

October 2010

# IRAQ AND AFGHANISTAN

## DOD, State, and USAID Face Continued Challenges in Tracking Contracts, Assistance Instruments, and Associated Personnel



GAO

Accountability \* Integrity \* Reliability

## Why GAO Did This Study

The Departments of Defense (DOD) and State and the U.S. Agency for International Development (USAID) have relied extensively on contracts, grants, and cooperative agreements for a wide range of services in Afghanistan and Iraq. However, as GAO previously reported, the agencies have faced challenges in obtaining sufficient information to manage these contracts and assistance instruments.

As part of our third review under the National Defense Authorization Act for Fiscal Year (FY) 2008, as amended, GAO assessed the implementation of the Synchronized Predeployment and Operational Tracker (SPOT) and data reported by the three agencies for Afghanistan and Iraq for FY 2009 and the first half of FY 2010 on the (1) number of contractor and assistance personnel, including those providing security; (2) number of personnel killed or wounded; and (3) number and value of contracts and assistance instruments and extent of competition for new awards. GAO compared agency data to other available sources to assess reliability.

## What GAO Recommends

In response to GAO's 2009 report, DOD, State, and USAID did not agree with the recommendation to develop a plan for implementing SPOT because they felt ongoing coordination efforts were sufficient. GAO continues to believe a plan is needed to correct SPOT's shortcomings and is not making any new recommendations.

[View GAO-11-1](#) or [key components](#).

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## IRAQ AND AFGHANISTAN

### DOD, State, and USAID Face Continued Challenges in Tracking Contracts, Assistance Instruments, and Associated Personnel

#### What GAO Found

While the three agencies designated SPOT as their system for tracking statutorily required information in July 2008, SPOT still cannot reliably track information on contracts, assistance instruments, and associated personnel in Iraq or Afghanistan. As a result, the agencies relied on sources of data other than SPOT to respond to our requests for information. The agencies' implementation of SPOT has been affected by some practical and technical issues, but their efforts also were undermined by a lack of agreement on how to proceed, particularly on how to track local nationals working under contracts or assistance instruments. The lack of agreement was due in part to agencies not having assessed their respective information needs and how SPOT can be designed to address those needs and statutory requirements. In 2009, GAO reported on many of these issues and recommended that the agencies jointly develop a plan to improve SPOT's implementation.

The three agencies reported to GAO that as of March 2010 there were 262,681 contractor and assistance personnel working in Iraq and Afghanistan, 18 percent of whom performed security functions. Due to limitations with agency-reported data, caution should be used in identifying trends or drawing conclusions about the number of personnel in either country. Data limitations are attributable to agency difficulty in determining the number of local nationals, low response rates to agency requests for data, and limited ability to verify the accuracy of reported data. For example, a State office noted that none of its Afghan grant recipients provided requested personnel data. While agency officials acknowledged not all personnel were being counted, they still considered the reported data to be more accurate than SPOT data.

Only State and USAID tracked information on the number of contractor and assistance personnel killed or wounded in Iraq and Afghanistan during the review period. State reported 9 contractor and assistance personnel were killed and 68 wounded, while USAID reported 116 killed and 121 wounded. Both agencies noted that some casualties resulted from nonhostile actions. DOD still lacked a system to track similar information and referred GAO to Department of Labor data on cases filed under the Defense Base Act for killed or injured contractors. As GAO previously reported, Labor's data provide insights but are not a good proxy for the number of contractor casualties.

DOD, State, and USAID obligated \$37.5 billion on 133,951 contracts and assistance instruments with performance in Iraq and Afghanistan during FY2009 and the first half of FY2010. DOD had the vast majority of contract obligations. Most of the contracts were awarded during the review period and used competitive procedures. State and USAID relied heavily on grants and cooperative agreements and reported that most were competitively awarded.

While DOD and State did not comment on the draft report, USAID commented on the challenges of implementing SPOT and provided revised personnel data that GAO reviewed and included in the report.

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## Abbreviations

AAPD	Acquisition & Assistance Policy Directive
CENTCOM	U.S. Central Command
DBA	Defense Base Act
DOD	Department of Defense
FAR	Federal Acquisition Regulation
FPDS-NG	Federal Procurement Data System – Next Generation
LOA	Letter of Authorization
MOU	Memorandum of Understanding
NAICS	North American Industry Classification System
NDA for FY2008	National Defense Authorization Act for Fiscal Year 2008
NDA for FY2010	National Defense Authorization Act for Fiscal Year 2010
SPOT	Synchronized Predeployment and Operational Tracker
USAID	U.S. Agency for International Development

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United States Government Accountability Office  
Washington, DC 20548

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## Congressional Committees

The Department of Defense (DOD), the Department of State (State), and the U.S. Agency for International Development (USAID) have relied extensively on contractors in Iraq and Afghanistan to provide a wide range of services, such as security, transportation, and base operations. Additionally, State and USAID have depended on recipients of grants and cooperative agreements—two types of assistance instruments—to implement infrastructure, governance, and economic development projects in the two countries. Given this reliance, it is critical that agency officials have reliable information as a starting point to inform decision making and properly oversee the work being performed under contracts and assistance instruments in Iraq and Afghanistan. As our prior work has shown, the agencies' lack of complete and accurate information may inhibit planning, increase cost, and introduce unnecessary risk.<sup>1</sup>

Congress has taken a number of actions to increase oversight of contracts and assistance instruments with performance in Iraq and Afghanistan. Among these, the National Defense Authorization Act for Fiscal Year 2008 (NDAA for FY2008) directed DOD, State, and USAID to sign a memorandum of understanding (MOU) regarding contracting in Iraq and Afghanistan, including maintaining common databases of information on contracts and contractor personnel.<sup>2</sup> The three agencies signed an initial MOU in July 2008 that designated the Synchronized Predeployment and Operational Tracker (SPOT) as their system of record for the statutorily required information. With the passage of the National Defense Authorization Act for Fiscal Year 2010 (NDAA for FY2010), Congress expanded the requirement to cover grants, cooperative agreements, and their associated personnel.<sup>3</sup> In response, the three agencies revised their MOU in April 2010 to specify that SPOT was also the system of record for tracking statutorily required information on grants and cooperative

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<sup>1</sup> See GAO, *Iraq and Afghanistan: Agencies Face Challenges in Tracking Contracts, Grants, Cooperative Agreements, and Associated Personnel*, [GAO-10-509T](#) (Washington, D.C.: Mar. 23, 2010).

