

**STATEMENT OF STUART W. BOWEN, JR.
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BEFORE THE

**UNITED STATES SENATE
COMMITTEE ON FOREIGN RELATIONS**

HEARING TO EXAMINE IRAQ STABILIZATION AND RECONSTRUCTION

**Wednesday, February 8, 2006
Washington, DC**

Introduction

Mr. Chairman, Ranking Member Biden, and members of the Committee—thank you for the opportunity to address you today on important matters regarding the role of the United States in the reconstruction of Iraq and the oversight of such efforts provided by my office, the Special Inspector General for Iraq Reconstruction (SIGIR). I hope for a productive exchange of views and ideas in this hearing to illuminate issues and challenges regarding Iraq reconstruction that we are now confronting.

This hearing is particularly timely as I released last week the January 30, 2006 Quarterly Report to Congress and to the Secretaries of State and Defense containing seven new audit reports detailing challenges, issues and concerns in Iraq reconstruction efforts. SIGIR has now completed a total of 70 audit reports and project inspections. These provide an important perspective on U.S. progress in Iraq.

Throughout 2005, SIGIR provided aggressive oversight to prevent waste, fraud and abuse in the at times lethal operating environment in Iraq. My emphasis on real-time auditing – where guidance is provided immediately to management authorities upon the discovery of a need for change – provides for independent assessments while effecting rapid improvements.

Your letter inviting me to appear before you today asked me to focus primarily on the management of appropriated funds, rather than the Iraqi funds that were used primarily during the era of the Coalition Provisional Authority. You emphasized the importance of understanding how funds provided so far have been managed, what lessons we have learned from our mistakes and how we can improve the way we do business so that every dollar is effectively spent.

Your charge for this hearing is “right down the middle” of our mission in our oversight of Iraq reconstruction. Today, I will focus, as requested, on the management of appropriated funds. However, I would first note that a primary lesson-learned is rooted in the handling of the Iraqi money by the CPA. This lesson: oversight delayed is oversight denied.

Last week, an individual who had been employed by the CPA to manage reconstruction funds in South-Central Iraq, was convicted of bribery and fraud – the conclusion of a criminal case opened by SIGIR

investigators in 2004. This individual is one of four subjects currently identified in connection with criminal activities involving Iraqi money that was intended for the benefit of the Iraqi people.

Court documents released last week contained a number of electronic messages between these individuals as they coordinated their criminal activities. Many of these e-mails were transmitted in January 2004 – a period when their activities, which had gone on for months, were in full swing,

Coincidentally, in January 2004, January 20th to be precise, I was appointed as the Coalition Provisional Authority Inspector General. This appointment was the first substantive measure to provide oversight of Iraq reconstruction programs and operations. Unfortunately, the establishment of an inspector general came months too late to deter these criminal activities.

However, while we were not in place to keep these crimes from occurring, the trails of those who committed crimes in Iraq are still warm enough for us to follow. In partnership with the Department of Homeland Security Bureau of Immigration and Customs Enforcement, the Internal Revenue Service Criminal Investigation, and the Department of State Inspector General, we have created an interagency Special Investigative Task Force for Iraq Reconstruction, or SPITFIRE. With our SPITFIRE partners, and with the strong cooperation of the Department of Justice, we will continue to identify, arrest, and prosecute those relative few who dishonored our nation's efforts in the reconstruction of Iraq.

Thus, the lesson is that oversight works, and it works well when it works hard. But, it works more efficiently the earlier it is put in place. Provisions for formal oversight of Iraq reconstruction should have been established at the very beginning of the endeavor.

While there has been much attention given to our work involving the Iraqi funds that were used by CPA for Iraq reconstruction, our current work chiefly involves the funds appropriated in the Iraq Relief and Reconstruction Fund (IRRF). I believe it is important to address apparent confusion in reports about the funds that were lost from the criminal activities we are investigating: we have found limited evidence of crimes involving appropriated funds provided by the American taxpaying public. Corruption is not a pervasive problem on the U.S. side of the reconstruction program. While we have found and reported inefficiencies and waste in the management of reconstruction contracts, projects, and finances, the problems and lack of controls in spending appropriated funds were far less serious than those that we found, and investigated, in the management of Iraqi funds used in reconstruction.

