

**TRANSFORMING WARTIME CONTRACTING: THE RECOMMENDATIONS OF
THE COMMISSION ON WARTIME CONTRACTING**

July 26, 2011

Statement of Senator Claire McCaskill

Chairman Lieberman, Ranking Member Collins, thank you so much for inviting me to testify before the Committee today. I want to thank you both for your support for the Wartime Contracting Commission. You both have been working to improve government contracting practices in the government since long before Senator Webb and I arrived, and you deserve recognition for your work in this area, as do the other members of this Committee.

More than four years ago, Senator Webb and I began to advocate for the creation of the Wartime Contracting Commission. At the time, I was inspired by Missouri's own Harry Truman, who, as a Senator, headed a committee that investigated and uncovered millions of dollars in wasteful spending during World War II. Senator Webb and I agreed that what we needed was a new investigatory body, inspired by the Truman Committee, to protect our tax dollars and bring better accountability to the way we do business while at war.

Harry Truman would have been astounded by what the Commission found. It is shocking that the Commission found such rampant waste, fraud, and abuse in government contracting. It is disgusting to think that nearly a third of the billions and billions we spent on contracting was wasted or used for fraud. Frankly, I think that estimate is very, very conservative. And it doesn't even begin to include the money wasted on projects that can't be sustained by the countries where they were built. And I think it bears repeating that a general went to jail after Harry Truman finished his work following World War II.

I would like to take the opportunity to tell just one anecdote that illustrates how serious the problems with contracting were. Shortly after I got to the Senate I went on a trip to Iraq and Kuwait to do oversight of government contracting. I sat in a room with the people who were responsible for administering LOGCAP, which as everyone who does oversight knows is the massive cost-plus contract that the military uses for food, laundry, and other logistics for the men and women in Iraq and around the world. They showed me a bar graph of how much the government had spent on that contract, and you saw a big drop in the LOGCAP contract after the first year to the next year. And when I asked why there had been such a steep decline, the one woman in the room, the civilian in charge of the contract, she looked at me and said, it was a fluke. That's when I really understood the magnitude of the problem.

The Commission's report and recommendations go to the heart of how we got into this mess, how we got to a place in Iraq where we were spending billions of dollars in contracts without a clue as to where it was going. I applaud the Commission for their thorough, comprehensive, and bipartisan review and for the tremendous contribution that they have made to our understanding of these problems.

We must know why we are contracting, who we contract with, and what we are paying for a particular service or function. It is just shameful that, despite the great work of the Commission and the community of auditors and inspectors general who have reviewed these contracts, that we don't know – and may not ever know – those simple things about the contracts awarded in Iraq and Afghanistan.

The Commission has offered a roadmap to improve accountability and root out waste, fraud and abuse. I am particularly encouraged to find that the Commission has recommended that the government increase its use of suspension and debarment, require consent to jurisdiction

for foreign contractors, and improve contractor performance data, which are issues on which I have held hearings and introduced legislation.

The issue of sustainability is crucial to how the government is spending its money and, although I am not going to go into great detail about it here, I would like to say that it is something that I will be returning to in tomorrow's Armed Services hearing and paying a great deal of attention to in the coming months.

Because many of the Commission's recommendations will require fundamental changes to the way that government operates, I am planning to introduce comprehensive legislation later this year. I am already working closely with Senator Webb on this legislation and I look forward to working with the other members of the Committee as well to ensure that the government does not repeat the mistakes of Iraq and Afghanistan that have cost us so dearly.

As one of the generals said to me when I was in Iraq: You know, everything you are seeing in terms of mistakes that have been made, most of them were made in Bosnia. And by the way, there was a lesson learned after Bosnia, except there was one problem: They forgot to learn the lesson. If the Commission's report becomes one more report sitting on someone's bookshelf somewhere, then we have failed also.

This is our chance. This is our chance to tell the American people that the government can spend their money wisely, can hold those accountable who are entrusted with contracting in contingencies and contract oversight, and can make sure that the men and women in the military and civilian agencies get what they need to do their job. We cannot waste billions through fraud, abuse, and mismanagement. We cannot fail to plan and then outsource gaps in war planning to be "done on the cheap". We cannot repeat these mistakes again.

Thank you again for the opportunity to testify this afternoon.