<sup>2</sup> Pub. L. No. 110-181, § 861, as amended by Pub. L. No. 110-417, § 854 (2008).

<sup>3</sup> Pub. L. No. 111-8, § 813 (2009).



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agreements with performance in Iraq and Afghanistan and their associated personnel.

The NDAA for FY2008, as amended, directed us to review and report annually on DOD, State, and USAID contracts and assistance instruments with performance in Iraq and Afghanistan.<sup>4</sup> In our two prior reports, we provided analyses of agency-reported data on contracts and contractor personnel, identified limitations associated with those data, and noted shortcomings in SPOT's implementation.<sup>5</sup>

For our third annual report, we are assessing the status of the three agencies' efforts to implement SPOT and providing the results of our analysis of agency-reported data for fiscal year 2009 and the first half of fiscal year 2010 on (1) the number of personnel, including those performing security functions,<sup>6</sup> working under DOD, State, and USAID contracts and assistance instruments with performance in Iraq and Afghanistan; (2) the number of such personnel who were killed or wounded; and (3) the number and value of contracts and assistance

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<sup>4</sup> Pub. L. No. 110-181, § 863.

<sup>5</sup> GAO, *Contingency Contracting: DOD, State, and USAID Continue to Face Challenges in Tracking Contractor Personnel and Contracts in Iraq and Afghanistan*, [GAO-10-1](#) (Washington, D.C.: Oct. 1, 2009). GAO, *Contingency Contracting: DOD, State, and USAID Contracts and Contractor Personnel in Iraq and Afghanistan*, [GAO-09-19](#) (Washington, D.C.: Oct. 1, 2008).

<sup>6</sup> The Duncan Hunter National Defense Authorization Act for Fiscal Year 2009, Pub. L. No. 110-417, § 854(d) amended section 864 of the NDAA for FY2008 to add a definition of "contractor personnel" as "any person performing work under contract for the Department of Defense, the Department of State, or the United States Agency for International Development, in Iraq or Afghanistan, including individuals and subcontractors at any tier." Section 813 of the NDAA for FY2010 expanded the NDAA for FY2008 definition of "contract" to include grants and cooperative agreements and, therefore, personnel working under grants or cooperative agreements in Iraq and Afghanistan are included in our scope. Section 864 of the NDAA for FY2008 defines private security functions as the "guarding of personnel, facilities or property of a Federal agency, the contractor or subcontractor, or a third party" and "any other activity for which personnel are required to carry weapons in the performance of their duties."

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instruments<sup>7</sup> that were active or awarded<sup>8</sup> during our 18-month review period and the extent of competition for new awards.

We used the following methodologies to develop our findings.

- To assess SPOT's implementation, we reviewed DOD, State, and USAID's MOUs and the agencies' guidance and policies regarding SPOT. We also interviewed officials responsible for implementing SPOT, including those in Iraq and Afghanistan, to determine the agencies' criteria and practices for entering information into SPOT and the system's current and planned capabilities.
- For the number of contractor and assistance personnel, DOD, State, and USAID provided us with data on U.S., third country, and local nationals working under contracts and assistance instruments in Iraq or Afghanistan, including those performing security functions, during our review period. The agencies primarily obtained these data from

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<sup>7</sup> Section 864(a)(2) of the NDAA for FY2008, as amended by section 813(a) of the NDAA for FY2010, defines a "contract in Iraq or Afghanistan" as "a contract with the Department of Defense, the Department of State, or the United States Agency for International Development, a subcontract at any tier issued under such a contract, a task order or delivery order at any tier issued under such a contract, a grant, or a cooperative agreement (including a contract, subcontract, task order, delivery order, grant, or cooperative agreement issued by another Government agency for the Department of Defense, the Department of State, or the United States Agency for International Development) if the contract, subcontract, task order, delivery order, grant, or cooperative agreement involves worked [sic] performed in Iraq or Afghanistan for a period longer than 30 days." The Federal Acquisition Regulation (FAR) defines a "subcontract" as a contract entered into by a subcontractor to furnish supplies or services for performance of a prime contract or other subcontracts. The FAR defines a "task order" as an order for services placed against an established contract or government sources. For purposes of this report, when we use the term contract, we intend it to refer to a contract, task order, or delivery order with performance in Iraq or Afghanistan, while the term assistance instrument refers to a grant or cooperative agreement with performance in Iraq or Afghanistan, within the parameters established by the NDAA for FY2008 and the NDAA for FY2010.

<sup>8</sup> Since the NDAA for FY2008 and subsequent amendments did not define what constitutes an "active" contract, grant, or cooperative agreement, we considered a contract or assistance instrument active if funds were obligated or deobligated on that contract or assistance instrument in fiscal year 2009 and/or the first half of fiscal year 2010. There were other contracts and assistance instruments that had performance in Iraq or Afghanistan during that time period but had no obligations or deobligations; such contracts and assistance instruments were not included in our analyses. Contracts and assistance instruments awarded in fiscal year 2009 and the first half of fiscal year 2010 are a subset of the active contracts. Throughout the report, the term "award" refers to the issuance of a task or delivery order, the award of a new contract, or the award of a new assistance instrument.

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surveys of or reports from their contractors and assistance instrument recipients. We assessed the reported data by comparing them to other available sources. Based on these comparisons, we concluded that caution should be exercised when using the agency-provided data on contractor and assistance personnel to draw conclusions about either the actual number in Iraq or Afghanistan for any given time period or trends over time. However, we are presenting the reported data along with their limitations as they establish a rough order of magnitude for the number of personnel working under contracts and assistance instruments in the two countries during our 18-month review period.