Even under the difficult conditions of Iraq, we have observed continuous improvement. The multiple organizations engaged in Iraq reconstruction have improved their coordination. The recent reorganization to integrate the Project and Contracting Office (PCO) with the Gulf Regional Division of the Army Corps of Engineers has contributed to these improvements.

Today, to focus on the management of appropriated funds applied to the relief and reconstruction of Iraq, I will discuss the findings from our audits of programs and inspections, and our continuing interactions with reconstruction management.

In addition to providing these typical products of inspector general oversight, SIGIR has also undertaken development of a retrospective analysis of the U.S. reconstruction experience in Iraq. This lessons-learned initiative is unfolding in three parts: human capital management, contracting and procurement, and program and project management.

Our lessons-learned process is rigorous. In addition to the significant data we have collected in our normal oversight activities, we have gathered information from a broad range of sources, especially from those who had boots-on-the-ground Iraq reconstruction experience. As well, we have been successful in

attracting the participation of experts, in and out of government, to help us to understand clearly, what our nation must learn from the Iraq reconstruction experience. I will discuss the progress of this effort during this hearing.

Let me first review and highlight some of our findings from the most recent SIGIR Quarterly and Semiannual Report to the U.S. Congress, which we delivered last week.

Transition

2006 is a year of transition for the U.S. reconstruction program in Iraq. The successful December 2005 elections launched Iraq into a new phase of its history. The first government elected under Iraq's new constitution is now forming and will soon assume responsibility for managing Iraq's economy and infrastructure.

By the end of this fiscal year, the U. S. expects to have fully obligated the Iraq Relief and Reconstruction Fund (IRRF). IRRF dollars represent only a portion of the amount estimated by the World Bank and United Nations (UN) to be necessary to restore Iraq's infrastructure. The IRRF has provided a substantial down payment on what will be a lengthy restoration process. The progress made thus far with U.S. reconstruction funds has supplied the new Iraqi government with a significant start toward establishing an effective infrastructure and eventual prosperity.

As more and more IRRF-funded projects are completed, the U.S. agencies and elements that currently manage and implement the overall U.S. reconstruction effort, including the Iraq Reconstruction Management Office (IRMO), U.S. Agency for International Development (USAID), and the U.S. Army Corps of Engineers Gulf Region Division Project and Contracting Office (GRD-PCO), will implement transition strategies to ensure that completed projects and related assets are turned over to the appropriate Iraqi officials who have the training and budgetary resources necessary to sustain them.

As the transition process gains momentum, the U.S. reconstruction presence in Iraq should begin to shift toward foreign assistance programs managed by the Department of State (DoS) and the U.S. Agency for International Development (USAID).

Regarding the reconstruction transition, SIGIR has several concerns:

- Do all of the U.S. reconstruction implementing agencies in Iraq have strategic plans in place for transitioning their respective parts of the reconstruction program?
- Are there sufficient resources to support capacity development for national and local government officials, operations and maintenance, infrastructure security?
- Have Iraqi officials sufficiently budgeted and planned for the essential maintenance of the new, U.S.-provided infrastructure?
- Is the United States prepared to sustain the reconstruction presence required to complete planned projects that may take another three or four years to complete?

There are significant signs that transition planning is being implemented – the Iraq Reconstruction and Management Office, Department of State and Department of Defense are reviewing critical issues of funding and transition. The importance of this issue compels SIGIR to announce a new audit to review all reconstruction transition planning.

Reconstruction Gap

SIGIR introduced the concept of the Reconstruction Gap with our October 30 Report to Congress. We define the Reconstruction Gap as the difference between what was originally planned for reconstruction in the various sectors and what will actually be delivered.

To be clear, this is not an alarm bell, but merely an observation of a current reality: Changing conditions in Iraq, including deteriorating security conditions and evolving political and economic priorities, required IRRF reprogramming that altered sector funding levels and projected outcomes.

During the last quarter, we conducted an audit to examine the Reconstruction Gap further. We found that the U.S. government will not complete the number of projects anticipated by the IRRF program allocations in the November 2003 legislation. Our audit found these shortfalls:

- Of the 136 projects originally planned in the Water sector, only 49 (36%) will be completed. Most of the projects planned in sewerage, irrigation and drainage, major irrigation, and dams have been cancelled.
- Of the 425 projects originally planned by CPA in the Electricity sector, only 300 (70.5%) will be completed. Of the 3,400 additional megawatts planned for the Generation sub-sector, 2,200 megawatts will be delivered.

