

## DETAILED SUMMARY OF OTHER AGENCY OVERSIGHT

This appendix provides summaries of the audits and investigations listed in Section 4. All information provided is current as of December 31, 2006.

### Other Agency Audits

#### DEPARTMENT OF DEFENSE OFFICE OF INSPECTOR GENERAL

Demands on the Department of Defense (DoD) resulting from the Global War on Terror (GWOT) continue to be extensive. The Department of Defense Office of the Inspector General (DoD OIG) is committed to assisting DoD in making efficient use of its resources. In that regard, DoD OIG has ongoing and completed reviews that identify funds that can be put to a better use and help strengthen both GWOT and the warfighter. Each dollar not prudently spent results in a dollar being unavailable for GWOT priorities.

This quarter, DoD OIG continued to expand its oversight activities related to Iraq relief and reconstruction. The DoD OIG field office in Qatar provides oversight, audit, inspection, and investigative support to ongoing DoD operations in Southwest Asia. Currently, DoD OIG has 4 employees in Qatar, and 4 additional employees are scheduled to be in place by mid-March 2007. Overall, the DoD OIG audit component has approximately 100 individuals assigned to ongoing projects related to the war in Iraq.

The Defense Criminal Investigative Service (DCIS) deployed two special agents to

Baghdad to join the U.S. Army Criminal Investigation Command, Federal Bureau of Investigation (FBI) and SIGIR in targeting fraud, bribery, kickbacks, and other corruption involving contracting. Two additional agents are stationed in Kuwait. In addition, a DoD OIG evaluator continues to be assigned full time in Baghdad to assist the Ministry of Defense Inspector General.

#### Completed Audits Information Operations Activities in Southwest Asia

(PROJECT NUMBER D2007-001, 10/6/2006)

For this congressionally requested audit, DoD OIG reviewed the role that private contractors play when conducting information operations activities. Specifically, DoD OIG reviewed the use of private contractors, to include but not limited to, the Lincoln Group in conducting Information Operations activities. In addition, DoD OIG reviewed the authority under which Information Operations activities were conducted, whether those activities conformed to applicable laws and regulations, and whether contracts were proper. The audit concluded that the Multi-National Force-Iraq (MNF-I) and Multi-National Corps-Iraq (MNC-I) complied with applicable laws and regulations in their use of a contractor to conduct Psychological Operations and their use of newspapers as a way to disseminate information. Specifically, MNF-I and MNC-I contracted with the Lincoln Group to place articles in the Iraqi media to inform and influence their target audience, the Iraqi population. MNF-I and MNC-I used

the contractor's capabilities to simultaneously develop and place articles, provide cultural expertise, respond rapidly to counter anti-Coalition propaganda, and prevent threats to those supporting Coalition efforts.

However, of the three contracts awarded to the Lincoln Group in support of Information Operations in Iraq, the Victory Regional Contracting Command (VRCC), a subordinate branch of the Joint Contracting Command-Iraq/Afghanistan, did not maintain adequate acquisition, oversight, and disbursement documentation for one contract. The VRCC did not comply with the Federal Acquisition Regulation guidelines for contract documentation, including award, oversight, and close-out procedures and did not retain adequate documentation to verify expenditures. As a result, DoD OIG cannot determine whether the MNF-I and MNC-I awarded the contract properly and whether VRCC disbursements made on this contract were appropriate. No recommendations were made because the period of performance for the MNF-I contract with the Lincoln Group that did not comply with the Federal Acquisition Regulation had ended.

Senator Edward M. Kennedy's staff was briefed on the results of the audit on October 5, 2006, and the final report was issued on October 6, 2006. A letter and a copy of the final audit report were sent to Senator Kennedy on October 18, 2006, with answers to his specific questions.

### **Management of Iraq Security Forces Fund in Southwest Asia – Phase I**

(PROJECT NUMBER D2007-030, 12/8/2006)

DoD OIG reviewed the management of the Iraq Security Forces Fund (ISFF) to determine whether the \$5.7 billion provided in the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005, (Public Law 109-13), May 11, 2005—used for equipping, facility and infrastructure repair, renovation and construction, supplying, and training the Iraq security forces—was used appropriately.

This audit is being performed in three phases. During Phase I, DoD OIG examined the distribution of funds appropriated for ISFF within the Office of the Secretary of Defense and the Department of the Army. The audit concluded that the Office of the Under Secretary of Defense (Comptroller/Chief Financial Officer) and the Office of the Assistant Secretary of the Army for Financial Management and Comptroller distributed and transferred the \$5.7 billion of ISFF in compliance with the 14 provisions of Public Law 109-13 and applicable appropriation law. The report was issued on December 8, 2006.

### **The Army Small Arms Program that Relates to Availability, Maintainability, and Reliability of Small Arms To Support the Warfighter**

(PROJECT NUMBER D2007-010, 11/2/2006)

DoD OIG evaluated the initiatives of the Joint Service Small Arms Program to support and sustain the warfighter in the current operating

environment. DoD OIG specifically assessed the availability of small arms for meeting current requirements, as well as whether adequate control measures were in place that would ensure maintainability and reliability of fielded small arms weapons.

DoD OIG concluded that the Army equipped its deployed forces in support of Operation Iraqi Freedom with the small arms necessary to meet the Combatant Commanders' requirements. However, the audit determined that before deployment, some units were not fully equipped with the types of small arms required to do their assigned mission and obtained those small arms from other sources, such as nondeployed units. Nondeployed units face a potential shortage of small arms and may not have the ability to adequately train and maintain equipment and personnel readiness at an acceptable level. Implementing and monitoring the Army Force Generation Program will ensure that the unit's readiness is not degraded, and outlining requirements and developing a plan for small arms distribution will avert future small arms shortages. The audit determined that the Army generally had adequate controls for maintainability and reliability of small arms fielded to the warfighter to sustain operations in varying environments. Additionally, following up on findings and recommendations made by the Soldier Weapons Assessment Team will address small arms maintainability risks identified. The report was issued on November 2, 2006.

#### **Ongoing Audits**

##### **Review of the United States Government's Relationship with the Iraqi National Congress**

(PROJECT NUMBER D2005-DINTEL-0122)

The objective is to respond to a request from the House Appropriations Committee. Specific objectives are classified. DoD OIG continues to review documentation and conduct interviews on phase two of the project. A draft report is expected to be issued in January 2007.