- For the number of contractor and assistance personnel killed or wounded during our review period, we analyzed State and USAID data that were based on reports submitted by contractors and assistance instrument recipients. We could not independently verify the completeness of the numbers State and USAID reported to us, but we are reporting them as they provide insight into the numbers killed or wounded during our review period. DOD did not collect and could not provide these data. In addition, we analyzed Department of Labor data on Defense Base Act (DBA) cases for incidents in Iraq and Afghanistan during fiscal year 2009 and the first half of fiscal year 2010. Specifically, we reviewed all 213 DBA case files pertaining to contractor deaths to determine, for example, whether the case was the result of a hostile incident. We determined the DBA data were sufficiently reliable for the purposes of this report, when presented with the appropriate caveats, based on our prior reliability assessments.
- For the contracts and assistance instruments, we obtained data from DOD, State, and USAID on the number of active or awarded contracts, grants, and cooperative agreements with performance in Iraq and Afghanistan during our review period; the amount of funds obligated on those contracts and assistance instruments; and the extent of competition for new contract and assistance awards. Data were provided from the government's system for tracking information on contracting actions as well as agency-specific databases and manually compiled lists of contract and assistance actions. Although we found a small number of errors in some of the datasets, we determined that the data were sufficiently reliable to identify the minimum number of active or awarded contracts and assistance instruments and the associated obligation amounts, as well as the extent of competition, based on our reliability assessments, interviews with agency officials, and verification of some reported data.

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A more detailed description of our scope and methodology is included in appendix I. We conducted this performance audit from November 2009 through September 2010 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

Section 861 of the NDAA for FY2008 directed the Secretary of Defense, the Secretary of State, and the USAID Administrator to sign an MOU related to contracting in Iraq and Afghanistan. The law specified a number of issues to be covered in the MOU, including identifying common databases to serve as repositories of information on contract and contractor personnel. The NDAA for FY2008 required the databases to track the following, at a minimum:

- for each contract that involves work performed in Iraq or Afghanistan,
  - a brief description of the contract,
  - its total value, and
  - whether it was awarded competitively; and
- for contractor personnel working under contracts in Iraq or Afghanistan,
  - total number employed,
  - total number performing security functions, and
  - total number killed or wounded.

In July 2008, DOD, State, and USAID signed an MOU in which they agreed SPOT would be the system of record for the statutorily required contract and personnel information. SPOT is a Web-based system initially developed by the U.S. Army to track detailed information on a limited number of contractor personnel deployed with U.S. forces. The MOU specified that SPOT would include information on DOD, State, and USAID contracts with more than 14 days of performance in Iraq or Afghanistan or valued at more than \$100,000, as well as information on the personnel working under those contracts. Each agency further agreed to ensure that data elements related to contractor personnel, such as the number of personnel employed on each contract in Iraq or Afghanistan, are entered into SPOT accurately. Although the law only directs the agencies to track aggregate data, SPOT is currently configured in a manner that tracks individuals by name and records information such as the contracts they

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are working under, deployment dates, blood type, and next of kin. The agencies agreed that contract-related information, such as value and extent of competition, are to be imported into SPOT from the Federal Procurement Data System – Next Generation (FPDS-NG), the federal government’s system for tracking information on contracting actions. Also, per the MOU, DOD is responsible for all maintenance and upgrades to the system, but the agencies agreed to negotiate funding arrangements for any agency-unique requirements.

Since the signing of the July 2008 MOU, the requirements of section 861 have been amended. The Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 specified additional matters to be covered in the agencies’ MOU to address criminal offenses committed by or against contractor personnel.<sup>9</sup> Additionally, the NDAA for FY2010 amended the original requirements by redefining “contract in Iraq and Afghanistan” to include grants and cooperative agreements and redefining “contractor” for these purposes to include grantees and cooperative agreement recipients.<sup>10</sup> The NDAA for FY2010 also revised the minimum threshold for tracking contracts, task and delivery orders, grants, and cooperative agreements from 14 days of performance in Iraq or Afghanistan to 30 days. In April 2010, the three agencies signed a new MOU to incorporate these statutory changes.

DOD, State, and USAID have phased in their implementation of SPOT, with each developing its own policies and procedures governing the use of SPOT.

- DOD designated SPOT in January 2007 as its primary system for collecting data on contractor personnel deployed with U.S. forces. At that time, it directed contractor firms to enter by name all U.S., third country, and local nationals working under its contracts in Iraq or Afghanistan into SPOT.<sup>11</sup> DOD officials informed us that they have not

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<sup>9</sup> Pub. L. No. 110-417, § 854.

<sup>10</sup> Pub. L. No. 111-84, § 813.

<sup>11</sup> This guidance was implemented in Department of Defense FAR Supplement section 252.225-7040(g), which specified that contractors are to enter information into SPOT for all personnel authorized to accompany the U.S. Armed Forces. However, Class Deviation 2007-00010 excluded contracts with performance in the U.S. Central Command’s area of responsibility, which includes Iraq and Afghanistan, that did not exceed \$25,000 and had less than 30 days of performance.

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issued a policy directing that personnel working under assistance instruments be entered into SPOT because the department has made very limited use of these instruments in Iraq or Afghanistan.

