

## **Statement of Senator Jim Webb of Virginia**

### **“Lessons from the Inspectors General: Improving Wartime Contracting”**

**The Commission on Wartime Contracting in Iraq and Afghanistan  
The Caucus Room, 325 Russell Senate Office Building  
Washington, DC  
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Thank you, Mr. Chairman.

I appreciate very much, Chairman Thibault and other commissioners, the opportunity to appear before you today, along with Senators McCaskill and Collins, and wanted to express my appreciation for Senator Collins' remarks and for her commitment to help this panel do its work and truly make it a bipartisan effort from our side, as well.

I know Senator John Warner, recently departed [from the U.S. Senate], was a big supporter of what we're trying to do. He is with us in spirit, although no longer in person.

So, Senator Collins, we very much appreciate your commitment here.

It's been about two years since Senator McCaskill and I joined together to introduce the legislation to create this commission and I think the Senate and the country are going to benefit greatly from her continuing work chairing the Subcommittee on Homeland Security. And I've been very appreciative of her background in the area of auditing, government auditing, and as a member of the Armed Services Committee as we worked to put this into place.

We put the bill in a couple of years ago. It's been a little more than a year since we were able to get the bill brought into law, again, with the assistance of Senator John Warner.

And I'd like to thank all of you and the staff that you put together and the other federal government employees and personnel who signed on in order to satisfy the broad mandate of this commission and hopefully to bring some order into this process.

As you mentioned, Mr. Chairman, this room is a very fitting place to have these hearings, not just because of the Truman Committee hearings, but also this is the room where they held hearings on Wall Street banking practices in the 1930s. We might think about that hearing these days.

It's the room where the Senate investigated labor union racketeering in the 1950s, where we examined the consequences of the Watergate break-in in the 1970s, and where hearings were held with respect to the Iran-Contra affair in the 1980s.

So there have been a lot of words, a lot of important decisions, a lot of considerations made in this room.

What you're doing, in my view, ranks as one of the most important oversight obligations that we face today. Let's start with the premise that every interested American knows that there was rampant fraud, waste and abuse following the invasion of Iraq. They all know it.

And they want us to demonstrate that we're willing to do something about it, not simply in terms of process, but in terms of accountability.

We do want to eliminate the systemic deficiencies associated with war support contracting through needed reforms to root out waste, fraud and abuse and to hold people accountable.

But there's also another need here, I think an urgent need right now, when you see where the country is, and that is to restore public trust in our process. Without it, without that kind of trust, it impacts every other thing we're trying to do and every piece of legislation that we vote on.

So I wish you well and I'm hoping – now that the pieces of this have been assembled and that you've had a number of preliminary hearings – that you will be very aggressive in both of those areas. We are conducting this process with the reality that federal contracting itself has grown exponentially since 9/11. Congressman Waxman did a study in '06 that pointed out that federal contracting had exploded from \$203 billion in the year 2000 to \$377 billion by '05 and continuing to grow. That's almost a 100 percent increase.

These contracts that were not subject to full and open competition grew from \$67 billion to \$145 billion during that same period, an increase of more than 100 percent.

And it was estimated a year ago, I haven't seen the more recent estimates, that there were more contractors in Iraq than military people, 180,000 as of a year ago and 161,000 military people.

So it's natural that systemic problems would emerge. They're well documented. They include a vastly expanded reliance on contractors to fill what should be inherently government functions, security in a combat area, the chairman mentioned many of these, tactical training for military people.

Poorly defined requirements and insufficient competition has emerged; inadequate government oversight, owing to a lack of properly trained personnel in sufficient numbers to the task; extensive waste, fraud and abuse, which I hope we can examine.

One of the things that I've heard frequently over the past couple of years, sitting on the Armed Services Committee, is a description of the total force and active, Guard, Reserve,

and defense contractors. I never heard that in the time that I was in the military or the time that Dov Zakheim and I served together in the Pentagon.

The total force at the beginning was supposed to be active, Guard and Reserve, and career civilian force, and defense contractors were the default position. If that total force didn't hold or if you had temporary assignments, then you would go to the civilian contractors.

This process, I think, by its own momentum and by the fact that there were urgent needs out there that had to be filled, has become changed and we need to examine whether those changes have been good.

There's clearly a proper role for the important work that contractors provide, but the pendulum, I believe, has swung way too far.

And I have tried to put a number of things on the table with DOD witnesses over the past couple of years, because I believe strongly that, contrary to popular mythology, the extended reliance on wartime support contractors does not always save money. It's not always the most cost-effective solution.

It's simply been the easiest solution sometimes with the momentum of policy decisions.

So in closing, I again want to congratulate you and thank you for your work, underscore the importance of what you're doing, to ask that you be aggressive in satisfying your statutory mandate. Our taxpayers and the people who are serving deserve nothing less.

And I also would like to emphasize something that Senator McCaskill and I said in our letter of last week, and that is that we want this to work. We deliberately sunsetted it. We didn't want this thing to go on forever.

But if the resources and the tools at your disposal are not sufficient, now that you're this close, you need to let us know. We want to ensure that you get the cooperation that you need. We want to ensure that you're able to bring accountability in the areas where accountability should be brought. I'm not proposing this, but if that involves extending the timeline a bit or getting subpoena authority or any other area that will make this successful, please let us know.

Thank you very much, Mr. Chairman.

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