##### **Audit of Equipment Status of Deployed Forces within U.S. Central Command**

(PROJECT NUMBER D2006-D000LA-0092.000)

DoD OIG conducted an audit of the Equipment Status of Deployed Forces to review whether its forces in Iraq are equipped in accordance with mission requirements. Specifically, DoD OIG evaluated whether units were provided the required items of equipment and whether equipment modifications satisfied mission requirements. The team of auditors visited Kuwait, Bahrain, Qatar, Afghanistan, and Iraq. The draft report was issued October 30, 2006, and comments were received from the Under Secretary of Defense for Acquisition, Technology and Logistics, responding for DoD, and the Army. Final report issuance will be in January 2007.

### **Audit of the Management of the Iraq Security Forces Fund—II**

(PROJECT NUMBER D2006-D000LQ-0240.000)

During phase II, DoD OIG examined the obligations of the funds made by the Multi-National Security Transition Command-Iraq. DoD OIG will announce a separate project for Phase III, which will examine the goods and services that were received. Phase II audit fieldwork was performed from September to November 2006 in Southwest Asia and the report is scheduled to be published during the second quarter of FY 2007.

### **Audit of Potable and Nonpotable Water in Iraq**

(PROJECT NUMBER D2006-D000LQ-0254.000)

This audit is a congressional request with an objective to determine whether the processes for providing potable and non-potable water to U.S. forces in Iraq are adequate. Three DoD OIG auditors deployed to Iraq on October 18, 2006, and conducted an entrance conference with Multi-National Forces-Iraq. In-country fieldwork includes requesting disease and non-battle injury information from U.S. Army Center for Health Promotion and Preventive Medicine, Air Force Institute for Operational Health, and the Joint Medical Workstation. The DoD OIG anticipates a progress report on this congressional inquiry during the second quarter of FY 2007.

### **Audit of the Inspection Process of the Army Reset Program for Ground Vehicles for Units Returning from Operation Iraqi Freedom**

(PROJECT NUMBER D2006-D000LH-0246.000)

DoD OIG is examining the Army Reset Program for Ground Vehicles of the units that return from Operation Iraqi Freedom to determine the effectiveness of the inspection process of the vehicles after their tour. The audit team will visit units in Iraq during the third quarter of FY 2007. The report is expected to be published during the fourth quarter of FY 2007.

### **Audit of the Conditional Acceptance and Production of the Army Medium Tactical Vehicles in Support of the Global War on Terrorism**

(PROJECT NUMBER D2006-D000AE-0225.000)

DoD OIG is evaluating whether the Army is adequately protecting the U.S. government's interest when it includes conditional acceptance provisions in production contracts for the Family of Medium Tactical Vehicle Program. In addition, DoD OIG will evaluate whether management is cost-effectively producing the Family of Medium Tactical Vehicles as funded in support of the GWOT. The report is expected to be published during the second quarter of FY 2007.

### **Audit of the DoD Use of GWOT Supplemental Funding Provided for Procurement and Research, Development, Test, and Evaluation**

(PROJECT NUMBER D2006-D000AE-0241.000)

DoD OIG is evaluating the adequacy of DoD financial controls over use of GWOT supplemental funding provided for procurement and research, development, test, and evaluation. DoD OIG will also determine whether the funds were placed on contracts and used for purposes stipulated in the congressionally approved supplemental funding for GWOT. DoD OIG expects to issue a series of reports beginning in the third or fourth quarter of FY 2007.

### **Audit of Internal Controls over Out-of-country Payments**

(PROJECT NUMBER D2006-D000FL-0208.000)

DoD OIG is evaluating whether internal controls over out-of-country payments supporting GWOT provide reasonable assurance that payments are properly supported and recorded. The report is expected to be issued during the third quarter of FY 2007.

### **Audit of Procurement Policy for Armored Vehicles**

(PROJECT NUMBER D2006-D000CK-0210.000)

DoD OIG is conducting this audit in response to a congressional request by Representative Louise M. Slaughter on April 19, 2006, to review DoD procurement policies for armored vehicles. Specifically, DoD OIG is reviewing the procurement history for armored vehicle

contracts to Armor Holdings, Inc., and Force Protection, Inc., in support of GWOT. The report is expected to be issued during the third quarter of FY 2007.

### **Antideficiency Act Investigation of the Operation and Maintenance Appropriation Account 2142020 and 2152020**

(PROJECT NUMBER D2005-D000FD-0300.000)

The project is based on an investigation requested by the Army Inspector General. The objective is to determine whether an Anti-deficiency Act (ADA) Violation occurred in Appropriation Accounts 2142020 and 2152020. Results of the investigation were provided to DoD Office of General Counsel (OGC) on October 13, 2006. The investigation concluded that Army personnel associated with funding of Phases I and II construction of the Internment Facility at Camp Bucca, Iraq, did not implement sufficient controls to ensure military compliance with applicable laws and regulations. As a result, there were two ADA violations with the FY 2004 Army Operation and Maintenance Appropriation. DoD OGC is completing its review and expects to sign out the report to the DoD Comptroller in the second quarter of FY 2007.

### **Audit Research on DoD Contracts Awarded to Parsons Corporation and Its Subsidiaries**

(PROJECT NUMBER D2006-D000CK-0273.000)

The objective is to determine which DoD entities have contracted with Parsons Corporation, the scope of the work being contracted, and

the amount of funds under contract. This will be determined for all of the continental United States and outside the continental United States contracts. Ultimately, this information will be used to select specific contracts for a detailed review. DoD OIG has shared preliminary research with SIGIR and continues to coordinate and share information.

#### **Audit of Supplemental Funds Used for Medical Support for the Global War on Terrorism**

(PROJECT NUMBER D2007-D000LF-0032.000)

DoD OIG is evaluating whether the supplemental funds for the medical mission were properly justified and sufficient controls on their use were implemented as directed by DoD and Military Department guidelines. DoD OIG will initially focus on the Defense Health Program portion of supplemental funding for the medical organizations that supported medical backfill and pre- and post-deployment. A series of reports are expected to be issued beginning in the first quarter of FY 2008.

#### **Audit of Management of Prepositioned Munitions**

(PROJECT NUMBER D2006-D000LA-0251.000)

DoD OIG is evaluating the management of prepositioned munitions in the U.S. European Command. Specifically, the evaluation will review the impact that the DoD transformation and the GWOT have had on the readiness of prepositioned munitions. A memorandum report is expected to be issued in February 2007.

#### **Audit of the Procurement, Distribution, and Use of Body Armor in the Department of Defense**

(PROJECT NUMBER D2007-D000LA-0054.000)

This is a congressional request by U.S. Representative Louise M. Slaughter. DoD OIG is evaluating the procurement history and practices for body armor; and the effect that the Army's decision to ban the use of personally purchased body armor has on the safety of Service members. A draft report is expected to be issued during the third Quarter of FY 2007.