- State issued a policy in March 2008 requiring contractors to enter data on their personnel working in Iraq and Afghanistan into SPOT.<sup>12</sup> An additional directive was issued in January 2009 to expand this requirement to personnel working under assistance instruments in the two countries.<sup>13</sup>
- USAID issued a directive in April 2009 requiring contractors and assistance recipients in Iraq to begin entering personnel data into SPOT.<sup>14</sup> In July 2010, USAID issued a directive that expanded that requirement to contractors and assistance recipients in Afghanistan.<sup>15</sup>

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## SPOT Still Cannot Be Relied on to Track Statutorily Required Data

DOD, State, and USAID have encountered several practical and technical challenges that undermined SPOT's ability to accurately and reliably track personnel, as well as contracts and assistance instruments, as agreed in the MOUs. Although DOD, State, and USAID revised their MOU in April 2010 to incorporate changes pertaining to the use of SPOT, they lacked agreement on how to proceed with its implementation. This lack of agreement existed partly because the agencies have not assessed their respective agency information needs for managing contracts and assistance instruments in Iraq and Afghanistan and how SPOT should be designed to meet these needs.

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<sup>12</sup> Office of the Procurement Executive, Procurement Information Bulletin No. 2008-15, *Use of Synchronized Predeployment and Operational Tracker (SPOT) for Contractors Supporting and Diplomatic or Consular Mission Outside the United States* (Mar. 25, 2008).

<sup>13</sup> State Grants Policy Directive Number 33, *Recipient Performance in a Designated Area of Combat Operations* (Jan. 6, 2009, as amended on Aug. 13, 2009).

<sup>14</sup> USAID Acquisition & Assistance Policy Directive 09-01 (AAPD 09-01), *Contract Clause and Assistance Provision for Awards in Iraq* (Apr. 1, 2009).

<sup>15</sup> USAID Acquisition & Assistance Policy Directive 10-04 (AAPD 10-04), *Contract Clause and Assistance Provision for Awards in Afghanistan* (July 20, 2010).

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## SPOT Falls Short of Tracking All Required Information

SPOT's implementation to date falls short of tracking information as agreed to in the MOUs. Specifically, agency policies and other challenges have limited which personnel have been entered into the system and tracked, including those performing security functions. Furthermore, while SPOT has the capability to record when personnel have been killed or wounded, such information has not been regularly updated. Finally, SPOT does not have the capability to track the contract and assistance instrument data elements as agreed to in the MOUs.

### Contractor and Assistance Personnel

For personnel working under contracts and assistance instruments, we identified at least three challenges the agencies faced in ensuring that SPOT contained complete and accurate information. Specifically:

- **USAID and State policies limited the extent that local national personnel were entered into SPOT.** Following the passage of the NDAA for FY2008, USAID and State developed agency-specific policies regarding SPOT's implementation. However, in some instances these policies limited the extent to which local nationals were required to be entered into the system. USAID's April 2009 contract and assistance policy specified only that contractor and assistance personnel deployed to Iraq must be registered in SPOT.<sup>16</sup> The policy explicitly excluded Iraqi entities and nationals from being entered into SPOT, until a classified system is established. It was not until July 2010 that USAID directed that its contractor and assistance personnel working in Afghanistan be accounted for in SPOT.<sup>17</sup> The policy notes that procedures will be provided separately for entering information on Afghan nationals into SPOT, but as of September 2010, such procedures have not been developed. As a result of these policies, information on local nationals working under USAID contracts and assistance instruments in Iraq and Afghanistan is still not being tracked in SPOT. State's assistance policy directs that U.S. and third country nationals working under grants must be entered into SPOT.<sup>18</sup> While the policy specifies that local nationals should be entered into the system, State officials told us that agency staff can use their discretion to determine whether local national personnel working under grants are entered into SPOT. In contrast, State requires all U.S. citizens, third country, and local nationals working under its contracts

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<sup>16</sup> USAID AAPD 09-01.

<sup>17</sup> USAID AAPD 10-04.

<sup>18</sup> Grants Policy Directive Number 33.

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to be entered into SPOT.<sup>19</sup> In explaining why their policies make exceptions for local nationals, officials from USAID and State cited security concerns. USAID officials told us that they held off entering Iraqi or Afghan nationals into SPOT because identifying local nationals who work with the U.S. government by name could place those individuals in danger should the system be compromised. Similarly, State officials cited concern for the safety of these individuals should SPOT, with its detailed personnel information, be compromised.

- **Practical limitations hindered the agencies' ability to track local national personnel.** Even when local national personnel are required to be entered into SPOT, agency officials have explained that such personnel are particularly difficult to track, especially in Afghanistan, and as a result, their numbers in SPOT are not a close representation of their actual numbers. This is primarily due to practical limitations the agencies encountered, including:
  - Many local nationals working under contracts and assistance instruments are at remote locations and their numbers can fluctuate daily. DOD officials in Iraq and Afghanistan explained that this is especially true for construction projects, where the stage of construction and season can affect the total number of personnel working on a project. For example, DOD officials in Afghanistan told us that at one project site the number of local national personnel working fluctuated anywhere from 600 to 2,100. Further, DOD contracting officials told us in some instances it could be weeks before they are notified that local national personnel are no longer working on a particular project. This has limited the ability to track, in real time, the status of these personnel in SPOT. Also, for personnel working at remote locations, the ability of U.S. government officials to verify the completeness of information in SPOT is hindered by security conditions that make it difficult for them to visit regularly, and they cannot use their limited time on site to verify personnel information.
  - Local nationals working under DOD, State, or USAID contracts and assistance instruments rarely need SPOT-generated letters of authorization (LOAs) because they are not accessing U.S. facilities

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<sup>19</sup> State Department Procurement Information Bulletin No. 2008-15.



