



THE SECRETARY OF DEFENSE
WASHINGTON, THE DISTRICT OF COLUMBIA

OCT 5 2010

The Honorable Carl Levin
Chairman
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Thank you for sending me the Senate Armed Services Committee Report on the role and oversight of private security contractors operating in Afghanistan for declassification review. The Department of Defense (DoD) appreciates the Committee's efforts to redact additional sensitive, unclassified information that could affect service members engaged in ongoing operations. A publicly releasable hardcopy and electronic version of this report is enclosed.

Over the past three years, DoD has undertaken significant steps to change its contracting practices. DoD has established several task forces that have identified areas for improvement and formulated changes in the way we contract in Afghanistan.

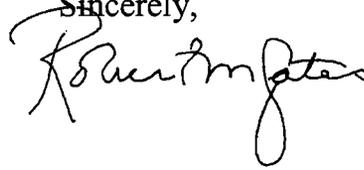
As a result of these changes, DoD has revamped the hiring, training, and deployment of those individuals responsible for operational contingency contracting services. The Defense Contract Management Agency (DCMA) has modified its strategic hiring plan to increase the level of expertise in auditing contingency contracts and acquisitions. Between 2007 and the end of 2009, DCMA increased the number of personnel who provide in-theater contracting audits and support by over 300 percent. DCMA has further developed its work force to deploy to Afghanistan on a more regular basis, embedding its personnel into combatant commands to ensure that contracting oversight is given priority in ongoing military operations.

Not only has DoD expanded its oversight of these contracts, it has also worked to alter the way those on the ground in Afghanistan think about contracting. In a memorandum issued on September 8, 2010, General David Petraeus directed his commanders to consider the effects contract spending has on ongoing operations. Contracting has become a command responsibility requiring our military leaders to be aware of those who will benefit from U.S. taxpayer dollars. General Petraeus's memorandum further emphasizes the negative operational effects of contracting with local powerbrokers who exclude those outside their narrow patronage networks, and



provides guidance as to how commanders should approach contracting. The memorandum encourages commanders to hire Afghans first and help build Afghan capacity, but also emphasizes the need for the command to know those with whom they contract. Commanders also need to exercise responsible contracting practices, consult with local leaders, and invest in oversight and enforcement of contract requirements. Finally, the memorandum directs commanders to take action including possible contract termination, should a connection between contractors and criminal networks arise.

The Committee's report on private security contractors has helped DoD understand the nature of the problems associated with contracting in Afghanistan. Through the new programs we have implemented, I believe DoD has taken significant steps to benefit our forces on the ground while not providing aid to our enemies.

Sincerely,


Enclosures:
As stated

cc:
The Honorable John McCain
Ranking Member