



## **As If \$1.5 Billion In State and Local Corporate Welfare Wasn't Enough, Amazon Wants \$10 Billion More From American Taxpayers To Host The Defense Department's Most Sensitive Data**

*A 'rigged' process, lobbying and influence peddling could ensure Amazon wins and taxpayers lose!*

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**Amazon is using its lobbying power and influence in Washington to take more from American taxpayers in the form of a \$10 billion contract from the Department of Defense.**

“But when JEDI was issued, on the day Congress recessed for the summer, the deal appeared to be rigged in favor of a single provider: Amazon. According to insiders familiar with the 1,375-page request for proposal, the language contains a host of technical stipulations that only Amazon can meet, making it hard for other leading cloud-services providers to win—or even apply for—the contract. One provision, for instance, stipulates that bidders must already generate more than \$2 billion a year in commercial cloud revenues—a “bigger is better” requirement that rules out all but a few of Amazon’s rivals.” (Vanity Fair, “[Everybody Immediately Knew That It Was For Amazon](#)”: Has Bezos Become More Powerful In D.C. Than Trump?.” May Jeong, 8.13.2018)

**Secretary Jim Mattis and an Amazon lobbyist set up a process to award the contract that is “rigged in favor of a single provider: Amazon.”**

“What’s more, the process of crafting JEDI bears all the hallmarks of the swamp that Trump has vowed to drain. Though there has long been talk about the Defense Department joining the cloud, the current call for bids was put together only after Defense Secretary James Mattis hired a D.C. lobbyist who had previously consulted for Amazon. The lobbyist, Sally Donnelly, served as a top advisor to Mattis while the details of JEDI were being hammered out. During her tenure, Mattis flew to Seattle to tour Amazon’s headquarters and meet with Jeff Bezos. Then, as the cloud-computing contract was being finalized, Donnelly’s former lobbying firm, SBD Advisors, was bought by an investment fund with ties to Amazon’s cloud-computing unit.” (Vanity Fair, “[Everybody Immediately Knew That It Was For Amazon](#)”: Has Bezos Become More Powerful In D.C. Than Trump?.” May Jeong, 8.13.2018)

**As Secretary Mattis and the Department of Defense weigh awarding Amazon a massive \$10 billion contract, Federal Trade Commission Chairman Joe Simons has announced hearings to scrutinize anti-competitive practices by Amazon.**

“A former antitrust lawyer at Paul Weiss Rifkind Wharton & Garrison LLP, Simons said one of his main interests is to examine the online economy and whether tech giants including Alphabet

Inc.'s Google, Facebook Inc. and Amazon.com Inc. are undermining competition.” (Bloomberg, [“Tech Firms to Draw Antitrust Scrutiny as FTC Chief Takes Reins,”](#) David McLaughlin, 8.20.2018)

**President Donald J. Trump could protect American taxpayers by “diverting the Pentagon from working with Amazon.”**

“One place where Trump might have an immediate impact is with cloud computing — one of Amazon's key lines of business, with much of the federal government already relying on its services.” (POLITICO, [“What could Trump do to Amazon?”](#), Steven Overly and Nancy Scola, 4.3.2018)

**The \$10 billion in federal tax dollars from the Department of Defense would be in addition to the \$1.5 billion in corporate welfare from state and local governments Amazon has received through their local lobbying and influence peddling.**

“The answer has a lot to do with the fact that the company has received \$1.5 billion in taxpayer subsidies at the state and local level since 2000. Reams of taxpayer dollars have ended up in Amazon’s coffers as a result of the tech giant’s vast lobbying apparatus, which has opened a direct line of communication to local public officials and facilitated endless sweetheart deals and special treatment.” (Real Clear Policy, [“Stop Subsidizing Amazon,”](#) Robert B. Engel, 8.7.2018)

**American taxpayers continue to contribute to Amazon’s bottom line as the company recently reported \$2 billion in profits and \$6 billion in sales from its cloud computing business.**

“Amazon said Thursday that it earned \$2.5 billion in profit for the three months ending in June, a staggering jump from the \$197 million it posted in the same period last year.” (CNN, [“Amazon profit tops \\$2 billion for the first time,”](#) Seth Fiegerman, 7.26.2018)

**Median annual compensation for Amazon employees barely tops \$28,000 per year.**

“Amazon also disclosed another number that shows how much it relies on an army of people moving physical merchandise around the world: \$28,446. That's the median annual compensation of Amazon employees.” (*Los Angeles Times*, [“Amazon is defined by billions, but its workers' median pay is \\$28,446,”](#) Shira Ovide, 4.19.2018)

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