#### **Audit of Hiring Practices Used To Staff the Iraqi Provisional Authorities**

(PROJECT NUMBER D2007-D000LC-0051.000)

DoD OIG is evaluating the hiring practices that DoD used to staff personnel to the provisional authorities supporting the Iraqi government from April 2003 to June 2004. Specifically, the audit will determine the process DoD used to assign personnel to the Office of Reconstruction and Humanitarian Assistance and the Coalition Provisional Authority in Iraq. A draft report is expected to be issued during the fourth quarter of FY 2007.

#### **Evaluation of Department of Defense Intelligence Support to the Combatant Commands in Operation Enduring Freedom and Operation Iraqi Freedom**

(PROJECT NUMBER D2007-DINT01-0092)

The objective is to examine DoD intelligence community support to the Combatant Commands in Operation Enduring Freedom and Operation Iraqi Freedom, to identify excellence and systemic problems, and to make rec-

ommendations for improvement. This will be a multi-phased project that will evaluate different elements of intelligence support, the scope of which will be narrowed after a preliminary study. A draft report is expected to be issued in the first quarter of FY 2008.

#### **Support to the Iraqi Security Force (MOD and MOI) OIGs**

(PROJECT NUMBER D2006-DIPoE3-0038.000)

DoD OIG has two full-time evaluators detailed to the MNSTC-I in Baghdad to support the Iraqi Inspectors General for the Iraqi Security Forces (ISF), consisting of the Ministries of Defense (MoD) and Interior (MoI). Working with other MNSTC-I advisors, the DoD OIG representatives provide advice, mentoring, assistance, and training to the MoD and MoI IGs. The MNSTC-I advisory team has helped the Iraqis establish policies and procedures for such areas as (1) inspections of detainee facilities to curb detainee abuses, (2) document control to ensure classified documents are properly protected, (3) transparent acquisition and procurement practices, and (4) establishment of a military (uniformed) inspector general system for the Joint Headquarters and all three services. The advisors also participate in inspections, investigations, and audits to oversee and advise the OIG staff, and to provide opportunities for on-the-job training for Iraqi staff members. Furthermore, the advisors have begun detailed planning to deliver interim training to the MoD and MoI OIG staffs, training that will fill an immediate need

until an Iraqi-operated educational institution for professional development is established. The advisors are supported by an Inspections and Evaluations Reach-back Cell in DoD OIG headquarters.

#### **Interagency Iraqi Anticorruption Initiative**

(PROJECT NUMBER D2006-DIPoE3-0256.000)

DoD OIG is supporting the DoS OIG initiative to provide advisory support to the entire Iraqi anticorruption system, which includes the 29 ministerial inspectors general, the Commission on Public Integrity, the Board of Supreme Audit, and the Central Criminal Court of Iraq. DoD OIG will provide advisors who will deploy to Iraq on a rotational basis and maintain a support cell at DoD OIG headquarters.

#### **Audit of U.S. Transportation Command Compliance with DoD Policy on the Use of Commercial Transport**

(PROJECT NUMBER D2006-D000AB-0236.000)

The DoD OIG is evaluating whether U.S. Transportation Command is complying with DoD policy on the use of commercial transport during wartime and whether those policies effectively provide optimal and cost-effective logistics to the warfighter. Specifically, DoD OIG is reviewing an allegation made to the Defense Hotline regarding the use of commercial sealift services. The report is expected to be published during the fourth quarter of FY 2007.

## **DEPARTMENT OF STATE OFFICE OF INSPECTOR GENERAL**

Since the SIGIR October 30, 2006 Report, the DoS Office of Inspector General (DoS OIG) completed four projects. Four projects are still ongoing. DoS OIG does not have any auditors in Iraq, as of December 31, 2006.

### **Completed Audits**

#### **Agreed-upon Procedures on Indirect Cost Rates Proposed by National Endowment for Democracy (NED)**

(AUD/CG-07-02)

The objective was to provide recommended final rates for the years ended 9/30/04 and 9/30/05 for use in reimbursing costs incurred under awards made to NED by DoS. During the review, NED revised its proposed rates. No exceptions were noted to the revised rates. Recommendations were made that DoS use the rates set forth in the report.

#### **Agreed-upon Procedures on Indirect Cost Rates Proposed by International Republican Institute**

(AUD/CG-07-03)

The objective was to provide recommended final rates for the years ended 9/30/04 and 9/30/05 for use in reimbursing costs incurred under awards made to the International Republican Institute by DoS. No exceptions were noted to the revised rates. Recommendations were made that DoS use the rates as set forth in the report.

#### **Agreed-upon Procedures on Indirect Cost Rates Proposed by Center for International Private Enterprise, Inc.**

(AUD/CG-07-04)

The objective was to provide recommended final rates for the years ended 9/30/04 and 9/30/05 for use in reimbursing costs incurred under awards made to CIPE by DoS. No exceptions were noted to the revised rates. Recommendations were made that DoS use the rates as set forth in the report.

#### **Agreed-upon Procedures on Indirect Cost Rates Proposed by National Democratic Institute for International Affairs**

(AUD/CG-07-05)

The objective was to provide recommended final rates for the year ended 9/30/05 for use in reimbursing costs incurred under awards made to NDI by DoS. No exceptions were noted to the revised rates. Recommendations were made that DoS use the rates as set forth in the report.

### **Ongoing Audits**

#### **National Endowment for Democracy**

The draft report for the grant audit is expected in the first quarter of calendar year 2007.

#### **INL Invoicing for the Jordan International Police Training Center**

This draft report of this audit of selected Dyn-Corp invoices is expected in the first quarter of calendar year 2007.



### **Audit of INL Contracts in Support of Police Training in Baghdad**

DoS will coordinate international efforts in support of organizing, equipping, and training all Iraqi security forces. In Iraq, the DoS Bureau for International Narcotics and Law Enforcement Affairs (INL) is responsible for assisting in the development of police capabilities. As the program execution office, INL used the IRRF to provide funding for Iraqi police training and assigned the contracting officer representative (COR) to monitor contract activities. The DoS Acquisition Management Office provided contracting officer support on behalf of INL. SIGIR and the DoS Office of the Inspector General jointly conducted this review.

### **Accountability for Contractor-held Government Property and Equipment Supporting Department of State Programs and Operations**

The audit team returned from travel to Kabul in December 2006 and is completing work in anticipation of a draft report in the first quarter of calendar year 2007.