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or using U.S. government services.<sup>20</sup> In contrast, U.S. and third country nationals typically need a SPOT-generated LOA, for example to even enter Iraq or Afghanistan, and, therefore, are more likely to be entered into SPOT. As we have previously reported, the need for a SPOT-generated LOA has served as the primary factor and incentive for ensuring that personnel have been entered into the system.<sup>21</sup>

- Information necessary for entering personnel into SPOT may not be available. DOD, State, and USAID officials told us some local national contractors are hesitant or simply refuse to submit information on their personnel because of safety concerns. Additionally, some information required for SPOT data fields, such as first and last names and date of birth, may not exist or be known. This is particularly true in Afghanistan, where it is common for local nationals to have only one name and know only their approximate year of birth.
- Limited access to reliable internet connections in Iraq and Afghanistan inhibit local firms' ability to enter personnel information into SPOT. Since SPOT is a Web-based system that requires internet access for extended periods of time to input detailed personnel information, agency officials noted that this is a major impediment to the widespread use of SPOT in both countries.
- **Contractors and assistance recipients have not kept SPOT updated.** Although the agencies have increasingly required their contractors and assistance recipients to enter personnel information into the system, there has been little emphasis placed on ensuring that the information entered into SPOT is up to date. Specifically, contractors and assistance recipients have not consistently closed the accounts of their personnel once they have left Iraq or Afghanistan. As a result, SPOT does not accurately reflect the number of contract and assistance personnel in either country, and in some cases the numbers may be overstated. SPOT program officials told us that in March 2010

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<sup>20</sup> A letter of authorization is a document issued by a government contracting officer or designee that authorizes contractor personnel to travel to, from, and within a designated area and to identify any additional authorizations, privileges, or government support the contractor is entitled to under the contract.

<sup>21</sup> [GAO-10-1](#).

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they began periodically reviewing SPOT to close out the accounts of any personnel who either did not actually travel to Iraq or Afghanistan or whose estimated deployment ending date was 14 days overdue. Based on this review, in April 2010 alone, they identified and closed the accounts of over 56,000 such personnel who had been listed in SPOT as still being deployed.

## Personnel Performing Security Functions

Although SPOT was designated as a system for tracking the number of personnel performing security functions, it cannot be used to reliably distinguish personnel performing security functions from other contractors. SPOT program officials explained that the number of security personnel working under contracts and assistance instruments for the three agencies can be identified using multiple methods, all of which have limitations and yield different results, as shown in table 1. However, in acknowledging the limitations of these methods, the officials noted that they are developing guidance that better explains the different methods and the results they yield. The three methods used to count security contractors include:

- **The common industry classification system** identifies the types of goods and services the firm provided under the contract.<sup>22</sup> However, by using this contract classification system to calculate the number of security contractors, other personnel working on the security contract but not performing security functions, such as administrative and support staff, would be included in the count.
- **Job titles** are to be entered into SPOT by employers for each individual. SPOT program officials identified five job titles that they include in counts of security personnel.<sup>23</sup> These officials acknowledged there is a risk that an employee providing security services may have a job title other than one of those five and, therefore, would not be included in the count.

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<sup>22</sup> The North American Industry Classification System (NAICS) is a standardized system used by federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. The three NAICS codes the SPOT program office used to determine security contractors are: 561612 - Security Guards and Patrol Services; 561621 - Security Systems Services (except Locksmiths); and 922120 - Police Protection.

<sup>23</sup> The following job titles have been identified by the SPOT program office to determine the number of security contractors under this method: Security Advisor; Private Security Contractor; Security Specialist; Site Security Advisor; and Security Supervisor.

- **The weapon authorization** data field in SPOT identifies personnel who have been authorized to carry a firearm. Employers of armed security contractors are required to enter this information into SPOT as part of DOD’s process to register and account for such personnel in each country.<sup>24</sup> However, USAID officials in Iraq explained that security personnel working under the agency’s contracts and assistance instruments receive authorization to carry firearms from the Iraqi government, not DOD, and are not identified in SPOT as having a weapons authorization. Further, some contractors performing security functions are not authorized to carry weapons and would, therefore, not be included in a count using this method. Conversely, some personnel who are not performing security functions have been authorized to carry weapons for personal protection and would be included in the count.

**Table 1: Comparison of Results Using Different Methods to Identify DOD Contractors Performing Security Functions, as of March 31, 2010**

Number of security contractors	Method		
	Industry classification	Job title	Weapon authorization
Afghanistan	4,309	3,140	1,910
Iraq	23,127	22,673	11,500

Source: GAO analysis of SPOT data.

Regardless of the method employed to identify personnel in SPOT, it appears that not all personnel performing security functions are being captured in the system. For example, based on an analysis of SPOT data, no more than 4,309 contractor personnel were performing security functions for DOD in Afghanistan during the second quarter of fiscal year 2010. In contrast, DOD officials overseeing armed contractors in Afghanistan estimated the total number of DOD security contractors in Afghanistan for the same time period was closer to 17,500.<sup>25</sup>

<sup>24</sup> Section 862 of the NDAA for FY2008, as amended, required the agencies to develop a process for registering, authorizing, and accounting for contractors performing security functions.

<sup>25</sup> Compiled by U.S. Forces – Afghanistan, Armed Contractor Oversight Directorate, April 2010. The Armed Contractor Oversight Directorate is a staff organization under U.S. Forces – Afghanistan that is responsible for tracking and managing DOD armed contractors, including the management and reporting of serious incidents such as weapons discharge and fatalities resulting from attacks.

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## Personnel Killed or Wounded

With regard to tracking personnel who were killed or wounded while working on contracts and assistance instruments in Iraq and Afghanistan, SPOT was upgraded in January 2009 so that contractors could update the status of their personnel in the system, including whether they were killed or wounded. However, officials from the three agencies informed us they do not rely on SPOT for such information because contractors and assistance recipients generally have not recorded in SPOT whether personnel have been killed or wounded. This is evidenced by the fact that when we compared information in SPOT to DBA insurance case data provided by Labor<sup>26</sup> on 213 contractors who had been killed in Iraq or Afghanistan during our review period, only 78 of the contractors were in SPOT and, of these, only 9 were listed as having been killed. SPOT program officials explained that SPOT users may not be aware of the requirement to update the system with such information and they are working to develop new guidance that clarifies the requirement.

