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ACQUISITION
TECHNOLOGY
AND LOGISTICS

MEMORANDUM FOR TECHNICAL DIRECTOR, AUDIT FOLLOW-UP & GAO
AFFAIRS, OFFICE OF THE INSPECTOR GENERAL,
DEPARTMENT OF DEFENSE

pr THROUGH: DIRECTOR, ACQUISITION RESOURCES AND ANALYSIS *CWR 9/22/06*

SUBJECT: Follow-up on GAO Report, GAO-05-737. "REBUILDING IRAQ: Actions Needed to Improve Use of Private Security Providers," July 28, 2005 (GAO review code 35054)

This is in response to your May 10, 2006, memorandum, requesting the status of action(s) taken on subject report. The following is provided as an update:

Recommendation 1: The GAO recommended that the Secretary of State, the Secretary of Defense, and the Administrator, U.S. Agency for International Development, explore options that would enable contractors to obtain such services quickly and efficiently. Such options may include, for example, identifying minimum standards for private security personnel qualifications, training requirements and other key performance characteristics that private security personnel should possess, establishing qualified vendor lists, and/or establishing contracting vehicles which contractors could be authorized to use.

Information requested: Discuss DoD's action taken to explore options that will enable contractors to obtain security services quickly and efficiently. Such options might include identifying minimum standards for security personnel qualifications, training requirements and other key performance characteristics that security personnel should possess; establishing qualified vendor lists; and/or establishing contracting vehicles which contractors could be authorized to use.

DoD Update:

A common baseline for training of all armed contractors exists. This baseline includes weapons training, rules for the use of deadly force and the limitations on the use of force, and the Law of Armed Conflict. These standard training requirements are described in DOD Instruction 3020.41. Other standards for training are found in DODD 200.12(H), Protection of DOD Personnel and Activities against Acts of Terrorism and Political Turbulence. Additionally, we are proposing a rule to create a new FAR Subpart 25.3 to



address issues relating to contractors outside the United States, including a new section 25.302, Contractor personnel in a theater of operations or at a diplomatic or consular mission outside the United States. This rule will implement a new clause.

The clause addresses responsibility for logistical and security support, compliance with laws and regulations, preliminary personnel requirements, processing and departure points, personnel data lists, removal of contractor personnel, authorization of weapons and ammunition, to name a few, will flow down to subcontracts.

Beyond that, training has to be specific to the nature of the security being provided and so stated in that Contract's Performance Work Statement. For example, if the contractor is required to guard an entry gate, there is no need for that guard to be trained in evasive driving techniques.

From a contractor perspective, the security industry maintains standards, established through such organizations as ASIS International. The personnel qualifications, training requirements, and other key performance standards for private security services will vary depending on the nature of the services required. Each RFP and resulting contract will specify the minimum standards that need to be met depending on the security services required.

Recommendation 2: The GAO recommended that the Secretary of Defense direct the Combatant Commander, U.S. Central Command, to direct the Commander, MNF-I, to further assess all of the blue on white incidents to determine if the procedures outlined in the December 2004 order are sufficient. Furthermore, if the procedures have not proven to be effective, the GAO recommended that the Commander, MNF-I, develop additional procedures to protect both U.S. military forces and private security providers.

Information requested: Discuss DoD's action taken to: re-evaluate the effectiveness of the Reconstruction Operation Center's efforts to improve coordination between military forces and private security companies to reduce blue on white engagements, and; develop an approach for assessing and improving procedures for coordination between military forces and private security companies.

DoD Update:

DoD assesses that current training and command policies have resulted in a significant reduction of escalation of force (EOF) incidents, to include a reduction in blue-on-white engagements between military forces and private security companies (PSC). The following training and command policies have proven to be effective: 1) application of risk reduction measures to mitigate hazards that lead to EOF incidents; 2) weapons carrying authorization for PSCs and contractors; 3) reporting procedures for weapons discharge incidents; and 4) tactics, techniques, and procedures for training all military

personnel during preparation and movement into Iraqi theatre of operations from Kuwait. DoD assesses that no changes to training and command policies are required.

Recommendation 3: The GAO recommended that the Secretary of Defense develop a training package for units deploying to Iraq which provides information on the Reconstruction Operations Center, typical private security provider operating procedures, any guidance or procedures developed by the Multi-National Force-I (MNF-I) or Multi-National Corps-I (MNC-I) applicable to private security providers (such as procedures outlined in the December 2004 order to reduce blue on white incidents), and DoD support to private security provider employees. The training package should be re-evaluated periodically and updated as necessary to reflect the dynamic nature of the situation in Iraq.

Information requested: Discuss DoD's action taken to develop an appropriate training strategy and training materials for units deploying to Iraq which provides information on the Reconstruction Operations Center, typical private security provider operating procedures, guidance or procedures developed by MNF-I or MNC-I applicable to private security providers, and DoD support to private security providers employees.

DoD Update:

The Chairman of the Joint Chiefs of Staff (CJCS) has created a requirements memo for the Secretary of Defense's signature. The memo is in component coordination and should be complete by mid October. The memo requires components to conduct the following training. Units deploying to Iraq must have functional knowledge of Reconstruction Operations Center (ROC) operations, Personal Security Contractors (PSC) procedures, MNF-I and MNF-C regulations, and required DOD PSC support. All joint, combined, and respective Service training centers shall incorporate PSC and ROC elements and operations into the training environment. Respective Services shall incorporate ROC and PSC operations into Brigade thru Corps level mission readiness exercises. As the CJCS's lead agent for Joint Force training, USJFCOM shall incorporate measures into the joint certification process for combatant command staffs focused on: retaining operational awareness of, influencing tactical situations and retaining communications with PSC, via interface with a ROC. Respective Services shall incorporate scenarios involving PSC into existing mandatory Rules of Engagement (ROE) and Escalation of Force (EOF) training.


Recommendation 4: The GAO recommended that the Secretary of State, the Secretary of Defense, and the Administrator, U.S. Agency for International Development, establish a means to track and account for security costs to develop more accurate budget estimates.

Information requested: Discuss DoD's action taken to: support the Department of State's efforts to collect security cost data, and; collect readily available data on incurred security costs under existing contracts and establish procedures on accounting for security costs under future reconstruction contracts. Additionally, discuss the USD(C) efforts to work collaboratively with the Department of State and USAID to establish a uniformed means to track and account for costs incurred by reconstruction contractors for private security costs in order to develop more accurate budget estimates in the future.

DoD Update:

The quarterly report to Congress prepared by the Department of State on the current status of programs, initiatives, and funds dedicated to the Iraq reconstruction effort does not include security cost data. The Undersecretary of Defense (Comptroller) is exploring whether the Defense Contract Audit Agency could easily develop such data based on its contract audit oversight of defense contractors performing in Iraq.

Please contact LTC Rob Jarrett, 703-693-7062, Robert.jarrett@osd.mil if additional information is required.



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