### **U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT**

This quarter, USAID OIG completed one audit; five audits begun in previous quarters are still ongoing. USAID OIG has eight auditors in Iraq, as of December 31, 2006.

During the period, DCAA completed seven financial audits for the USAID OIG of

costs incurred under various contracts that the USAID OIG issued to USAID/Iraq with the transmittal letter. These audits covered \$78.5 million in USAID funds. These audits contained questioned costs totaling \$189,288. At the end of the reporting period, 16 DCAA audits were in process, which were being performed at the request of USAID OIG.

### **Completed Audits Audit of USAID/Iraq's Civil Society Activities**

(E-267-07-001-P, 11/5/2006)

The audit found that USAID/Iraq's civil society activities of its primary implementing partner, America's Development Foundation (ADF), met 17 intended outputs while ADF reported not meeting 8 intended outputs. USAID OIG was unable to determine if ADF achieved the remaining 10 intended outputs. The report recommended that USAID review ADF's Performance Monitoring Plan to require measurable and achievable outputs and develop procedures to ensure outputs are accurately reported and documented.

### **Ongoing Audits Audit Follow-up of USAID/Iraq's Education Activities**

The main objective of this audit is to determine whether USAID/Iraq's basic education activities achieved their intended outputs.

### **Audit of USAID/Iraq's Telecommunication Activities**

The main objective of this audit is to determine whether USAID/Iraq's activities to construct a consolidated fiber network in Iraq achieved their intended results.

### **Audit of USAID/Iraq's Planning and Reporting Process of Its Activities**

The main objective of this audit is to determine whether USAID/Iraq planned and reported on selected activities in accordance with applicable guidance.

### **Audit of the Office of Foreign Disaster Assistance Program in Iraq**

The main objective of this audit is to determine whether the activities of the USAID Office of Foreign Disaster Assistance's Internally Displaced Persons and Vulnerable Population activities achieved their intended results.

### **Audit of USAID/Iraq's Agriculture Reconstruction and Development Program**

The main objective of this audit is to determine whether USAID/Iraq's agriculture activities achieved their intended outputs.

### **DEFENSE CONTRACT AUDIT AGENCY**

DCAA's services include professional advice to acquisition officials on accounting and financial matters to assist them in the negotiation, award, administration, and settlement of contracts.

In addition to DCAA's involvement in the negotiation and award of contracts, significant resources are also dedicated to overseeing the allowability, allocability, and reasonableness of incurred and billed costs. Procedures that govern the costs incurred in-country are also tested through reviews of contractor timekeeping, subcontract management, and cash management/disbursement. Finally, to ensure that adequate internal controls are in place regarding the contractor's policies and procedures, DCAA performs audits associated with critical internal control systems, with an emphasis on estimating, subcontract management, and billing systems.

DCAA plans and performs work on a fiscal year basis. Table K-1 shows both the Iraq-related audits closed during FY 2006 and the audits closed, opened and planned in FY 2007 (as of December 31, 2006).

### **U.S. ARMY AUDIT AGENCY**

United States Army Audit Agency (USAAA) has completed two audits since September 30, 2006, and has five audits in progress. As of December 31, 2006 USAAA had two auditors working in Iraq at Camp Victory and two auditors working in Kuwait at Camp Arifjan. During January 2007, staffing levels will grow from 4 to about 30 personnel.

## DCAA AUDITS RELATED TO IRAQ FOR FY 2006 AND FY 2007, AS OF 12/31/2006

DESCRIPTION OF AUDIT AREA	FYE 2006 CLOSED	FY 2007		
		CLOSED	OPEN	PLANNED
Price Proposals (1)	159	18	3	4
Agreed-Upon Procedures Price Proposal (2)	21	1	0	0
Other Special Requested Audits (3)	142	11	90	1
Incurred Cost (4)	15	5	107	10
Labor Timekeeping (5)	76	15	25	26
Internal Controls (6)	37	9	45	26
Preaward Accounting Survey (7)	39	2	1	0
Purchase Existence and Consumption (8)	14	4	17	18
Other (9)	101	10	106	43
<b>Total</b>	<b>604</b>	<b>75</b>	<b>394</b>	<b>128</b>

## Notes:

1. Price Proposals – Audits of price proposals submitted by contractors in connection with the award, modification, or repricing of government contracts or subcontracts
2. Agreed-Upon Procedures Price Proposal – Evaluation of specific areas, including actual labor and overhead rates and/or cost realism analysis, requested by customers in connection with the award of government contracts or subcontracts
3. Other Special Requested Audits – Audit assistance provided in response to special requests from the contracting community based on identified risks
4. Incurred Cost – Audits of costs charged to government contracts to determine whether they are allowable, allocable, and reasonable
5. Labor Timekeeping – Audits to determine if the contractor consistently complies with established timekeeping system policies and procedures for recording labor costs
6. Internal Controls – Audits of contractor internal control systems relating to the accounting and billing of costs under government contracts
7. Preaward Accounting Survey – Preaward audits to determine whether a contractor's accounting system is acceptable for segregating and accumulating costs under government contracts
8. Purchase Existence and Consumption – The physical observation of purchased materials and services and related inquiries regarding their documentation and verification of contract charges
9. Other – Significant types of other audit activities including financial capability audits and Cost Accounting Standards compliance audits

TABLE K-1

**Completed Audits**  
**Nontactical Vehicle Usage in the Iraq Area of Operations, Audit of Logistics Civil Augmentation Program Operations in Support of Operation Iraqi Freedom**  
 (AUDIT REPORT A-2007-0011-ALL)

USAAA performed the audit as part of its Audit of Logistics Civil Augmentation Program (LOGCAP) Operations in Support of Operation Iraqi Freedom. USAAA performed the audit at the request of the Commander, Multi-National Force-Iraq. The purpose of the audit was to determine whether the LOGCAP contractor managed its nontactical vehicles (NTVs) in the most cost-effective manner.

USAAA found that a significant percentage

of the contractor's NTVs were underutilized, which indicated the contractor had more vehicles than necessary. USAAA estimated that eliminating vehicles with annual mileage usage of less than 5,000 or less than 10,000 per year could potentially generate cost savings of about \$40.8 million or \$113.3 million, respectively. USAAA believes that these savings are achievable by using underutilized vehicles to offset future requirements for new vehicles or replacement vehicles.

Insufficient oversight on the part of government contracting personnel during the early phases of operations in the theater is the primary reason why the contractor's fleet of NTVs currently exceeds the minimum require-

ments needed to perform the mission. This was caused by personnel focusing on higher priority work, short timeframes to complete critical work, and the limited number of government contracting personnel in the theater to oversee the efficiency of the contractor's operation. Recently, the contractor and the government initiated actions to improve operations and reduce contract costs.

