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Chairman
Subcommittee on National Security and Foreign Affairs
Committee on Oversight and Government Reform
U.S. House of Representatives

Hearing on “Commission on Wartime Contracting: Interim Findings and Path Forward”

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Good morning. Today, the Subcommittee on National Security and Foreign Affairs continues its oversight of defense spending issues with a hearing to discuss what has become an all too familiar issue in recent years—waste, fraud, abuse and lack of accountability in wartime contracting in Iraq and Afghanistan. With hundreds of billions of U.S. taxpayer dollars invested in these two theaters since 2001, and more to come, it is critical that we continue to strengthen our oversight of contracting in these areas.

U.S. reliance on contractors reached unprecedented levels over the last 8 years—reaching upwards of a quarter million contractors on the ground in Iraq and Afghanistan for the Department of Defense alone. This does not even include those working for the Department of State and the U.S. Agency for International Development. That is an extraordinary number of civilian contractors in a combat environment.

Unfortunately, while numbers of contractor personnel and related expenditures have ballooned, the opposite trend occurred with respect to oversight. U.S. national security departments allowed their program oversight staff and expertise to dwindle to the point that, in many circumstances, contractors have been hired to oversee other contractors’ projects. Report after report has identified the acute need to rebuild executive branch oversight capacity, but as yet we have little to show for it. We need to fix our broken contracting oversight function in the executive branch and add it to a proper mix of oversight from independent sources and the

Congress.

The creation of the Commission on Wartime Contracting in 2008 was the product of efforts by several of us in Congress dating back to 2005. At that time, it became clear to us that we needed an entity that could provide sustained oversight of wartime contracts, similar to the efforts of the Truman Committee during the 1940s. Waste, fraud, and abuse in wartime contracts transcends politics. Oversight should not be the luxury of divided government and languish when congressional majorities and the President share a common political party. We saw the disastrous results of that approach as we initiated and prosecuted action in Iraq.

I have high expectations for what the Commission on Wartime Contracting can accomplish—and we are here this morning to assess its progress. The Commission's report highlights a number of issues related to management and accountability, logistics, security, and reconstruction efforts in Iraq and Afghanistan. One interesting case described in the report, the costly construction of a duplicative dining facility at a cost of \$30 million, is certainly representative of such issues.

It is also important that the Commission break new ground. There is no sense in creating an oversight entity that merely duplicates work that is on-going by Inspectors General or the Government Accountability Office. Congress already receives those reports. I look forward to hearing what the Commission is finding that we have not already heard about. In short, I expect our witnesses this morning to ensure us that our investment in their activities was a worthwhile decision.

We in Congress, as the sponsors of the Commission, need to hear about any challenges or hindrances the Commission faces in conducting its work. For example, I am concerned that the Commission will not be able to fulfill its mandate without a semi-permanent presence in theater. I would note that, according to the report, the Commission has only two trips to date to Iraq and Afghanistan. I am also concerned that the current one-year mandate of the Commission might allow responsible government officials and culpable contractors to wait it out. The Commission's charge is too important to suffer defeat at the hands of obstruction. Furthermore, I do not want to see a lack of subpoena power deter the Commission from going after recalcitrant parties. This Subcommittee stands ready to assist the Commission in this regard as appropriate.

The dynamic in Iraq and Afghanistan is changing significantly now—specifically, we are moving

to drawdown activities in Iraq, while at the same time increasing resources in Afghanistan. Within this framework, we must look at the mistakes of our hurried decision-making with respect to contracts in Iraq, and avoid a repeat of those mistakes in Afghanistan. As I've said before, lessons learned must be lessons followed. We will need every bit of experience, judgment, and resolve at our disposal to get this right. As such, it is imperative that the Commission has every opportunity and capacity to perform its work without hindrance.

I want to take this opportunity to thank the Commissioners and their staff for undertaking this critical public service assignment. Over a month ago, when I appeared before the Commission at its first hearing hosted by the House of Representatives, I noted that I was looking forward to this date when we would switch seats and I would have the opportunity to hear from you about your progress. Done right, your work will help safeguard the lives of our civilian and military personnel in Iraq and Afghanistan. Done right, your work will help rebuild the trust the U.S. taxpayers put in their government to wisely spend their dollars under difficult circumstances. Those twin goals – benefiting our people in harm's way and rebuilding the trust of those here at home – represent the bedrock intention behind the creation of the Commission.