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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

November 6, 2009

April G. Stephenson
Director
Defense Contract Audit Agency
Department of Defense
8725 John J. Kingman Road, Suite 2135
Fort Belvoir, VA 22060-6219

Dear Ms. Stephenson:

As part of the Subcommittee's ongoing oversight of government contracts, I am writing to request audits relating to contracting in Afghanistan and Iraq.

On November 2, 2009, in testimony before the Commission on Wartime Contracting, you stated that DCAA had recently issued a report finding deficiencies with KBR's management of labor in Iraq. The report concluded that "KBR's drawdown was ineffective and KBR could save the Government at least \$193 million by improving the staff management and aligning their labor drawdown with the military drawdown." You also stated that DCAA was currently working on at least 15 additional audits relating to the drawdown in Iraq and more audits relating to the increase of contractors in Afghanistan and the transition from LOGCAP III to LOGCAP IV.¹

You also testified that DCAA has now issued more than 3,030 reports relating to contracting in Afghanistan and Iraq, and that you estimate issuing another 400 reports in the coming year. These reports find approximately \$16.3 billion in questioned and unsupported costs. DCAA has also suspended or disapproved over \$655 million under the LOGCAP contract alone.²

To assist the Subcommittee with its oversight, I request that you provide copies of the following documents:

- (1) All audits relating to the drawdown in Iraq;
- (2) All audits relating to the increase of contractors in Afghanistan;
- (3) All audits relating to the transition from LOGCAP III to LOGCAP IV;
- (4) All audits finding questioned or unsupported costs under contracts being performed in Afghanistan;
- (5) Sustention rates for questioned or unsupported costs under contracts being performed in Afghanistan; and

¹ Commission on Wartime Contracting, Testimony of DCAA Director April Stephenson, *Hearings on Accountability Issues in Iraq and Afghanistan* (Nov. 2, 2009).

² *Id.*

- (6) Information sufficient to show the value of suspended and disapproved costs by contract under contracts being performed in Afghanistan.

In addition, as future audits are completed relating to the contractor drawdown in Iraq or contracting in Afghanistan over the next year, I request that you notify the Subcommittee staff in a timely manner of the subject and findings of those audits and provide copies of the audits if requested by the Subcommittee staff.

The jurisdiction of the Subcommittee on Contracting Oversight is set forth in Senate Rule XXV clause 1(k); Senate Resolution 445 section 101 (108th Congress); and Senate Resolution 50 (109th Congress). An attachment to this letter provides additional information on how to respond to the Subcommittee's request.

Please contact Margaret Daum at (202) 224-8316 with any questions regarding this request.

Sincerely,



Claire McCaskill
Chairman
Subcommittee on Contracting Oversight

cc: Robert Bennett
Ranking Member
Subcommittee on Contracting Oversight