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House Armed Services Committee Hearing on Equipment Accountability
Opening Remarks
Thursday, September 20, 2007

Thank you for this opportunity to appear before the House Armed Service Committee to discuss the subject of accountability for weapons and other equipment that has been procured by the Department of Defense for the Iraqi Ministries of Defense and Interior as part of our effort to reconstruct and stabilize Iraq. This is an important program that has enjoyed generous support from the American taxpayers. I want to assure the Committee that DoD fully recognizes the imperative to be good stewards of these funds and to ensure that they are put to their intended uses.

We particularly acknowledge that DoD must ensure that weapons we buy for the Iraqi military and police forces are, in fact, being used by those forces. In this regard, we expect the Department of Defense Inspector General munitions inspection team, about which Mr. Gimble will speak in greater detail, will make an important contribution to ensuring the material handling processes used by the Multinational Security Transition Command-Iraq, known as MNSTC-I are robust.

DoD has worked closely with GAO on a number of its reviews and audits of efforts to stabilize Iraq during the past few years. The GAO, in its audit on equipment accountability, identified some weaknesses in the Department's ability to fully ensure that

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we can account for the transfers of weapons to the Iraqis. It is important to point out that, while the audit trail for some of these weapons is incomplete, the GAO did not draw any conclusions that suggest that the weapons in question are physically missing. The problem was that, walking back from the point of transfer to the Iraqi government, some portion of the documentation that can show the "chain of custody," mainly in the form of entries in MNSTC-I's property book, was incomplete. It is important to note that the GAO and the Special Inspector General for Iraq Reconstruction, which completed a somewhat similar audit in October 2006—did not find that the weapons in question had been physically lost, stolen, or pilfered while in MNSTC-I custody en route to being transferred to the Iraqi Government.

This is not to minimize the shortcomings that GAO and SIGIR found. Rather, the key point to understand is that these problems are a reflection of the extremely difficult, spartan conditions in which MNSTC-I found itself in 2004 and 2005. The GAO noted the various factors that contributed to this, such as the lack of sufficient staff and a nascent distribution network that was essentially an *ad hoc* operation in a contingency environment.

I look forward to answering your questions.