## Contracts and Assistance Instruments

SPOT currently cannot be used to track information on contracts and assistance instruments as agreed to in the MOUs. For example, SPOT still cannot import contract dollar values directly from FPDS-NG. SPOT program officials told us that the system has been reconfigured to import data from FPDS-NG, but the direct link between the two systems will not occur in 2010 as previously estimated. The officials explained that they are coordinating with FPDS-NG officials to determine when the link can be established. Further, while the MOU was updated in April 2010 to cover assistance instruments, the revised MOU did not address how assistance instrument information, such as value and competition, would be entered into SPOT as such information is not available through FPDS-NG. USAID and State officials informed us they do not plan to directly link SPOT and the systems that currently track their respective assistance instruments. They explained that this is due in part to the fact that both agencies are implementing new tracking systems. Without such links the agencies will have to manually enter assistance information into SPOT. In addition, although SPOT was upgraded in 2009 to allow users to include information on whether the contract or assistance instrument was awarded using competitive procedures, the system is not a reliable source for this

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<sup>26</sup> Congress enacted the Defense Base Act (DBA) in 1941. The insurance required under the DBA provides employees with uniform levels of disability and medical benefits or, in the event of death, provides benefits to eligible dependents. Contractors, including subcontractors, are required to provide DBA insurance coverage for all of their employees, regardless of their nationality, working outside the United States on U.S. military bases or under a contract with the U.S. government for public works or national defense.

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information as it is generally not being entered. For example, we found that competition information had only been entered for 45 percent of the contracts in SPOT with performance during our review period.<sup>27</sup>

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### Lack of Interagency Agreement Has Hindered SPOT's Implementation

There has been a lack of agreement among, and in some instances within, DOD, State, and USAID about how to proceed with SPOT's implementation. At a March 2010 congressional hearing, officials from the three agencies testified that they would modify how SPOT tracked personnel.<sup>28</sup> Specifically, they explained the system would be modified to allow users to enter the aggregate number of personnel working on a particular contract or assistance instrument, as opposed to requiring each individual to be entered by name. The proposed modification was primarily in response to USAID's concerns that the cost and resources needed to enter all of the currently required data outweigh the benefits of having detailed information as well as to alleviate security concerns over entering personal information on local nationals into SPOT. However, as of September 2010, SPOT still does not allow users to enter aggregate personnel data, as the agencies have disagreed on who will pay for the modification and what approach to take. DOD estimated that it would cost as much as \$1.1 million to reconfigure the system to allow aggregate data to be entered and stored. Since the modification would be made to address USAID's concerns, DOD officials noted that in accordance with the MOU, USAID should cover the cost. However, USAID officials informed us that the modification would not solely benefit USAID as State and even DOD components have expressed interest in having SPOT track aggregate personnel information. State began conducting preliminary tests on an approach that would upload into SPOT groups of unique records assigned to each local national instead of individual names and associated personal data. In August 2010, DOD and State officials indicated that they had successfully uploaded the first batch of records into SPOT using this

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<sup>27</sup> The 4,370 contracts we identified in SPOT with performance beginning during our review period consist of those contracts having a unique alphanumeric contract number and do not include task or delivery orders awarded in the same period. It is not possible to obtain an accurate count of the number of newly awarded task and delivery orders as contractors and assistance recipients are instructed by the agencies to enter information on their subcontractors into the task order data column because SPOT does not have a specific data field to enter subcontractor information.

<sup>28</sup> Hearing before the House Armed Services Committee, Subcommittee on Oversight and Investigations, *Interagency Coordination of Grants and Contracts in Iraq and Afghanistan: Progress, Obstacles, and Plans* (Mar. 23, 2010).

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method. Although USAID's preferred approach would have users directly enter the total number of U.S., third country, and local nationals working under each contract or assistance instrument, USAID officials recently indicated the agency would begin testing State's approach as a low-cost solution.

The lack of agreement on how to proceed with SPOT's development and implementation can be partly attributed to the fact that the agencies designated it as their system of record for meeting statutory requirements without first identifying their information needs. SPOT program officials acknowledged that they were unaware of the informational needs of the contracting commands—required users of SPOT—or whether the commands had any uses for the detailed data contained in the system. Further, the agencies do not have a shared understanding of the value of tracking detailed data, particularly since the level of detail required for all contractor and assistance personnel in SPOT is greater than what is statutorily required. For example, senior USAID contracting and assistance officials told us the agency had no plans to use the detailed information tracked in SPOT as a tool for managing and overseeing its contracts and assistance instruments. They further noted SPOT is being implemented only because the agency is statutorily required to have a system for tracking such information. Even within agencies there is not consensus on the need for detailed information on all contractor and assistance personnel. For example, while DOD policy requires all contractor personnel to be individually entered into SPOT, several senior DOD officials we met with in Iraq and Afghanistan stated that they do not see the benefit of collecting detailed information on all individuals, especially local nationals working at remote locations, given the challenges associated with collecting such information and the likelihood of it being incomplete or inaccurate. However, SPOT program officials we met with explained that while they recognize that the benefits of the information collected through SPOT will vary throughout organizations, they are working to identify other potential users of SPOT data. For example, they noted that some users find detailed personnel information valuable, such as base commanders who could use the system to obtain insight as to who is on their installations. Senior officials from DOD, State, and USAID agreed that the agencies should obtain an understanding of their respective informational needs and ensure that a system is in place to collect that information at the appropriate level of detail. Without such an understanding, they noted that the agencies risk expending resources unnecessarily in difficult environments trying to collect and verify detailed data that may be of limited utility.

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**Previous GAO  
Recommendation  
Regarding SPOT Not  
Implemented**

Last year, we reported on the challenges associated with the agencies' implementation of SPOT. To address the shortcomings identified in our 2009 report, we recommended that the Secretaries of Defense and State and the USAID Administrator jointly develop and execute a plan with associated time frames for the continued implementation of the NDAA for FY2008 requirements, including:

- ensuring the agencies' criteria for entering contracts and contractor personnel into SPOT are consistent with the NDAA for FY2008 and with the agencies' respective information needs for overseeing contracts and contractor personnel,
- revising SPOT's reporting capabilities to ensure they fulfill statutory requirements and agency information needs, and
- establishing uniform requirements on how contract numbers are to be entered into SPOT so that contract information can be pulled from FPDS-NG.