USAAA also determined that many of the contractor's NTVs are large and exceeded the normal needs of the users. USAAA believes that the Army could save a significant amount annually in both acquisition and operating costs by limiting the size of vehicles used by the contractor to the minimum needs of the users of the vehicles. For example, USAAA computed the average cost of a compact pickup to be \$16,321, or about \$14,275 less than the average cost USAAA computed for a full-size pickup (\$30,596).

### **Distribution Functions, Audit of Logistics Civil Augmentation Program Operations in Support of Operation Iraqi Freedom**

(AUDIT REPORT A-2007-0019-ALL DATED 11/21/2006)

USAAA performed the audit as part of its Audit of Logistics Civil Augmentation Program (LOGCAP) Operations in Support of Operation Iraqi Freedom. USAAA performed the audit at the request of the Commander, Multi-National Force-Iraq. The purpose of this audit was to determine whether distribution functions in Iraq performed under the LOGCAP contract were performed in an effective and efficient manner.

Although the audit found that LOGCAP distribution functions were being performed in accordance with the operational requirements outlined in the statement of work, USAID/OIG believes that opportunities exist to improve the effectiveness of distribution operations, as well as the cost-effectiveness in which the services are provided. Specifically:

- Administrative contracting officers and the contractor were not actively monitoring established Army performance goals to evaluate distribution operations.
- Onhand material handling equipment exceeded requirements, and usage of the equipment was below established standards. USAAA estimates that using existing underused equipment to satisfy future requirements could potentially result in about \$26 million of cost avoidance.
- Staffing levels at the numerous distribution centers appeared excessive. The levels were not consistent among the different centers visited; productivity was low when compared with established standards for measuring productivity; and the ratio of manager to laborers was higher than established standards. Overall, USAAA estimates that reducing the contractor's workforce to more reasonable levels could result in a potential cost avoidance of about \$10.8 million a year.
- Oversight over distribution operations was weak. Standing operating procedures sometimes were not in place, and quality reviews conducted by both the contractor and administrative contracting officers were not detailed.

Despite these areas where improvements are needed, operating the distribution centers in Iraq is not an easy task. And USAAA found that the Army was generally satisfied with the performance of the contractor in operating the centers.

### **ONGOING AUDITS**

#### **Audit of Logistics Civil Augmentation Program (LOGCAP)**

(PROJECT CODES A-2005-ALS-0340, A-2006-ALL-0264 AND A-2007-ALL-0212)

The Commander, MNF-I, requested this audit. Preliminary audit planning began on January 3, 2005, and audit work began in Kuwait and Iraq on May 3, 2005. (In-country work was delayed at command's request.) The work focuses on evaluating the adequacy of LOGCAP throughout the Iraq area of operations. The specific objectives include answering these questions:

- Are services acquired under the LOGCAP contract reasonable and cost-effective solutions for satisfying force requirements?
- Are adequate management structures in place to plan, acquire, and manage services obtained under the LOGCAP contract?
- Is the contract administration over LOGCAP work in Iraq adequate?
- Are adequate internal controls in place over LOGCAP operations in Iraq, especially those areas highly susceptible to fraud, waste, and abuse?
- Does adequate information exist to enable higher levels of management to provide suf-

ficient oversight over LOGCAP operations in Iraq?

These are “umbrella” projects for various audits that are underway on LOGCAP issues in support of Operation Iraqi Freedom. Ongoing work includes coverage of Defense Base Act insurance rates, dining facility operations, usage of NTVs, distribution operations, supply support activity operations, bulk fuel controls, the Army's efforts to move toward sustainment and firm fixed-price contracts—as opposed to contingency contracts—and the cross-leveling and disposition of government-furnished property managed by contractors. As work is completed and reports are issued, information on the reports will be made available to SIGIR as “Completed Audits.”

#### **Retrograde Operations in Southwest Asia** (PROJECT CODE A-2006-ALL-0397)

This audit involves work in Iraq and Kuwait. It evaluates the retrograde and redistribution of military property resulting from restructuring military forces and the attendant contractor support.

#### **Procedures for Managing Overage Repairable Items Lists in the HMMWV Refurbishment Program**

(PROJECT CODE A-2006-ALL-0535)

This audit evaluates the contractor's management of repair parts at the Tactical Wheeled Vehicle Refurbishment Center in Kuwait.

**Audit of U.S. Army Contracting  
Command Southwest Asia- Kuwait**  
(PROJECT CODE A-2007-ALL-0329)

This audit evaluates whether contracting operations were effective and performed in accordance with appropriate laws and regulations.

**Management of Shipping Containers in  
Southwest Asia**  
(PROJECT CODE A-2007-ALL-0081)

This audit involves work in the United States, Iraq, Kuwait, and Afghanistan. It evaluates whether:

- shipping containers were adequately managed to ensure accountability and minimize detention charges
- visibility over equipment and supplies transported to, within and from the theater of operations was adequate
- controls over payments for the use of containers were adequate

**GOVERNMENT ACCOUNTABILITY OFFICE**

This quarter, the Government Accountability Office (GAO) has issued 5 reports and has 20 ongoing audits on Iraq reconstruction.

**Completed Reports**  
**Rebuilding Iraq: Status of Competition for  
Iraq Reconstruction Contracts**  
(GAO-07-40, 10/16/2006)

Since 2003, Congress has appropriated more than \$20 billion through the IRRF to support Iraq rebuilding efforts. Most of these efforts are

being carried out through contracts awarded by DoD, DoS, and USAID. When awarding IRRF-funded contracts for \$5 million or more noncompetitively, agencies are required by statute to provide notification and justification to Congress. In June 2004, GAO found that agencies generally complied with laws and regulations governing competition to award new contracts, but did not always comply with competition requirements when issuing task orders under existing contracts. As mandated by Congress, this report (1) describes the extent of competition in Iraq reconstruction contracts awarded by DoD, DoS, and USAID since October 1, 2003, based on available data, and (2) assesses whether these agencies followed applicable documentation and congressional notification requirements regarding competition for 51 judgmentally selected Iraq reconstruction contract actions. In written comments, DoS and USAID concurred with the report findings. DoD provided a technical comment.

