



Highlights of [GAO-09-351](#), a report to congressional committees

Why GAO Did This Study

Currently in Iraq, there are thousands of private security contractor (PSC) personnel supporting DOD and State, many of whom are foreign nationals. Congressional concerns about the selection, training, equipping, and conduct of personnel performing private security functions in Iraq are reflected in a provision in the fiscal year 2008 National Defense Authorization Act (NDAA) that directs DOD to develop guidance on PSCs. This report examines the extent (1) that DOD and State have developed and implemented policies and procedures to ensure that the backgrounds of PSC employees have been screened and (2) that DOD has developed guidance to implement the provisions of the NDAA and (3) that DOD and State have addressed measures on other issues related to PSC employees in Iraq. To address these objectives, GAO reviewed DOD and State guidance, policies, and contract oversight documentation and interviewed agency and private security industry officials.

What GAO Recommends

GAO recommends that the Secretary of Defense designate a focal point to ensure that the appropriate DOD offices coordinate, develop, and implement policies on background screenings and that DOD establish standards to meet the requirements of the 2008 NDAA and inform Congress as to when the guidance will be completed. DOD concurred with two recommendations and partially concurred with three.

View [GAO-09-351](#) or [key components](#). For more information, contact William M. Solis, (202) 512-8365, solisw@gao.gov.

CONTINGENCY CONTRACT MANAGEMENT

DOD Needs to Develop and Finalize Background Screening and Other Standards for Private Security Contractors

What GAO Found

State and DOD have developed policies and procedures to conduct background screenings of PSC personnel working in Iraq who are U.S. citizens, but only State has done so for foreign nationals. Homeland Security Presidential Directive 12 (HSPD-12) directs U.S. government agencies to establish minimum background screening requirements in order to issue access credentials. But DOD has not developed departmentwide procedures for conducting background screenings of its foreign national PSC personnel. Disagreements among the various DOD offices responsible for developing and implementing these policies and procedures hindered timely execution of the HSPD-12 requirements, and the completion of this development and implementation has been hampered by the lack of a focal point to resolve these disagreements. For example, officials at the Office of the Under Secretary of Defense for Intelligence interpret HSPD-12 as requiring a government screening process for foreign national contractor personnel that is equivalent to the National Agency Check with Written Inquiries (NACI) currently used for U.S. citizen contractor personnel. But officials at the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics maintain that a NACI-equivalent screening for foreign nationals would not be feasible, given the inherent difficulty of screening foreign nationals and the inconsistent quality of criminal and employment records from one country to another, and further, such an approach would severely limit the numbers of foreign national contractor personnel DOD could use. The offices also differ as to who should approve background screenings, known as adjudication. The Commander of Multi-National Forces-Iraq has established a screening process for PSCs, but GAO has identified several shortcomings that limit the effectiveness of this process. For example, the process directs contractors to obtain background screening for entities that will not provide data to contractors. While DOD has acknowledged the inherent force protection risk it assumes when using contractor employees, without the timely development of standardized policies and procedures, DOD lacks full assurance that all its PSCs are properly screened.

While DOD is developing guidance to meet the requirements of the 2008 National Defense Authorization Act, the draft guidance does not meet all of the requirements of that act. For example, the draft guidance does not address the requirement for establishing minimum standards for background screening of PSCs. Instead it directs the combatant commanders to establish standards for their respective areas of responsibility, though it does not establish time frames within which they should do so. Without addressing these concerns, DOD's draft guidance only partially meets the requirements of the 2008 National Defense Authorization Act.

DOD and State have taken actions on other issues related to PSCs in Iraq. For example, they have implemented similar processes to ensure that PSC personnel are trained, and to account for PSC weapons. Both agencies have also developed policies related to alcohol use by PSCs.