DOD and State disagreed with the need for the agencies to develop and execute a plan to address the issues we identified. They cited ongoing coordination efforts and planned upgrades to SPOT as sufficient. While USAID did not address our recommendation, it noted plans to continue meeting with DOD and State regarding SPOT. At that time, we cautioned that continued coordination without additional actions would not be sufficient and that a plan would help the agencies identify the concrete steps needed to help ensure that the data in SPOT are sufficiently reliable to fulfill statutory requirements and their respective agencies needs. As our current work demonstrates, many of the issues with the agencies' implementation of SPOT that our recommendation was intended to address have not been resolved. In particular, the agencies have not assessed their respective informational needs or determined how SPOT could be best implemented to meet those needs. Further, the system still cannot be relied on to reliably track statutorily required data.

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**DOD, State, and  
USAID Data on  
Personnel in Iraq and  
Afghanistan Are  
Incomplete**

DOD, State, and USAID reported to us that as of March 2010 there were 262,681 contractor and assistance personnel in Iraq and Afghanistan, 18 percent of whom were performing security functions. DOD reported 207,553 contractor personnel, while State and USAID reported 19,360 and 35,768 contractor and assistance personnel, respectively. Of the personnel reported by the three agencies, 88 percent were contractors and the remaining 12 percent worked under assistance instruments. Due to limitations with SPOT, the reported data were obtained primarily through periodic agency surveys and reports from contractors and assistance

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recipients. We determined that caution should be exercised when identifying trends or drawing conclusions about the number of contractor and assistance personnel in either country based on the data the agencies reported to us. Several factors, many of which are similar to the challenges with SPOT, hindered the agencies' ability to collect accurate and reliable personnel data, including difficulty obtaining information on the number of local nationals, low response rates to agency surveys, and limited ability to verify the accuracy or completeness of the personnel data reported. Despite such limitations, the officials characterized the data reported to them and provided to us as the best data available on the number of contractor and assistance personnel in the two countries.

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## DOD Contractor Personnel

As of the second quarter of fiscal year 2010, DOD reported to us that there were 95,461 contractor personnel in Iraq and 112,092 contractor personnel in Afghanistan (see table 2 and also app. II for additional DOD contractor personnel data). Of that total, approximately 14 percent were reported to be performing security functions. DOD reported that it had no personnel working under grants or cooperative agreements in either country during our review period. The contractor personnel numbers were obtained through the U.S. Central Command's (CENTCOM) quarterly census.<sup>29</sup> CENTCOM initiated its quarterly census of contractor personnel in June 2007 as an interim measure until SPOT was fully implemented, and for our reporting period, DOD continued to use the census to count the number of DOD contractor personnel in Iraq and Afghanistan. The census is dependent on contractor firms reporting their personnel data to DOD components, which then compile the data and report them to CENTCOM at the end of each quarter.

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<sup>29</sup> CENTCOM is one of DOD's unified combatant commands. It is responsible for overseeing U.S. security interests in 20 countries, including Iraq and Afghanistan.



**Table 2: DOD-Reported Data on the Number of Contractor Personnel in Iraq and Afghanistan, End of Fiscal Year 2009 and the First Half of Fiscal Year 2010**

	Fiscal year 2009 fourth quarter	Fiscal year 2010 second quarter
<b>Iraq</b>		
All contractors	113,731	95,461
Contractors providing security	12,684	11,610
<b>Afghanistan</b>		
All contractors	104,101	112,092
Contractors providing security	11,423	16,733
<b>Total</b>		
All contractors	217,832	207,553
Contractors providing security	24,107	28,343

Source: CENTCOM census data.

According to DOD officials, the quarterly census remains the most reliable source of contractor personnel data. However, DOD officials overseeing the census acknowledged that the census numbers represent a rough approximation of the actual number of contractor personnel who worked in either country. These officials told us that because of how the data were collected and reported by the various DOD components, it was difficult to compile and obtain a more precise count of contractor personnel. Specifically, there are several factors that hindered DOD’s ability to collect accurate and reliable data, including difficulty in counting local nationals and an inability to validate the data. As military operations increase in Afghanistan, efforts to obtain an accurate count of the contractor workforce may be more complicated than in Iraq, because DOD’s contractor workforce in Afghanistan consists of more local nationals than in Iraq, and data on local nationals are more difficult to obtain than data on U.S. citizens and third country nationals. The reasons cited—fluctuating numbers and work at remote locations—are similar to those cited for why it is challenging to ensure that local nationals are entered into SPOT. DOD officials in both Iraq and Afghanistan explained that security conditions limit their ability to conduct site visits to remote locations and added that while at sites their focus is primarily on assessing the status of a project, as opposed to checking on the number of personnel working.

Moreover, the challenges associated with CENTCOM’s quarterly census were heightened by the transition to an automated census. In the second quarter of fiscal year 2010, DOD began to transition from the manually

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compiled CENTCOM census to eventual reliance on SPOT. In doing so, DOD used a SPOT-populated census template—called SPOT-Plus—as an interim step. Although the DOD official responsible for the SPOT program has stated that CENTCOM’s manual census was cumbersome, resource intensive, and provided only a snapshot in time, DOD officials implementing SPOT-Plus stated that it was even more cumbersome and resource intensive. In particular, the SPOT-Plus process required reporting units to manually provide data on contracts and contractor personnel—as was the case with the manual census—but the number of census data fields increased from 18 to over 50.

