

SEC. 842. INVESTIGATION OF WASTE, FRAUD, AND ABUSE IN WARTIME CONTRACTS AND CONTRACTING PROCESSES IN IRAQ AND AFGHANISTAN.

(a) Audits Required- Thorough audits shall be performed in accordance with this section to identify potential waste, fraud, and abuse in the performance of--

(1) Department of Defense contracts, subcontracts, and task and delivery orders for the logistical support of coalition forces in Iraq and Afghanistan; and

(2) Federal agency contracts, subcontracts, and task and delivery orders for the performance of security and reconstruction functions in Iraq and Afghanistan.

(b) Audit Plans-

(1) The Department of Defense Inspector General shall develop a comprehensive plan for a series of audits of contracts, subcontracts, and task and delivery orders covered by subsection (a)(1), consistent with the requirements of subsection (g), in consultation with other Inspectors General specified in subsection (c) with regard to any contracts, subcontracts, or task or delivery orders over which such Inspectors General have jurisdiction.

(2) The Special Inspector General for Iraq Reconstruction shall develop a comprehensive plan for a series of audits of contracts, subcontracts, and task and delivery orders covered by subsection (a)(2) relating to Iraq, consistent with the requirements of subsection (h), in consultation with other Inspectors General specified in subsection (c) with regard to any contracts, subcontracts, or task or delivery orders over which such Inspectors General have jurisdiction.

(3) The Special Inspector General for Afghanistan Reconstruction shall develop a comprehensive plan for a series of audits of contracts, subcontracts, and task and delivery orders covered by subsection (a)(2) relating to Afghanistan, consistent with the requirements of subsection (h), in consultation with other Inspectors General specified in subsection (c) with regard to any contracts, subcontracts, or task or delivery orders over which such Inspectors General have jurisdiction.

(c) Performance of Audits by Certain Inspectors General- The Special Inspector General for Iraq Reconstruction, during such period as such office exists, the Special Inspector General for Afghanistan Reconstruction, during such period as such office exists, the Inspector General of the Department of Defense, the Inspector General of the Department of State, and the

Inspector General of the United States Agency for International Development shall perform such audits as required by subsection (a) and identified in the audit plans developed pursuant to subsection (b) as fall within the respective scope of their duties as specified in law.

(d) Coordination of Audits- The Inspectors General specified in subsection (c) shall work to coordinate the performance of the audits required by subsection (a) and identified in the audit plans developed under subsection (b) including through councils and working groups composed of such Inspectors General.

(e) Joint Audits- If one or more audits required by subsection (a) and identified in an audit plan developed under subsection (b) falls within the scope of the duties of more than one of the Inspectors General specified in subsection (c), and such Inspectors General agree that such audit or audits are best pursued jointly, such Inspectors General shall enter into a memorandum of understanding relating to the performance of such audit or audits.

(f) Separate Audits- If one or more audits required by subsection (a) and identified in an audit plan developed under subsection (b) falls within the scope of the duties of more than one of the Inspectors General specified in subsection (c), and such Inspectors General do not agree that such audit or audits are best pursued jointly, such audit or audits shall be separately performed by one or more of the Inspectors General concerned.

(g) Scope of Audits of Contracts- Audits conducted pursuant to subsection (a)(1) shall examine, at a minimum, one or more of the following issues:

- (1) The manner in which contract requirements were developed.
- (2) The procedures under which contracts or task or delivery orders were awarded.
- (3) The terms and conditions of contracts or task or delivery orders.
- (4) The staffing and method of performance of contractors, including cost controls.
- (5) The efficacy of Department of Defense management and oversight, including the adequacy of staffing and training of officials responsible for such management and oversight.
- (6) The flow of information from contractors to officials responsible for contract management and oversight.

(h) Scope of Audits of Other Contracts- Audits conducted pursuant to subsection (a)(2) shall examine, at a minimum, one or more of the following issues:

- (1) The manner in which contract requirements were developed and contracts or task and delivery orders were awarded.

(2) The manner in which the Federal agency exercised control over the performance of contractors.

(3) The extent to which operational field commanders were able to coordinate or direct the performance of contractors in an area of combat operations.

(4) The degree to which contractor employees were properly screened, selected, trained, and equipped for the functions to be performed.

(5) The nature and extent of any incidents of misconduct or unlawful activity by contractor employees.

(6) The nature and extent of any activity by contractor employees that was inconsistent with the objectives of operational field commanders.

(7) The extent to which any incidents of misconduct or unlawful activity were reported, documented, investigated, and (where appropriate) prosecuted.

(i) Independent Conduct of Audit Functions- All audit functions under this section, including audit planning and coordination, shall be performed by the relevant Inspectors General in an independent manner, without consultation with the Commission established pursuant to section 841 of this Act. All audit reports resulting from such audits shall be available to the Commission .