 2014, and the Consolidated and Further Continuing Appropriations Act, 2015. We urge you to investigate whether Ingersoll Rand is eligible to compete for and win federal contracts. In any event, we would like to understand why they are or are not eligible, with an explanation of what rules are in effect for all contract-seeking companies. Please provide us with all original related documents.

As you know, Section 835 of the Homeland Security Act of 2002 (6 U.S.C. 395) prohibits the Department of Homeland Security from awarding contracts to inverted corporations unless the Secretary grants a national security waiver to award the contract. This ban was originally expanded through appropriations in the Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006 (P.L. 109-115, Section 724). It was finally expanded government-wide in the Consolidated Appropriations Act, 2008 (P.L. 110-161, Section 745).

Congress has maintained the government-wide prohibition ever since to prevent companies like Ingersoll Rand from benefiting from federal contracts after abandoning the United States to avoid their tax responsibilities. Like many other companies engaging in inversion schemes, Ingersoll Rand took advantage of our education system, our research and development incentives, our skilled workforce, our infrastructure, our patent and court systems, and our national security, all supported by U.S. taxpayers, to start and build their business. They renounced their citizenship to skirt paying taxes for the very services they benefit from. Then, Ingersoll Rand applied for and received a contract from the Army Corps of Engineers.

Ingersoll Rand's roots in the United States date back to 1871 when Simon Ingersoll invented and patented the steam-powered rock drill in New York. In 1905, Ingersoll Rock Drill

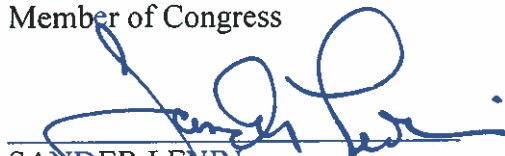
Company and its rival the Rand Drill Company merged to form Ingersoll Rand.¹ In 2001, after approximately 100 years as a U.S. corporation, Ingersoll Rand reincorporated and moved its address from New Jersey to Bermuda to avoid U.S. taxes. In 2009, Ingersoll Rand reincorporated again and moved its address to Ireland, while keeping the CEO and the lion's share of operations in the United States.

Ingersoll Rand and other companies that desert their tax responsibilities should not be rewarded with federal contracts. That is why Congress has acted on multiple occasions to prohibit this behavior. While we recognize that Congress can, and should, do more to strengthen our laws, we are concerned that Ingersoll Rand is not being held accountable under our existing laws.

Thank you for your prompt attention to this matter. We look forward to your confirmation that your office will be thoroughly investigating this matter.

Sincerely,


ROSA L. DeLAURO
Member of Congress


SANDER LEVIN
Member of Congress


LLOYD DOGGETT
Member of Congress


ELIZABETH WARREN
U.S. Senator


DICK DURBIN
U.S. Senator


JACK REED
U.S. Senator


SHELDON WHITEHOUSE
U.S. Senator

¹ "Welcome to Ingersoll Rand." *Welcome to Ingersoll Rand*. N.p., n.d. Web. 08 July 2015.
<http://company.ingersollrand.com/ircorp/en/index.html>