These shortfalls are substantially attributable to the autumn 2004 IRRF reprogramming, which increased the funding available for security by reducing the allocations to the Water sector from \$4.3 billion to \$2.1 billion (down 51.2%). The Electricity sector dropped from \$5.560 billion to \$4.309 billion (down 22.5%). Allocations to certain other sectors in addition to security increased: the Private Sector Development sector grew from a very low by 420%, and the Justice, Public Safety, Infrastructure, and Civil Society sector rose by 70%.

A number of factors combined to make these program changes necessary, the most significant being the rise of the insurgency. A new strategy that was more responsive to the new security and political situation in Iraq resulted in the reallocation of a total of \$5.6 billion in IRRF funding since August 2004. Additionally, administrative costs of the U.S. agencies implementing IRRF programs caused another \$425 million in program cuts. Another \$350 million is now budgeted for new sustainment activities that were not included in original planning. Finally, the following factors have also contributed to the reconstruction gap:

- inadequate or non-existent cost estimates for many projects in the original November 2003 plan
- increased costs of materials, particularly in the Oil and Gas sector, aggravated by smuggling of subsidized construction materials across Iraq's borders
- high costs of contractor security
- high costs of project delays caused by intimidation and violence
- evolving reconstruction priorities to fit the Multi-National Force-Iraq campaign plan and political requirements
- lack of oversight of reconstruction projects as they developed

I believe that more resources must be allocated to sustainability – the ability of a program to deliver its intended benefits for an extended period of time after major financial, managerial, and technical assistance from an external donor is terminated.

But the story of the Reconstruction Gap is fundamentally about security needs driven by a lethal and persistent insurgency. In addition to the reallocation by DoS of \$1.8 billion to training and equipping Iraqi security forces, the costs for the security of contractors have risen on average to more than 25%.

While this security spending reduces the funds available for actual reconstruction, it is vital. This is demonstrated most clearly by the number of contractors killed, kidnapped or wounded. Intimidation of workers continues to delay projects, and the insecure environment has driven away critically needed foreign technicians in the essential service sectors.

It is difficult to overstate the impact of violence on the reconstruction program. Often, those commenting on Iraq reconstruction begin by stating that electrical capacity is lower than pre-war levels. They are correct. However, not many realize that electrical capacity grew above pre-war levels in mid-2004 and peaked in July 2005. Since then, however, the insurgents have targeted the electrical infrastructure, sabotaging the towers that carry high-voltage lines to Baghdad from generating facilities in the south. As well, increasing demand for electricity, provided to consumers at no cost, the influx of new appliances and new customers, and the creation of new industries, businesses, factories and jobs also contribute to nationwide shortages.

Sustainability

A SIGIR audit report published October 24, 2005 noted: “There is a growing recognition that the Iraqi government is not yet prepared to take over the near- or long-term management and funding of infrastructure developed through the IRRF projects.” Key recommendations from the October Quarterly Report—including the creation of a Sustainment Coordinator—have been implemented, but the coordinative function should continue to be a high priority for reconstruction managers in Iraq.

SIGIR audits conducted this quarter made these key sustainability recommendations:

- Create a single database of IRRF-related assets and provide it to the Iraqi government to support planning and budgeting.
- Coordinate plans and funding for the sustainment of Commander’s Emergency Response Program (CERP) construction projects with DoS, IRMO, GRD-PCO, and USAID.

Through our project inspections, which are conducted by teams of SIGIR auditors and engineers, we also gain insight into the sustainability of reconstruction projects.

Cost-to-Complete

The cost-to-complete a project is defined as the total estimated cost of the project, less the actual cost of work performed to date. Nearly a year ago, SIGIR reported that the U.S. reconstruction program did not have reliable cost-to-complete estimates for its projects. The failure to compile and report cost-to-complete information, as required by Public Law 108-106, has made it difficult for implementing agencies to exercise effective fiscal management of IRRF dollars. Without current and accurate cost-to-complete data, management cannot determine whether sufficient funds will be available to complete ongoing work, nor can it project the availability of funds for any new programs or projects. This has also deprived SIGIR of the financial visibility I need to execute my oversight responsibility.

