

United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

GABRIELLE A. BATKIN, STAFF DIRECTOR
KEITH B. ASHDOWN, MINORITY STAFF DIRECTOR

July 24, 2014

The Honorable John F. Kerry
Secretary of State
Department of State
2201 C St. NW
Washington, DC 20520

Dear Mr. Secretary:

I am writing regarding recommendations made to the State Department by the State Department Office of Inspector General (State OIG) regarding the contractor DynCorp.

Since 2004, the State OIG has published 18 reports related to contracts with DynCorp.¹ The State Department has concurred with many of the State OIG's recommendations in these reports, although the State Department has also disagreed, raised significant concerns, or failed to respond to other recommendations.

To ensure that the State Department has taken adequate steps to ensure that its contracts with DynCorp are adequately managed and overseen, I request that you provide details of the status of the State Department's progress in regards to the following recommendations:

1. In coordination with the U.S. Department of Defense, collaborate the development of Departmental guidance for conducting complex transitions from one agency or entity to another;²
2. Identify and return to the Defense Department the amount of Afghanistan Security Forces Fund appropriations that were improperly obligated and spent on other programs, and develop

¹ See, e.g., Department of State Office of the Inspector General, *Afghan National Police Training Program: Lessons Learned During the Transition of Contract Administration* (Report No. AUD/CG-11-42) (Aug. 15, 2011); Department of State Office of the Inspector General, *Afghan National Police Training Program Would Benefit From Better Compliance With the Economy Act and Reimbursable Agreements* (AUD/CG-11-44) (Aug. 25, 2011); Department of State Office of the Inspector General, *Afghan National Police Training Program: Lessons Learned During the Transition of Contract Administration* (Report No. AUD/CG-11-42) (Aug. 15, 2011).

² Department of State Office of the Inspector General, *Afghan National Police Training Program: Lessons Learned During the Transition of Contract Administration* (Report No. AUD/CG-11-42) (Aug. 15, 2011) (Recommendation A.1.).

and implement procedures to ensure that the Bureau of International Narcotics and Law Enforcement Affairs (INL) obligates funds appropriately;³

3. Ensure that the contracting officer for the Civilian Police (CIVPOL) contract strengthen existing internal controls over contract administration, oversight, and financial reporting;⁴
4. Request funds from DynCorp for any costs determined by the Defense Contract Audit Agency as not allowable, allocable, or reasonable under the CIVPOL contract;⁵
5. Develop, implement, and document adequate controls to ensure that INL uses Defense Department funds for specific purposes.⁶

I also request that you provide documentation to support the disagreements that the State Department had with the following OIG recommendations:

1. Return \$1.5 million of Defense Department funds that were outside the scope of the Defense Department-State Department reimbursable agreement;⁷
2. Return to the Defense Department and properly record \$3.99 million of unobligated funds.⁸

I request that you provide the status of these recommendations and the documentation to support your disagreement, as well as a briefing to Subcommittee staff to discuss these issues. I

³ Department of State Office of the Inspector General, *Afghan National Police Training Program Would Benefit From Better Compliance With the Economy Act and Reimbursable Agreements* (August 25, 2011) (AUD/CG-11-44) (Recommendation 1).

⁴ Department of State Office of the Inspector General, *DoD and DoS Need Better Procedures to Monitor and Expend DoD Funds for the Afghan National Police Training Program* (July 7, 2011) (AUD/CG-11-30) (Recommendation B.2.a).

⁵ Department of State Office of the Inspector General, *DoD and DoS Need Better Procedures to Monitor and Expend DoD Funds for the Afghan National Police Training Program* (July 7, 2011) (AUD/CG-11-30) (Recommendation C.2.b).

⁶ Department of State Office of the Inspector General, *DoD and DoS Need Better Procedures to Monitor and Expend DoD Funds for the Afghan National Police Training Program* (July 7, 2011) (AUD/CG-11-30) (Recommendation A.5.b).

⁷ Department of State Office of the Inspector General, *DoD and DoS Need Better Procedures to Monitor and Expend DoD Funds for the Afghan National Police Training Program* (July 7, 2011) (AUD/CG-11-30) (Recommendation A.1.b).

⁸ Department of State Office of the Inspector General, *DoD and DoS Need Better Procedures to Monitor and Expend DoD Funds for the Afghan National Police Training Program* (July 7, 2011) (AUD/CG-11-30) (Recommendation A.5.a).

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request you provide this information and briefing as soon as possible, but no later than **Monday, August 18, 2014**.

The jurisdiction of the Subcommittee on Financial and Contracting Oversight is set forth in Senate Rule XXV clause 1(k); Senate Resolution 445 section 101 (108th Congress); and Senate Resolution 64 (113th Congress).

I appreciate your assistance. Please contact Jackson Eaton with the Subcommittee at (202) 224-6579 with any questions. Please send any official correspondence relating to this request to Kelsey_Stroud@hsgac.senate.gov.

Sincerely,



Claire McCaskill
Chairman
Subcommittee on Financial and Contracting
Oversight

cc: Ron Johnson
Ranking Member
Subcommittee on Financial and Contracting Oversight