



---

**SENATOR CLAIRE MCCASKILL  
CHAIRMAN, SUBCOMMITTEE ON  
CONTRACTING OVERSIGHT**

---



**Created the Subcommittee on Contracting Oversight.** In early 2009, Sen. McCaskill helped to create the Subcommittee on Contracting Oversight, a first-of-its-kind committee intended specifically to target waste, fraud and abuse in government contracting. As Chairman of the new Subcommittee, McCaskill has led investigations into actual and potential contracting fraud in nearly every federal agency identifying hundreds of millions of taxpayer dollars in savings in the process.

**Held 22 Subcommittee Hearings.** Sen. McCaskill has held 22 hearings in the Subcommittee on Contracting Oversight since its creation in 2009. Subcommittee hearings have included a review of counternarcotic contracts in Latin America, preferences for Alaska Native Corporations, jurisdiction over foreign contractors, USAID reconstruction and development contracts in Afghanistan, contract management at the Centers for Medicare and Medicaid Services, public relations contracts by federal agencies, whistleblower protections for contractors, and Defense Department and State Department mismanagement of contracts in Iraq and Afghanistan.

**Conducted 41 Investigations at 22 Federal Departments and Agencies.** Sen. McCaskill has initiated 41 investigations into alleged waste, fraud and abuse at 22 federal departments and agencies. Subcommittee investigations have included contractor compliance with rules and regulations promoting the hiring of veterans, Department of Health and Human Services sole-source contract awards for smallpox antiviral drugs, examination of deficiencies in contract audits performed by Deloitte & Touche, problems with contracts to train air traffic controllers, and the use of contractors to respond to official Congressional inquiries.

**Referred 29 Cases of Alleged Misconduct to Federal Investigators.** Sen. McCaskill has referred or requested review of 29 cases of possible misconduct by individuals and contractors to Inspectors General, audit agencies, and the Comptroller General.

**Exposed Contract Mismanagement at Arlington National Cemetery.** In 2010, Sen. McCaskill held a hearing to examine mismanagement of contracts at Arlington National Cemetery which contributed to misplaced headstones and bodies of fallen soldiers buried in incorrect plots, as well as millions of dollars of waste and potential fraud. At the hearing, McCaskill released information showing that the problems with graves at Arlington may be far more extensive than the Army had previously acknowledged. Following the hearing, McCaskill introduced S. 3860, legislation requiring Arlington to conduct a complete review of all gravesites at the Cemetery and review its contracting procedures. On December 22, 2010, President

Obama signed this legislation into law and as of December 2011, the Cemetery was on track to complete its review of all 259,978 graves.

**Exposed Gross Mismanagement of Private Security Contractors in Afghanistan.**

In 2009, Sen. McCaskill concluded an investigation of private security contractors and held a hearing that exposed gross mismanagement in the State Department's contract with ArmorGroup for guard services at the U.S. Embassy in Kabul, Afghanistan. The Subcommittee's investigation found that ArmorGroup's actions had left the embassy and its employees vulnerable. After the hearing and subsequent revelations of wrongdoing by the contractor, this \$189 million contract was eventually terminated.

**Exposed Waste and Abuse in the Military Mentors Program.** In 2009, Sen. McCaskill wrote Secretary of Defense Robert Gates to request a review of contracts awarded to former generals and admirals to advise active-duty service members as senior military "mentors." Sen. McCaskill's request raised concerns over troubling reports of mentors acting without sufficient adherence to ethics rules and potential conflicts of interest due to the mentors' employment by major military contractors. In April 2010, Secretary Gates introduced new policy requirements for the use of senior mentors by the Department of Defense.

**Investigation Led to Resignation of Special Inspector General for Afghanistan Reconstruction.** In 2010, Sen. McCaskill held a hearing to review oversight of reconstruction contracts in Afghanistan by then Special Inspector General for Afghanistan Reconstruction (SIGAR) Arnold Fields. At the hearing, Chairman McCaskill called for Fields' resignation based on his inability to effectively lead SIGAR's important audit and oversight role in Afghanistan. On January 10, 2011, Fields resigned from his post.

**Probe of Department of Labor Contracting Activities Led to Resignation of Senior Administration Official.** In July 2011, a top official at the U.S. Department of Labor was forced to resign after an Inspector General investigation, requested by Sen. McCaskill, found that the official had circumvented rules and regulations to secure government contracts for friends and colleagues. McCaskill requested the investigation after being approached by a whistleblower who shared allegations of contracting fraud committed by senior officials within the Department. The report, which was released publicly in July 2011, described a "pattern of conduct" by Assistant Secretary of Labor for Veterans' Employment and Training Services (VETS), Raymond Jefferson, "which reflects a consistent disregard of federal procurement regulations, federal ethics principles, and the proper stewardship of appropriated dollars."

**Fought to Change Leadership and Culture at the Defense Contract Audit Agency (DCAA).** Since 2008, Sen. McCaskill has sought management and systemic reforms at DCAA. After several whistleblowers and a Government Accountability Office (GAO) report raised concerns about falsified audits, insufficient audits and

overall management concerns, Sen. McCaskill, through committee hearings and letters with her colleagues, Sens. Lieberman, Collins and Coburn, has pushed hard for changes at DCAA. In November 2009, the director of DCAA, April Stevenson, was removed and replaced. Sen. McCaskill remains active in seeking additional reforms at DCAA.

**Led Investigation into the General Services Administration; GSA Administrator Subsequently Resigned and Two Senior Officials Were Fired.** In 2010, Sen. McCaskill began an investigation of contracting practices at GSA. In March 2011, the Subcommittee held a hearing to examine GSA's decision to award pricey, no-bid contracts to a media consultant to respond to inquiries about health and environmental concerns at GSA property in Kansas City. According to the GSA Inspector General, GSA failed to follow contract rules and procedures and paid far more than it should have for the services. In April 2012, one of the officials who had testified before the Subcommittee was fired and the Administrator resigned following a separate IG report which found GSA had held an extravagant conference in Las Vegas, where they once again failed to follow proper contract rules and overpaid for services.

**Led Investigation of Overcharging by Food Services Contractors.** In 2010, Sen. McCaskill held a hearing which examined the common food services industry practice of withholding rebates and discounts from the government to maximize their own profits. Following the hearing, Sen. McCaskill requested information and documents from the leading food services contractors and federal agencies about how food services companies obtain, account for, and pass on rebates they receive to taxpayers. The Subcommittee's investigation is ongoing.

**Led Investigation of Wasteful and Ineffective Contracts to Detect and Treat Mild Traumatic Brain Injury in Combat Veterans.** Sen. McCaskill has repeatedly raised concerns regarding the Defense Department's efforts to treat mild to medium traumatic brain injury (TBI), which has become a signature wound of the wars in Iraq and Afghanistan. Sen. McCaskill has requested information and documents regarding the Army's award of contracts worth millions to administer the ANAM test for TBI, which experts acknowledge cannot effectively detect mild TBI. Sen. McCaskill is also investigating the Defense Department's coverage of treatments for mild TBI through TRICARE, the Department's health care program for service members.