For the past year, SIGIR auditors have continually pressed for accurate cost-to-complete data. DoS confronted the issue last spring: in March 2005, a DoS team went to Baghdad to press for cost-to-complete data from agencies implementing the IRRF. This effort has produced limited success.

Anticorruption Efforts

Success in the reconstruction could be eroded in the long term unless Iraq is successful in developing and implementing substantial anticorruption measures. SIGIR is committed to intensifying U.S. efforts to promote an effective anticorruption system within the Iraqi government and commends the U.S.

Mission's efforts thus far to support anticorruption institutions in Iraq. In the October 2005 Quarterly Report, we urged the Ambassador to hold an anticorruption summit, which he did in November 2005. The summit resulted in a proposal for a joint U.S.-Iraqi Anticorruption Working Group and initial agreement on the need for more training for officials from the Board of Supreme Audit, the Commission on Public Integrity, and the Inspectors General of the Iraqi ministries. The Embassy Anticorruption Working Group previously identified several major priorities, including:

- promoting market reforms and reducing subsidies
- helping to reinforce the weak law enforcement structure
- creating a public education campaign on the corruption issue

SIGIR continues to support the Iraqi Inspectors General system since its inception in 2004. The Iraqi IGs are charged with auditing, investigating, and reviewing the accountability and integrity of the ministries, and with preventing, deterring and detecting waste, fraud and abuse. Although this is a new system in Iraq, and in the region, and will take time to function effectively, the continued development and progress is encouraging.

In addition, the Board of Supreme Audit (BSA), though a holdover from the prior regime, is well respected by senior Iraqi officials and provides effective audit work across all ministries. Despite the hazardous environment in which we all find ourselves working, the BSA has expressed interest in using SIGIR's audit work in its own efforts.

As the anticorruption efforts continue, SIGIR will audit to evaluate progress.

The Human Toll

The lethal environment in Iraq continues to pose extraordinary challenges to reconstruction contractors. Since reconstruction began in March 2003, 467 death claims for contractors of all nationalities have been submitted under the Defense Base Act, according to the U.S. Department of Labor. The daily situation reports of the Gulf Region Division of the U.S. Army Corps of Engineers present the full range of dangers facing those who work on reconstruction projects in Iraq. The reports routinely list kidnappings, murders, attacks, bombings, armed vandalism, and threats. The January 13, 2006 report, for example, listed a car bombing, a gunshot through a car window, armed vandalism, a threat delivered by five armed and masked men on a jobsite, and six attacks on contractors.

Information Systems Management

Throughout 2005, SIGIR advised IRMO of the need for a single database for reconstruction projects in Iraq. Last quarter, IRMO mandated the creation of a consolidated database by December 2005, but this system has yet to become operational. As a result, it is difficult for me to assess the current progress of the overall project portfolio or to identify potential problems with individual projects. The reconstruction effort is too large and too important to be managed without access to accurate and complete data about the projects involved. IRMO and the implementing agencies in Baghdad are trying to develop a common policy and process to facilitate the legal, financial, and logistical transfer of assets to the Iraqi government. Two interagency working groups in Baghdad are addressing the problem. We continue to develop the SIGIR Iraq Reconstruction Information System (SIRIS), but the difficulties in extracting data from U.S. government agencies in Iraq hinder our responsiveness.

Lessons Learned

Recognizing an exceptional opportunity to fulfill an important need, SIGIR has undertaken the task to derive the lessons that should be learned and retained from our nation's experience in the rebuilding of Iraq. While this goes beyond the normal functions of an inspector general, we feel we have a responsibility to provide valuable advice as the U.S. develops new approaches to stabilization and reconstruction operations.

Through a process as rigorous as is to be expected from an inspector general, we are identifying and cataloging the most significant challenges the U.S. Government has faced, and making recommendations to guide efforts both to develop national capabilities, and planning for contingencies. This process involves substantial research; we have drawn on the expertise and experiences of those who served in Iraq and those who participated or observed from the outside. Perspectives gathered through interviews and inputs of individuals are then incorporated into white papers, which provide the foundation for discussions by panels of senior executives and experts from government, industry and academia. From these discussions emerge more substantial white papers and specific recommendations, which are then refined through a review and comment process by the participants. Once we achieve consensus, the final, and authoritative, report is published.