**Global War on Terrorism: Fiscal Year 2006  
Obligation Rates Are within Funding Levels  
and Significant Multiyear Procurement  
Funds Will Likely Remain Available for Use  
in Fiscal Year 2007**  
(GAO-07-76, 11/13/2006)

Because of broad congressional interest, GAO is examining the costs of military operations in support of the Global War on Terror (GWOT) under the Comptroller General’s authority to conduct evaluations on his own initiative. In September 2005, GAO reported that DoD

cannot ensure that reported GWOT obligations are complete, reliable, and accurate, and recommended improvements. In this report, GAO (1) compared supplemental and annual appropriations identified for GWOT in FY 2006 to the military services' reported obligations as of June 2006 and their cost projections for the remainder of the fiscal year, and (2) examined DoD's efforts to improve the reliability of GWOT obligation data.

For this engagement, GAO analyzed FY 2006 GWOT-related appropriations and reported obligations, and DoD's corrective actions.

### **Rebuilding Iraq: Status of DoD's Reconstruction Program**

(GAO-07-30R, 12/15/2006)

Of the \$18.4 billion that Congress appropriated for Iraq relief and reconstruction in fiscal year 2004, DoD received the largest share—\$13.5 billion. As of September 30, 2006, DoD had obligated about \$13.1 billion and expended about \$9.7 billion—\$5.6 billion for construction, \$3.6 billion for nonconstruction (e.g., engineering, procurement, and the delivery of equipment), and about \$480 million for related overhead costs. Among the many contracts DoD uses in Iraq, DoD has obligated about \$3.7 billion for 12 large-scale, multiple-year design-build contracts for major construction projects. The design-build contracting approach makes one award for both the design and construction of a project, thus eliminating the need for a separate bidding process for the construction phase.

To help Congress monitor the current progress and costs of DoD's reconstruction activities in Iraq, this report discusses (1) the status of the current construction work and targeted completion dates and (2) the support costs incurred by the design-build contractors in DoD's construction program.

To identify the status of DoD's current construction work, GAO summarized DoD's work-in-place metrics provided by the U.S. Army Corps of Engineers' Gulf Region Division/Project and Contracting Office (GRD-PCO) in Iraq. DoD uses this metric to compare the value of completed and planned work for its contractors, including the design-build contractors. This metric is a rudimentary measure of earned value, a measure of total value against individual contract amounts, including design and procurements made. The work does not necessarily have to be "in place" or constructed. To identify the support costs incurred by DoD's design-build contractors in Iraq, GAO analyzed the financial data provided by the Joint Contracting Command-Iraq/Afghanistan (JCC-I/A) for each design-build contractor. As part of the work, GAO interviewed U.S. government personnel in the United States and Iraq and traveled to Iraq in November 2005 and March 2006 to meet with U.S. government officials overseeing DoD construction activities. GAO conducted the review from November 2005 to December 2006 in accordance with generally accepted government auditing standards. The report was prepared under the Comptroller General's authority to conduct evaluations on his own initiative for Congress.

### **Military Operations: High-level DoD Action Needed To Address Long-standing Problems with Management and Oversight of Contractors Supporting Deployed Forces**

(GAO-07-145, 12/18/2006)

Prior GAO reports have identified problems with the Department of Defense's (DoD) management and oversight of contractors supporting deployed forces. GAO issued its first comprehensive report examining these problems in June 2003. Because of the broad congressional interest in U.S. military operations in Iraq and DoD's increasing use of contractors to support U.S. forces in Iraq, GAO initiated this follow-on review under the Comptroller General's statutory authority. Specifically, GAO's objective was to determine the extent to which DoD has improved its management and oversight of contractors supporting deployed forces since our 2003 report. GAO reviewed DoD policies and interviewed military and contractor officials both at deployed locations and in the United States.

DoD continues to face long-standing problems that hinder its management and oversight of contractors at deployed locations. DoD has taken some steps to improve its guidance on the use of contractors to support deployed forces, addressing some of the problems GAO has raised since the mid-1990s. However, while the Office of the Secretary of Defense is responsible for monitoring and managing the implementation of this guidance, it has not allocated the organizational resources and accountability to focus on issues regarding

contractor support to deployed forces. Also, while DoD's new guidance is a noteworthy step, a number of problems GAO has previously reported on continue to pose difficulties for military personnel in deployed locations. For example, DoD continues to have limited visibility over contractors because information on the number of contractors at deployed locations or the services they provide is not aggregated by any organization within DoD or its components. As a result, senior leaders and military commanders cannot develop a complete picture of the extent to which they rely on contractors to support their operations. For example, when Multi-National Force-Iraq began to develop a base consolidation plan, officials were unable to determine how many contractors were deployed to bases in Iraq. They therefore ran the risk of over-building or under-building the capacity of the consolidated bases. DoD continues to not have adequate contractor oversight personnel at deployed locations, precluding its ability to obtain reasonable assurance that contractors are meeting contract requirements efficiently and effectively at each location where work is being performed. While a lack of adequate contract oversight personnel is a DoD-wide problem, lacking adequate personnel in more demanding contracting environments in deployed locations presents unique difficulties. Despite facing many of the same difficulties managing and overseeing contractors in Iraq that it faced in previous military operations, GAO found no organization within DoD or its components responsible for developing procedures



to systematically collect and share its institutional knowledge using contractors to support deployed forces. As a result, as new units deploy to Iraq, they run the risk of repeating past mistakes and being unable to build on the efficiencies others have developed during past operations that involved contractor support. Military personnel continue to receive limited or no training on the use of contractors as part of their pre-deployment training or professional military education. The lack of training hinders the ability of military commanders to adequately plan for the use of contractor support and inhibits the ability of contract oversight personnel to manage and oversee contractors in deployed locations. Despite DoD's concurrence with GAO's previous recommendations to improve such training, GAO found no standard to ensure information about contractor support is incorporated in pre-deployment training.

### **DoD Civilian Personnel: Greater oversight and Quality Assurance Needed To Ensure Force Health Protection and Surveillance for Those Deployed**

(GAO-06-1085, 9/29/2006)

As the DoD has expanded its involvement in overseas military operations, it has grown increasingly reliant on its federal civilian workforce to support contingency operations. The Senate Armed Services Committee required GAO to examine DoD's policies concerning the health care for DoD civilians who deploy in support of contingency operations in Afghanistan and Iraq. GAO analyzed more than 3,400

deployment-related records for deployed federal civilians and interviewed department officials to determine the extent to which DoD has established and the military services and defense agencies have implemented (1) force health protection and surveillance policies and (2) medical treatment policies and procedures for its deployed federal civilians. GAO also examined the differences in special pay and benefits provided to DoD's deployed federal civilian and military personnel.

