

HEARING ON COUNTERNARCOTICS CONTRACTS
IN LATIN AMERICA

May 20, 2009

Subcommittee on Contracting Oversight

Senator McCaskill

Opening Statement

The purpose of this morning's hearing is to examine how the U.S. government is using contractors fight the drug war in Latin America.

The U.S. government has been involved in counternarcotics activities in Latin America for more than 30 years. From 2000 to 2008, the bulk of U.S. counternarcotics assistance to Latin America was through Plan Colombia, a multi-year assistance package targeting Colombia, Peru, and Bolivia. In the last two years, the Mérida Initiative, which focuses on assistance to Mexico, has also increased in importance. Over the last decade, the United States has spent billions of dollars on counternarcotics activities in the region. The President has asked for an additional \$6 billion for international counternarcotics and drug interdiction in 2011.

I understand that much of this money is currently being spent under contracts with companies like DynCorp and Lockheed Martin. Contractors help spray the drugs under cultivation, work in government ministries, help support the local Army and police, and maintain the bases where American troops live and work in Latin America.

Their efforts are crucial to the success of the United States' mission in Latin America. But there is almost no transparency into what these contractors are doing or how much we're paying them. And it appears that there has been insufficient oversight of these types of contracts. Oversight is essential to ensure that these contracts are as effective, efficient, and accountable as possible, and that the taxpayers' money isn't being wasted.

Oversight of counternarcotics contracts in Latin America is particularly important now as the United States is ramping up its counternarcotics activities in Afghanistan. The same federal agencies and many of the same contractors are performing the work in both places. We need to ensure that the lessons learned from Latin America are applied in Afghanistan, and that we don't repeat the mistakes of the past.

That is why, at the beginning of this year, the Subcommittee began an investigation into counternarcotics contracts. What we wanted to know was the answers to a few basic questions: What are we spending on contracts? What are contractors doing? And are the taxpayers getting what they paid for? We asked for this information from the State Department and the Defense Department more than three months ago. Despite our repeated requests, neither Department has been able to answer our questions yet.

Instead, the Subcommittee has received information about contracts which appears to contradict the Departments' own regular reports to the Congressional appropriations and foreign relations committees. The State Department appears to have underreported its contracts to the Subcommittee by hundreds of millions of dollars for Colombia alone. And

the Subcommittee also learned that the Defense Department hired a contractor at a cost of \$48K to assemble information which was incomplete and full of errors.

Today, I plan to ask these basic questions of our witnesses. I plan to listen to their testimony and I hope that they will be able to help the Subcommittee conduct its oversight both today and in the future.

What we learn today will inform whether the Subcommittee moves today to authorize a subpoena for this information. I hope that the State Department and Defense Department will be able to provide the information we need. I fear, however, that the Departments will not. And in that event, I want to know whether their failure is because they are incapable of producing this information or whether they're just incompetent.

I do not want to use this compulsory process against the State Department and Defense Departments. I hope that they will not leave me without a choice.

I want to thank our witnesses for being here and I look forward to our discussion today.