Begun in September 2004, the SIGIR Lessons Learned Initiative focuses on three substantive areas that have affected the success of Iraq reconstruction programs and operations:

- Human Capital Management
- Contracting, and
- Program and Project Management

The first lessons learned forum, held on September 20, 2005 focused on human capital management and the range of personnel issues that emerged. The resulting report, Iraq Reconstruction Lessons Learned: Human Capital Management, will be released shortly, but several conclusions can be clearly drawn:

- There was no template for recruiting personnel to staff a temporary surge relief and reconstruction effort.
- There was no contingency organization to lead the reconstruction and relief process.

The efforts in Iraq would have been greatly enhanced if a reserve civilian corps existed to deploy in such a situation, and contracting out the many responsibilities led to a lack of coordination. But it is important to remember that the Iraq reconstruction experience was affected by special circumstances that inhibited the ability to execute workforce planning. These circumstances included the temporary nature of the Coalition Provisional Authority, the deteriorating security environment, and inaccurate pre-war intelligence on the existing Iraqi bureaucracy.

SIGIR began research on Iraq Reconstruction contracting in early autumn 2005. In December 2005, we completed a draft Contracting Lessons Learned Report, which we presented to two forums made up of experts involved with Iraq Reconstruction contracting. The first forum was for government officials, academics, and officials of non-profit organizations and think tanks. The second forum was for private sector personnel who held (or hold) Iraq reconstruction contracts from USAID and/or DOD. We are currently in the process of incorporating the information gained from these two events, further research, and interviews into the draft report. The revised paper will then be sent to Forum members and other appropriate persons for vetting, before final publication.

Based on our research thus far, SIGIR has made the following key observations concerning Iraq Reconstruction contracting:

The need for cooperation and collaboration is the overarching requirement for successful post-conflict reconstruction contracting. The job in Iraq proved just too big for one agency or contractor. US agencies and departments have various capacities, flexibilities, and differing areas of expertise in terms of contracting and program management. In Iraq, efforts seemed to be most successful when different agencies understood and leveraged each other's mandates, needs, skills, and strengths. Unfortunately, SIGIR research found many situations in which agencies' lack of cooperation contributed to contracting inefficiencies.

Other Observations:

- **Inclusion of Contracting Staff from the Beginning of Any Reconstruction Effort.** SIGIR research found that there was general agreement among agencies concerned with Iraq Reconstruction that contracting plays a central role in mission execution and cannot be an afterthought in the planning process. Whether for stabilization or reconstruction, contracting officials can provide an accurate and holistic picture of the resources needed to efficiently contract for a given mission. This understanding extends to the number of personnel required, their skills and functional areas, and the systems and procedures required for them to operate efficiently.
- **Use of Flexible Contracting Mechanisms.** There is mixed opinion in the government contracting community about whether a "wartime FAR" or other additional contracting regulations are required for post-conflict reconstruction efforts. Our information to date indicates that there needs to be a broader understanding of the flexibilities that currently exist in the FAR and its supplements, as well as the acceptable use of waivers and other provisions that apply when speed and flexibility are critical. SIGIR research indicates that not all contracting personnel in Iraq were properly informed about FAR flexibilities and thus were sometimes hesitant to use them, fearing that they might be subject to penalties for incorrect or improper use of these options. Methods are needed that would ensure personnel have the necessary knowledge and also the confidence to use such flexible mechanisms when necessary.
- **The Need for Better Requirements.** In order to efficiently procure an item or a service, contracting personnel must be provided with an adequate description of customers' needs. The inability to properly define and prepare these "requirements statements" for projects appears to be a significant and continuing shortcoming of the Iraq Reconstruction process. To remedy this, customers and contracting personnel must work closely together on a continuing basis. There also needs to be sufficient personnel on the customer side -- both in the field and in the US -- capable of laying out requirements with appropriate detail and accuracy. Moreover, in Iraq, this ability must be transferred to local personnel through capacity building, in order to strengthen long-term contracting capabilities.
- **Use of Special Contracting Programs.** During the reconstruction effort in Iraq, various programs containing flexible funding and contracting mechanisms were used in order to enable quick execution of small-scale projects. Some of these, such as USAID's Office of Transitional Initiatives (OTI), predated the US intervention in Iraq, while others apparently evolved out of necessity during the conflict, such as the Commanders' Emergency Response Program (CERP) and the Commanders' Humanitarian Relief and Reconstruction Program (CHRRP). Other such programs included CPA's "Accelerated Iraq Reconstruction Program (AIRP)" and the Project and Contracting Office's (PCO) Rapid Contracting Initiative for the electricity sector.

