



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500

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JUN - 7 2012

The Honorable Thomas R. Carper
United States Senate
Washington, D.C. 20510

Dear Senator Carper:

JUN 14 '12 PM 3:35

This is in further response to your letter of March 6, 2012, to the Secretary of Defense signed jointly with Senator Tom A. Coburn, inquiring about "a potentially wasteful practice identified in a report published last week by the *USA Today*," concerning Leonie Industries and spending on information operations contracts. As reflected in an April 4, 2012, response from the Office of the Under Secretary of Defense for Acquisition, Technology and Logistics, your letter was forwarded to this office for additional responses.

The Defense Criminal Investigative Service (DCIS), the criminal investigative arm of the Department of Defense Inspector General, has initiated an investigation regarding allegations concerning the company's failure to provide services to its employees and the tax issues associated with the contracts awarded to Leonie Industries. We will notify you when the investigation is completed.

As a matter of additional information, the Office of the Deputy Inspector General (DIG) for Audit has conducted a number projects relating to information operations contracts. The DIG Audit and his staff are available to meet with you or staff to review these reports and answer any questions that you may have on the more general topic of oversight of information operations contracts.

A similar letter has been provided to Senator Coburn. Should you have any questions regarding this matter, please contact me at (703) 604-8324.

Sincerely,

John R. Crane
Assistant Inspector General
Communications and Congressional Liaison