# CONTINGENCY CONTRACTING

## DOD, State, and USAID Are Taking Actions to Track Contracts and Contractor Personnel in Iraq and Afghanistan

## Why GAO Did This Study

The Departments of Defense (DOD) and State (State) and the U.S. Agency for International Development (USAID) have relied extensively on contractors to support troops and civilian personnel and carry out reconstruction efforts in Iraq and Afghanistan. While recognizing the benefits of using contactors, GAO and others have noted the risks and challenges associated with relying on contractors.

To help increase contractor oversight, the National Defense Authorization Act for Fiscal Year 2008 directed DOD, State, and USAID to sign a memorandum of understanding (MOU) on contracting in Iraq and Afghanistan that identified a database to track information on contractor personnel and contracts performed in the two countries. In their July 2008 MOU, the agencies designated the Synchronized Pre-Deployment and Operational Tracker database (SPOT) as their system for tracking the required information.

GAO's testimony addresses how contractor personnel and contract information can aid agencies in managing contracts and the status of SPOT's implementation. It is drawn from GAO's ongoing and prior contingency contracting work. This work involved meeting with agency officials, including those in Iraq, and reviewing agency documents. GAO obtained agency views on previously unreported information, which the agencies generally agreed with.

## What GAO Found

GAO has reported extensively on the management and oversight challenges related to using contractors in contingency operations and the need for decision makers to have contract and contractor personnel information as a starting point to address these challenges. The lack of such information limits agency planning efforts, increases costs, and introduces unnecessary risk. For example, GAO previously determined that by not considering contractor resources when developing an assistance strategy for Afghanistan, USAID's ability to make informed resource allocation decisions was impaired. Similarly, it was estimated in 2006 that DOD's lack of visibility on what government support contractors were entitled to cost an extra $43 million in Iraq as the government provided them free meals and a food allowance. Many of GAO's past recommendations focused on improving agency officials' ability to obtain contract and contractor personnel information. While actions have been taken to address GAO's recommendations, agency officials have noted that their ability to access information on contracts and contractor personnel still needs improvement and SPOT has the potential to bring information together so it can be used to better manage and oversee contractors.

Although SPOT is capable of tracking contractor personnel and contracts as agreed to in the MOU, not all of the required information is being entered and the agencies continue to rely on other systems to obtain information on contractor personnel and contracts in Iraq and Afghanistan. DOD, State, and USAID now require their contractors in Iraq to enter personnel data into SPOT, but only DOD and State require their contractors to do so in Afghanistan. A critical factor in prompting the use of SPOT was DOD's requirement that contractor personnel have SPOT-generated letters of authorization (LOA) to, among other things, enter Iraq or Afghanistan. However, not all personnel need SPOT-generated LOAs and are being entered into SPOT. USAID officials said that the lack of an LOA requirement for its contractors in Afghanistan is one reason they do not have to be entered into SPOT. Officials from the three agencies also acknowledged that data on Iraqi and Afghan nationals in SPOT are incomplete, which is in part because they typically do not need LOAs and are more difficult to track. Despite the agencies' progress in implementing SPOT, they continue to rely on other systems to obtain information on contractor personnel and contracts in Iraq and Afghanistan. For example, DOD relies on a quarterly census of contractor personnel because it is regarded as more complete than SPOT whereas USAID relies entirely on ad hoc queries of its contractors. As the agencies consider how to use SPOT data to inform planning and management decisions, they have raised questions about what information needs to be in the system. For example, USAID officials have questioned the need to track information on contracts for which personnel do not need LOAs.

_____ **United States Government Accountability Office**