- The focus of these programs was to meet immediate needs – especially employment generation that would help ameliorate security conditions – and not necessarily the long-term reconstruction of the country. Yet, these smaller programs appear to be vital to creating an environment conducive to and able to absorb larger, more sustainable reconstruction efforts.
- Given the generally positive performance of these programs, it would be important in future reconstruction efforts to make available designated pools of flexible funds for such initiatives, and to create standardized, but unrestrictive, mechanisms for contracting and managing these funds. It should be noted, however, that these programs can present accountability challenges due to their speed and flexibility.
- **Sustainment of Advances and Innovations.** Lessons have been learned throughout the experience of Iraq Reconstruction contracting, resulting in improvements to contracting and related processes. Examples include: the development of civilian-military partnerships, creation of centralized contracting coordination, flexible contracting mechanisms, and personnel who arrive in country better prepared to carry out their required tasks. This gain in understanding and capability needs to be institutionalized within the concerned US government agencies for application in future post-conflict reconstruction events.

Overall Impact Of The Security Situation On Contracting This is an area where SIGIR continues to carry out research and looks forward to providing more information as our findings develop.

The third and final topic we are reviewing in our lessons learned initiative is program and project management. We are in the process of compiling a list of subject matter experts, and we plan to convene a forum in April.

I hope that the lessons learned initiative will enhance ongoing efforts in Iraq as well as to inform future U.S. reconstruction and stabilization planning and programs.

The Way Ahead

As I have noted, 2006 is a year of transition for Iraq reconstruction, and of course, the Congress will face key decisions. As of February 1, the State Department reports that 84 percent of the \$18.4 billion Iraq Relief and Reconstruction Fund is obligated, under contract. What remains is less than \$3 billion, which we estimate will not permit the completion of all projects that were envisioned when the requirement for \$18.4 billion was being determined in late 2003.

While SIGIR has identified a Reconstruction Gap based on these initial requirements, and noted that water and electrical projects will not be completed, I reiterate that this is an observation – not an alarm bell.

Our conclusions on this matter do not constitute an evaluation of the original list of projects. We are not saying that all of these problems must be finished to complete successfully the U.S. investment in the reconstruction of Iraq. In our view, rather than to focus the remaining resources on finishing up this list of projects, our investment in ensuring the sustainment of projects that are or will be completed, and efforts toward building the capacity of the Iraqis to take over the repair of their infrastructure will bring a much higher return.

Also, among the improvements we have observed in the past year is the development of an integrated information management system to provide a more accurate picture for program management.

I am pleased to say that the cooperation that this inspector general is receiving from those engaged in Iraq reconstruction is refreshing. When I return to Iraq later this week, I will be in regular contact with senior reconstruction management, including IRMO director Ambassador Dan Speckhard, Army Corps of Engineers Gulf Regional Division commander Brigadier General Bill McCoy, and Major General Darryl A. Scott, who recently relieved Major General John Urias, as Commander, Joint Contracting Office – Iraq. As well, I regularly meet with Ambassador Zalmay Khalilzad and the Multi-National Force – Iraq Commanding General, George W. Casey, Jr. Our relations are positive and productive and they are providing our 45 SIGIR auditors, inspectors, engineers and investigators in Iraq the access they need to provide this important oversight.

Conclusion

We at SIGIR are vigorously carrying out the duties and responsibilities assigned by Congress in a highly hazardous environment. I am proud of my staff's commitment and willingness to serve in a dangerous land far from their families. We will continue to ensure effective oversight and timely reporting, and to promote the success of the Iraq reconstruction plan.

I am gratified that Congress has recognized the impact of my office through the extension of our tenure. On November 10, the Congress passed Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006 containing an amendment to extend the duration of SIGIR oversight by modifying the SIGIR termination clause to base it upon the level of IRRF expenditures, instead of obligations. I will continue to serve Congress and the Secretaries of State and Defense by providing rigorous oversight to prevent waste, fraud and abuse in Iraq.

I appreciate this opportunity to participate in this important hearing, and I look forward to answering any questions that the committee may have.