

Joint Statement of  
Michael Thibault and Grant Green, Co-Chairs  
Opening the Hearing:

## '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  
February 2, 2009

\* \* \* \* \*

Good morning. I am Michael Thibault, co-chair of the federal Commission on Wartime Contracting in Iraq and Afghanistan. My fellow co-chair, Grant Green, could not be with us today, but joins me in welcoming our distinguished witnesses from the Senate and the Inspector General community, and all of our other guests, to this first public hearing of the Commission on Wartime Contracting.

We will hold other hearings in other venues. But it's truly fitting that our first hearing should take place in this majestic room. Starting in 1941 -- before the nation had the benefit of a professional community of Inspectors General -- this location hosted many hearings of the Truman Committee. Our Commission follows in the distinguished tradition of the Truman Committee that so aggressively rooted out waste and fraud in federal spending.

The Truman Committee began its work at the outset of World War II, when there was acute public concern about "wartime profiteering." Led by then-Senator Harry Truman of Missouri, the committee turned a public spotlight on huge sums of taxpayers' money lost to contract fraud. Their focus expanded over subsequent decades to the all-too-common phrase, "waste, fraud, and abuse."

As we know from many investigations and hearings, America's wars in Afghanistan and Iraq have, unfortunately, also involved billions of dollars in waste, fraud, and abuse. Saying that means no disrespect to the sacrifice and devotion of American troops, or to those contractors who responsibly provide goods and services to the government and the armed forces. The record is, however, littered with too many examples of buildings unfit for use, projects that can't be maintained at original scope and cost estimates, weapons and money gone missing, and outright fraud on U.S. taxpayers.

Over the past six years, the Departments of Defense and State, and the Agency for International Development have contracted for more than \$100 billion of goods and services to support the U.S. missions in Iraq and Afghanistan. This unprecedented amount of contracting has also spawned numerous hearings and reports into the effectiveness and efficiency of these commitments. This Commission is undertaking the most comprehensive and bipartisan examination of those issues yet to be mounted.

Like the Truman Committee, the Commission on Wartime Contracting's reason for existence is to ensure for the future that the government pays fair and reasonable prices for the goods and services that it buys to support our war fighters, and receives full value as goods are deployed and services are rendered. This Commission will also fully identify and disclose the conditions that have led to inefficient, ineffective, and inappropriate contracting practices. That is our duty to the troops, to the taxpayers, and to the national objectives of which war is an instrument.

Our work must take note of dramatic changes in the use of contractors in combat zones in the past two decades. Contractors are now literally in the center of the battlefield in unprecedented numbers. In prior wars, soldiers and Marines protected bases and the battlefield as others in the military engaged with and pursued the enemy. Today, dining facilities, motor pools, aircraft maintenance shops, and other support -- even at forward bases -- are typically operated by contractors. Contractors even fly aircraft in combat zones and provide security in support of ongoing military operations. The battlefield has changed. One of the Commission's tasks is to consider whether the battlefield has changed too much, and whether some jobs and functions should be reserved for military and government employees.

The Commission on Wartime Contracting was created by the 110th Congress. The first commissioners were appointed in July 2008. We had no office, no staff, no technical support, and no plan of work. Through the fall and winter, we have filled those voids and are moving ahead.

Our mandate is broad, and will be carried out in a cooperative, bipartisan fashion. We are to consider federal reliance on contracting; contractor performance and accountability; contractor use of force; contract management and oversight by government agencies; waste, fraud, and abuse; and potential legal violations relating to operations in Iraq and Afghanistan. We are not interested in witch hunts, or catering to personal agendas, or staging new debates on old decisions, except in so far as looking at those decisions can lead to an improved decision-making process in the future. We want to make things better, both for the conduct of current operations and for support of future commitments of American forces.

I will stress that this is an independent Commission. We have already reached out to many interested parties in government, business, and public-interest organizations, and will continue to do so. But our report will reflect *our* conclusions; no one outside the group of eight duly appointed Commissioners will censor or wield veto power over our work.

The Commission will provide an interim report to Congress in May, and will issue its final report in 2010. We will issue other reports as events and discoveries warrant.

Having said that, let me assure you that the Commission on Wartime Contracting does not intend to duplicate solid work already performed. One of our tasks, in fact, is to conduct a thorough review of the existing literature of investigations of wartime contracting to identify lessons learned, best practices identified, and recommendations for reform -- and to establish a comprehensive research library.

Performing that task will be greatly eased by the excellent work performed by many Inspectors General. During World War II, there was no IG community as we know it today, and certainly nothing like the Special Inspector General for Iraq Reconstruction, or SIGIR.

Today we have the benefit of the “cops on the beat” in the Inspector General community. This hearing is about listening to four key Inspectors General who work to protect the public interest. They and their staff have literally walked the battlefield in pursuit of inefficient contracting practices and potential wrongdoing. They have suffered hardships and taken casualties. As you will hear today, their perspectives carry power and insight. This Commission must consider this body of work. Noteworthy among those contributions is the final “Hard Lessons” report that is being released by the SIGIR today.

Today we will hear from three key Senators who support the Commission mandate. They will share their own concern and perspectives and recommendations to the Commission. We are conducting this hearing as guests of the Senate, so we will observe Senate protocol and call upon the Senators in order of seniority.

We will also hear from four of the five key Inspectors General who have been auditing contracts, at times literally on the battlefield. Future hearings will include testimony from the fifth, the recently appointed Special Inspector General for Afghanistan. We will also hear testimony from the Government Accountability Office and from other critically important oversight organizations. Future hearings will consider research and findings of selected public-interest groups and non-profit, non-governmental organizations. Throughout each of these hearings, the Commission will focus on each of the key areas specified in our mandate from Congress.

Lastly, our future research and hearings will also include reaching out to and gathering testimony from the contractor community. That is

important. Contractors undertake to fulfill contract terms and conditions that they have agreed to in accordance with federal procurement regulations and statutes. Their process observations and battlefield experiences can give us additional information to improve contingency contracting.

Now I am pleased to call upon our first panel of witnesses, three Senators with great experience and interest in federal acquisition matters. They are Senator Susan Collins of Maine, Senator Claire McCaskill of Missouri, and Senator James Webb of Virginia.

Senators Webb and McCaskill were the original Senate sponsors of the legislation creating this Commission. And as we heard just a few days ago, Senator McCaskill has been named as chair of the new Ad Hoc Subcommittee on Contracting Oversight within the Senate Home Security and Governmental Affairs Committee.

For her part, Senator Collins has served as chair and ranking member of the Homeland Security Committee. She has led many hearings and crafted legislation on acquisition and contracting reform.

We are here today because of these Senators' leadership and attention to the contracting issues associated with the execution and cost of the wars in Iraq and Afghanistan. They have served the national interest, the U.S. military, and American taxpayers well.

Welcome to you all. Senator Collins, please begin.

# # #