### **Ongoing Audits**

#### **Solatia (Condolence) Payments in Iraq**

(350895, Initiated August 2006)

This audit addresses these key questions:

- (1) To what extent has DoD developed regulations, policies, and procedures to award solatia payments in Iraq and Afghanistan, and how do these policies compare to similar payments made by other DoD agencies and U.S. government entities?
- (2) What guidance has DoD provided to commanders regarding the factors to be considered when making decisions to make solatia payments?
- (3) How do commanders determine the appropriate level of solatia payments?
- (4) To what extent does DoD have information regarding the disposition of solatia claims in Iraq and Afghanistan?

#### **Restore Iraqi Oil Settlement**

(120596, Initiated November 2006)

The U.S. Army Corps of Engineers and the contractor reached final settlement terms

for the Restore Iraqi Oil (RIO I) contract in December 2005. This audit addresses these key questions:

- (1) What were DCAA's audit findings on the RIO I contract and how were these findings addressed by DoD?
- (2) To what extent did the government pay award fees for the RIO contract?
- (3) What factors contributed to the settlement terms agreed to by DoD and the contractor?

## **FY 2007 Global War on Terrorism Costs**

(350947, Initiated November 2006)

GAO has conducted a series of reviews examining the DoD's funding and reported obligations for military operations in support of GWOT. To assist Congress in its oversight role and help it consider future GWOT funding needs, GAO is continuing this work in FY 2007. These are the key questions:

- (1) Assess the adequacy of fiscal year 2007 funding for GWOT against DoD's reported obligations and cost projections.
- (2) Evaluate the impact of changes in DoD's GWOT funding guidance on the military services' regular and supplemental funding requests.
- (3) Examine and evaluate the steps DoD has taken to improve its cost reporting procedures and the reliability of its reported GWOT obligation data.

## **Army's Prepositioning Program**

(350921, Initiated September 2006)

GAO has been asked to assess the Army's mandated report to Congress broadly covering these key issues:

- (1) What are the operational capabilities of the prepositioning program, and are there any significant shortfalls?
- (2) Is the level of funding adequate to maintain readiness?
- (3) Have any other shortfall or issues reported by the Army or GAO been addressed?

## **Iraq Energy**

(320383, Initiated November 2005)

Restoration of the oil and power sectors in Iraq is central to the development of a stable society. This audit aims to address these key questions:

- (1) What is the nature and extent of funding devoted to oil and electricity sector reconstruction?
- (2) What are U.S. program goals, and how does the U.S. measure progress in achieving these goals?
- (3) What factors have affected the implementation of the U.S. program?
- (4) What challenges have affected the Iraqi government's ability to develop the oil and electricity sectors?

### **Accountability, Maintenance, Utilization, and Strategy (RESET) of OIF Stay-behind Equipment**

(350737 Initiated October 2005)

During Operation Iraqi Freedom, vast amounts of equipment items were used in-theater and are being retained for possible use by follow-on forces. The Army National Guard alone has reportedly left more than \$1.5 billion worth of its equipment, comprising 80,000 items. Army prepositioned equipment is also still in use. This audit addresses these key questions:

- (1) To what extent have Army and Marine Corps equipping initiatives that have concentrated large quantities of equipment in the OIF theater resulted in additional RESET challenges?
- (2) How have these equipping initiatives affected Army and Marine Corps readiness for the future?
- (3) To what extent do Army, Marine Corps, and DoD near-term and long-term equipment RESET strategies address the consequences of concentrating large quantities of equipment in the OIF theater?

### **Securing Sensitive Sites Containing High Explosives**

(350770, November 2005)

Following the 2003 invasion of Iraq, concerns were raised about the security of sensitive sites that contained high explosives and other lethal materials. For example, the International Atomic Energy Agency reported that 350 tons of explosives were missing from an Iraqi facility that was supposedly under U.S. control.

- (1) To what extent does DoD include securing sensitive sites containing high explosives and other lethal materials in operational planning, doctrine, and concepts of operations?
- (2) What assumptions, priorities, and options did DoD adopt about the security of such sites during the Iraqi invasion and previous operations?
- (3) What lessons has DoD learned related to these sites, and how can those lessons be applied in future operations?

### **Iraqi Support Capabilities**

(350790, Initiated February 2006)

According to the National Strategy for Victory in Iraq, U.S. troop levels in Iraq will decrease over time as Iraqis assume more responsibilities for themselves. Critical to this effort is the development of an Iraqi Security Force (ISF) logistical, command and control, and intelligence capability. This audit addresses these key questions:

- (1) What is the status of efforts to develop ISF logistical, command and control, and intelligence capabilities?
- (2) How is the U.S. plan(s) synchronized with plans for the drawdown of U.S. forces?
- (3) What metrics are in place to measure progress?

### **Improving Joint Force Protection Capability for Deployed Ground Forces**

(350794, Initiated February 2006)

U.S. ground forces and their equipment are being attacked with nontraditional weapons, such as improvised explosive devices. GAO

and others have reported on the lack of protective equipment—body armor and armored vehicles—to effectively protect U.S. forces in Iraq from this threat. Future operations will more than likely include more of these types of threats.

(1) What actions have DoD and the military services taken to improve the protection of military personnel and equipment during military operations?

(2) To what extent does DoD have a comprehensive force-protection strategy to ensure that the various programs and initiatives of the services and DoD are being coordinated to eliminate duplication of efforts and ensure they meet joint requirements?

## Accountability for Equipment Provided to Iraqi Forces

(320411, August 2006)

This audit addresses these key questions:

(1) What were the requirements for managing and maintaining accountability for U.S.-funded equipment provided to the Iraq Security Forces (ISF) before October 1, 2005?

(2) How did MNSTC-I manage and account for equipment purchased with U.S. funds for the ISF before October 2005?

(3) What corrective actions have been taken since October 1, 2005?

## Army and Marine Corps Readiness

(350853, Initiated September 2006)

This audit addresses these key questions:

(1) What is the current readiness status of the services, how does this compare with

recent readiness trends, and what are the primary causes of any instances of changes in reported readiness?

(2) What factors affect DoD's ability to provide trained and ready forces for ongoing operations and other potential contingencies?

(3) What efforts are DoD and the services undertaking to address changes in reported readiness, including their reliance on reorganization and cross-leveling of service members to meet current deployment needs?

## Iraq Ministry Capacity

(320424, Initiated July 2006)

This audit addresses these key questions:

(1) What are the United States and international community doing to help Iraq improve its capacity to govern and build its ministries?

(2) What have the United States and the international community spent on developing Iraq's ministerial capacity, and what do they plan to spend in the future?

(3) To what extent is the United States coordinating efforts with international organizations and using lessons from past experience in its efforts to help develop Iraqi national ministries?

