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# United States Senate

COMMITTEE ON  
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS  
WASHINGTON, DC 20510-6250

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June 21, 2017

The Honorable Rex Tillerson  
Secretary  
U.S. Department of State  
2201 C Street, NW  
Washington, D.C. 20520

Dear Mr. Secretary:

I am writing to request information regarding the Department of State's oversight of its \$15 million contract for monitoring foreign assistance programs in Iraq.

As you are aware, the Department awarded a \$15 million contract to All Native, Inc. (ANI) to assist multiple bureaus with monitoring grants and other foreign assistance programs in Iraq. The Department of State Office of Inspector General recently completed an audit that found that the Department failed to provide adequate oversight of its contract with ANI.<sup>1</sup> The Inspector General found that 68% of contract invoices were approved for payment without proper supporting documentation, totaling over \$3 million in unsupported costs. For example, the Inspector General found that the Department paid ANI \$2.3 million for labor costs without timesheets documenting the work performed.<sup>2</sup>

The Inspector General also found that the Department failed to promptly modify task orders to realign funds with contract line items. On many occasions, such modifications were delayed by several months, and in one instance, the contracting officer did not make a necessary modification until more than one year after being alerted to the need to realign contract funds. According to the Inspector General, these delays put the Department at risk of Antideficiency Act violations, work stoppages, and increased costs.<sup>3</sup>

To remedy this lack of oversight, the Inspector General recommended that the Department determine whether the \$3 million in unsupported costs are allowable and recover all costs determined to be unallowable. The Inspector General also recommended that the Department establish objective and measurable criteria for evaluating contract performance.

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<sup>1</sup> Department of State Office of the Inspector General, *Audit of the Department of State's Contract to Monitor Foreign Assistance Programs in Iraq* (AUD-MERO-17-41) (May 2017).

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

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Given the need for oversight of foreign assistance programs in Iraq, I urge the Department to take prompt action to address the Inspector General's recent findings and recommendations. I also request that you provide specific information on how the Department plans to implement these recommendations on or before July 19, 2017.

If you have any questions related to this request, please contact Claudine Brenner with Senator McCaskill's staff at [Claudine\\_Brenner@hsgac.senate.gov](mailto:Claudine_Brenner@hsgac.senate.gov) or (202) 224-3672. Please send any official correspondence relating to this request to [Amanda\\_Trosen@hsgac.senate.gov](mailto:Amanda_Trosen@hsgac.senate.gov).

Sincerely,



Claire McCaskill  
Ranking Member

cc: Ron Johnson  
Chairman