



**Commission on Wartime Contracting**  
In Iraq and Afghanistan

CWC-NR-13

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## **Wartime Contracting hearing to probe three accountability issues in Iraq and Afghanistan**

ARLINGTON, VA, Oct. 27, 2009 – A Nov. 2 hearing of the Commission on Wartime Contracting will examine three issues bearing on contractor accountability: the lack of an accurate count of contractor employees, the adequacy of contract oversight during the drawdown of U.S. in Iraq, and coordination of two key Defense Department agencies that manage and audit contracts.

The hearing “Counting Contractors: Where Are They and What Are They Doing?” will start at 9:30 a.m. on Monday, Nov. 2, in Room 216 of the Hart Senate Office Building in Washington, DC.

### **1. COUNTING THE CONTRACTORS**

The first session of the hearing will examine the long-standing lack of a single, accurate picture of contractor support for U.S. operations in Iraq and Afghanistan.

In the second quarter of 2009, the Department of Defense’s SPOT (Synchronized Predeployment and Operation Tracker) database showed 160,000 Defense contractor employees in Southwest Asia. The Army’s Central Command census, compiled manually from dozens of data suppliers, counted nearly 243,000 contractor employees. The SPOT system is just beginning to include contract employees working for the Department of State or the U.S. Agency for International Development in the region. The Commission has reported that comprehensive data for those agencies is also lacking.

“You can’t manage or audit contract costs and performance adequately if you literally don’t know who’s out there working on them,” said Commission Co-Chair Michael Thibault. “The contracts supporting military and diplomatic operations in Iraq and Afghanistan involve vital functions like feeding, transportation, fuel, security, and reconstruction. The fact that we have no full and reliable employee counts after years of effort is really troubling. We need to check on progress.”

The Defense Department is transitioning away from the manual or snapshot census to rely on the SPOT electronic database, but has faced difficulties including data-capture systems that aren’t linked together. Witnesses for the first session will represent the Department of Defense, Central Command, and the Government Accountability Office (GAO).

### **2. MANAGING THE IRAQ DRAWDOWN**

The second session, expected to begin at approximately 11 a.m., will focus on the role of contractors in supporting the Iraq drawdown and whether the numbers of contractor personnel are declining in step with the reduction of U.S. military strength and base closures.

The current agreement between the U.S. and Iraqi governments calls for all U.S. military personnel to be out of Iraq by Dec. 31, 2011. In addition, President Barack Obama has directed that the U.S. military presence in Iraq be reduced to 50,000 by August 2010.

Commission Co-Chair Christopher Shays said, “Contractors are essential for handling the billions of dollars worth of supplies and equipment that will need to be transferred or disposed of as we exit Iraq. But we need to ensure that adequate arrangements have been made to oversee the work—and to ensure that unneeded contractor personnel aren’t shuffled from closing bases to still-open ones simply to preserve payrolls and profit margins for contractors.”

Witnesses on the drawdown issue will represent the GAO, the Joint Staff from the Pentagon, and the LOGCAP Program Office that oversees the multi-billion-dollar logistics contract supporting U.S. operations in Iraq and Afghanistan.

### 3. IMPROVING DOD CONTRACT MANAGEMENT/AUDIT COOPERATION

During the third session, expected to begin at approximately 1:30 p.m., Commissioners will ask what progress the Defense Contract Management Agency and the Defense Contract Audit Agency have made in devising a plan to improve the government’s oversight of contractor business systems and internal controls.

A Commission hearing in August on contractor business systems revealed significant differences between DCMA’s and DCAA’s evaluations of contractor systems for cost estimating, labor billing, purchases, and other functions, and showed that DCMA frequently took no action on DCAA findings and failed to ensure that contractors took corrective actions.

The Commission issued its “Special Report on Contractor Business Systems” on Sept. 21, 2009, to call attention to concerns about the contractors’ systems and agency oversight. The report is available on the Commission website:

[www.wartimecontracting.gov/docs/CWC\\_SR1\\_business-systems\\_2009-09-21.pdf](http://www.wartimecontracting.gov/docs/CWC_SR1_business-systems_2009-09-21.pdf)

The agencies, which report through different chains of command at the Pentagon, agreed to confer on their differences and report to the Commission on their progress.

Witnesses from the two agencies and a senior official from the Defense Procurement and Acquisition Policy office will testify.

### THE COMMISSION

Congress created the Commission on Wartime Contracting in Iraq and Afghanistan in 2008 (Public Law 110-181) to research federal contracting for reconstruction, logistical support, and security functions, and to recommend improvements.

Members are co-chairs Michael Thibault and Christopher Shays, plus Clark Kent Ervin, Grant Green, Robert Henke, Charles Tiefer, and Dov Zakheim. One seat is currently vacant pending a Congressional appointment.

For more information, including an Interim Report to Congress and special reports, see [www.wartimecontracting.gov](http://www.wartimecontracting.gov).

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