(4) What metrics are being used to assess the progress and impact of U.S. and international efforts to develop capable Iraqi ministries?

**U.S. Military Bases in Iraq**

(350911, Initiated August 2006)

DoD has many bases in Iraq. This audit addresses these key questions:

- (1) How does DoD define permanent versus temporary facilities overseas, and to what extent are basing rights governed by formal agreements and time frames?
- (2) What indicators exist regarding the planned duration of U.S. use of bases in Iraq?
- (3) To what extent are master plans being developed for individual bases, and what assumptions are included in planning and/or construction efforts related to design standards (life expectancy), major planned operations and missions, equipment, billeting, and recreation facilities?
- (4) How much has the United States spent to construct, operate, and maintain basing facilities in Iraq using military construction and O&M appropriations, and what indications of long-term plans exist in this regard?

**Factors Affecting U.S. Support for the Iraqi Security Forces**

(350948, Initiated December 2006)

This is a follow-on engagement to the Iraqi Support Capabilities audit that will explore the following:

- (1) How are current plans for the development of ISF logistical, command and control, and intelligence capabilities synchronized with the plan or vision for the future U.S. footprint in Iraq?

- (2) What factors (e.g., budgetary, training, resources, materiel, etc.) have affected progress, either with the development of ISF support capabilities, or toward the future U.S. footprint in Iraq?

**Insurgents, Militias, and Other Armed Groups in Iraq**

(320437, Initiated August 2006)

- (1) What armed groups are currently operating in Iraq?
- (2) How have the armed groups' objectives, geographic areas of operation, and cooperation changed over the past year?
- (3) To what extent are these armed groups affiliated with Iraqi security forces, government ministers, political parties, or supported by external parties, such as Iran?
- (4) What plans have the new Iraqi government or the U.S. government developed to deal with the armed groups?

**Efforts To Stabilize Iraq and Achieve Conditions To Allow the Drawdown of U.S. Troops**

(320461, Initiated October 2006)

- (1) Review and analyze updates to the MNF-I/ U.S. Embassy Baghdad Campaign Plan and supporting documents to identify conditions that must be achieved before MNF-I can transfer security responsibilities to the Iraqi government and security forces.
- (2) Interview and obtain documents from DoD, DoS, CIA, USAID, MNF-I, and U.S. embassy personnel regarding how they are assessing progress toward achieving the necessary conditions.

(3) Review official U.S. reports to determine what progress DoD and civilian U.S. agencies are reporting on meeting the specified conditions, as well as the factors that are contributing to or inhibiting progress. The briefings and reports will be classified.

### **Improvised Explosive Devices**

(350932, INITIATED November 2006)

In response to the threat that improvised explosive devices (IEDs) pose to deployed forces, DoD established the Joint IED Defeat Organization (JIEDDO) to improve counter IED capabilities. Because of concerns over JIEDDO's rapid growth, Congress directed GAO to perform a comprehensive review of JIEDDO's efforts.

- (1) Does JIEDDO's overall management and organizational structure—including funding, personnel, and strategic planning processes—effectively support its mission?
- (2) What challenges, if any, affect JIEDDO's ability to effectively and rapidly identify, develop, test, and support technology and training solutions?

(3) What is the level of coordination between JIEDDO and other DoD and non-DoD organizations to leverage existing capabilities and prevent duplication?

### **DEPARTMENT OF THE TREASURY**

Treasury did not start or complete any audits relating to Iraq reconstruction and relief since the SIGIR October 30, 2006 Quarterly Report. As of December 31, 2006, Treasury has no auditors in Iraq and has no ongoing audits.

### **DEPARTMENT OF COMMERCE**

During this period, the Department of Commerce initiated no new cases and did not close any cases involving Iraq reconstruction and relief projects. As of December 31, 2006, DoC has no auditors in Iraq and has no ongoing audits related to Iraq.

## OTHER AGENCY INVESTIGATIONS

SIGIR regularly coordinates with other government agencies conducting investigations in Iraq. For statistics of investigative activities from other agencies, see Table K-2.

Some of the open/ongoing cases are linked to the efforts of SIGIR, and include joint investigative cases with the agencies listed in Table K-2.

The ever-changing investigative landscape, and the increase in coordination, has resulted in the assignment of personnel to Kuwait, as the theatre egress point for business activity into Iraq. DCIS has placed two investigators, and the Major Procurement Fraud Unit (MPFU) of the U.S. Army Criminal Investigation Command (CID) placed four. SIGIR has one investigator and two auditors in Kuwait. All are coordinating their efforts to ensure that cases being worked throughout the region have adequate investigative resources to address the complex matters underway.

Other significant activities related to these

agencies are the placement by CID/MPFU of a senior investigator at SIGIR's headquarters in Arlington, Virginia, for the sole purpose of maintaining and improving coordination efforts in matters of mutual concern. This close working relationship developed between CID/MPFU and SIGIR is shown by the increasing number of joint cases. The impact in both domestic and international arenas, using these investigative teams who are working together, has made significant advancements in many ongoing and pending investigations. Along with all agency partners, this coordination effort has brought many of the cases to a logical prosecutorial position with the Department of Justice.

The FBI has committed significant personnel to assist with this effort and has four intelligence analysts slated for assignment at the International Contract Corruption Task Force (ICCTF) Joint Operations Center (JOC) at SIGIR headquarters in Arlington, Virginia.

### STATUS OF INVESTIGATIVE ACTIVITIES FROM OTHER U.S. AGENCIES, AS OF 12/31/2006

AGENCY	INVESTIGATORS IN IRAQ	INVESTIGATORS IN KUWAIT	OPEN/ONGOING CASES
DCIS	2	2	42
DoS/OIG	0	0	1
FBI	0	0	12
USAID	1	0	12
CID/MPFU	5	2	81
<b>Total</b>	<b>8</b>	<b>4</b>	<b>148</b>

TABLE K-2

Along with the resources of more than 400 FBI offices throughout the United States, the follow-up of investigative leads of people and corporations who had activities or business in Iraq is now being addressed in the United States by their Special Agents. In addition, the FBI has detailed two agents to SIGIR in Baghdad for deployment in early 2007, and they will be working directly under the direction of the SIGIR Special Agent in Charge.

DoS OIG, USAID, and other federal law enforcement agencies continue to offer assis-

tance in pursuit of individuals, companies, and corporations who may have criminal or civil exposure to potential lawsuits filed on behalf of the United States. As the rapid development of inter-agency cooperation grows, both domestically and internationally in these investigations, it is likely that the number of individuals or entities held accountable can only increase with significant results recorded.