Although DOD issued instructions to facilitate the initial transition from the quarterly census to SPOT-Plus, the process did not go as well as anticipated. CENTCOM officials told us that in some cases reporting units responded to the second quarter census by using an older census spreadsheet that was not populated with SPOT data or did not respond at all. DOD officials stated that in some instances there was confusion as to who should compile and verify the contract and contractor personnel data and the task was mistakenly delegated to DOD organizations that were not privy to or responsible for that information. Furthermore, since the second quarter SPOT-Plus template did not provide a way to differentiate the numbers of private security contractors from the total, CENTCOM had to subsequently request that reporting units provide this information in a separate section of the SPOT-Plus template. CENTCOM and SPOT program officials stated that many of the challenges experienced with the second quarter SPOT-Plus census have since been addressed. SPOT program officials now estimate that the transition from the census to SPOT will be completed no later than the fourth quarter of fiscal year 2011.

There continue to be considerable discrepancies between the contractor counts obtained through the census and SPOT (see table 3). In some instances, DOD contractor personnel numbers in SPOT may be overreported, and in others, underreported. For example, in comparing SPOT-reported data to census data at the end of the second quarter of fiscal year 2010, we found that SPOT included almost 18,000 more personnel working in Iraq than the census. Conversely, SPOT did not include more than 70,000 personnel working in Afghanistan who were included in the census. Further, DOD officials from one service component in Afghanistan told us SPOT contained data on 4,200 contractor personnel who worked on their contracts, but their census submission to CENTCOM showed there were over 40,000 personnel working on their contracts for the same period.

**Table 3: Difference Between DOD-Reported Census and SPOT Data on the Number of Contractor Personnel in Iraq and Afghanistan for the First Half of Fiscal Year 2010**

	Census	SPOT	Difference
Contractors in Iraq	95,461	113,439	17,978
Contractors in Afghanistan	112,092	39,983	72,109
<b>Total</b>	<b>207,553</b>	<b>153,432</b>	<b>54,121</b>

Source: CENTCOM census data and GAO analysis of DOD SPOT data.

**State and USAID Contractor and Assistance Personnel**

As of the end of the fiscal year 2010 second quarter, State reported 11,236 personnel working under contracts in Iraq and Afghanistan and an additional 8,074 working under assistance instruments, while USAID reported 12,229 contractor personnel and 23,539 assistance personnel in the two countries. Table 4 depicts the total number of State- and USAID-reported contractor and assistance personnel in the two countries, while appendix II provides additional State and USAID contractor and assistance personnel data.

**Table 4: State-and USAID-Reported Data on the Number of Contractor and Assistance Personnel in Iraq and Afghanistan for Fiscal Year 2009 and the First Half of Fiscal Year 2010**

	State		USAID	
	Fiscal year 2009	First half fiscal year 2010	Fiscal year 2009	First half fiscal year 2010
<b>Iraq</b>				
Contractors	7,116	7,258	1,962	1,782
Assistance personnel	3,490	2,333	1,385	1,627
<b>Afghanistan</b>				
Contractors	4,961	3,978	15,691	10,447
Assistance personnel	3,885	5,741	18,546	21,912
<b>Total contractors and assistance personnel</b>	<b>19,503<sup>a</sup></b>	<b>19,360<sup>b</sup></b>	<b>37,584</b>	<b>35,768</b>

Source: GAO analysis of State and USAID data.

<sup>a</sup> State reported 51 contractors working in both Iraq and Afghanistan in 2009. These individuals are included in the State fiscal year 2009 total.

<sup>b</sup> State reported 50 contractors working in both Iraq and Afghanistan in 2010. These individuals are included in the State fiscal year 2010 total.

Of the total number of contractor and assistance personnel working in Iraq and Afghanistan at the end of the second quarter in fiscal year 2010, State reported that about 35 percent were performing security functions. USAID

reported that about 32 percent of the total number of contractors and assistance personnel working in Iraq and Afghanistan were performing security functions. Table 5 depicts the numbers State and USAID reported to us regarding personnel performing security functions under contracts and assistance instruments. In some instances, State has contracted directly for personnel to perform security services, for example, to guard the embassies in Baghdad and Kabul. Additionally, State and USAID contractors and assistance recipients have subcontracted for security services to protect their personnel and facilities.

**Table 5: State- and USAID-Reported Data on the Number of Security Personnel in Iraq and Afghanistan, Fiscal Year 2009 and the First Half of Fiscal Year 2010**

	State		USAID	
	Fiscal year 2009	First half fiscal year 2010	Fiscal year 2009	First half fiscal year 2010
<b>Iraq</b>				
Security personnel working under contracts	4,261	4,250	1,145	963
Security personnel working under assistance instruments	428	367	262	325
<b>Afghanistan</b>				
Security personnel working under contracts	2,025	1,691	3,888	4,538
Security personnel working under assistance instruments	263	404	4,033	5,729
<b>Total security personnel</b>	<b>6,978<sup>a</sup></b>	<b>6,713<sup>a</sup></b>	<b>9,328</b>	<b>11,555</b>

Source: GAO analysis of State and USAID data.

<sup>a</sup> State reported one security contractor working in both Iraq and Afghanistan in 2009 and 2010. This individual is included in the State totals for both years.

State and USAID took similar approaches to provide us with the numbers of contractor and assistance personnel for fiscal year 2009 and the first half of 2010. Although State now requires contract personnel and some grant personnel to be entered into SPOT, to respond to our request, State’s bureaus generally relied on manually compiled surveys—with at least one bureau supplementing its response with SPOT data. Similarly, USAID relied on a combination of periodic surveys and data obtained through quarterly reports submitted by the agency’s contractors and assistance

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recipients.<sup>30</sup> However, State officials informed us that their contractors and assistance recipients are not required to provide such reports and, therefore, response rates to requests for personnel numbers are low. For example, officials with one State office noted that none of its Afghan grant recipients provided personnel numbers. In contrast, USAID officials in Iraq indicated that they regularly receive personnel numbers from all of their contractors and assistance recipients, while USAID officials in Afghanistan we spoke with stated they generally receive responses from about 70 percent of their contractors and assistance recipients. We identified several contracts and assistance instruments for which personnel information was not provided. For example, we identified a State contract to design and build offices and housing in Afghanistan with obligations totaling \$234 million for which personnel numbers were not reported. In another example, we identified four USAID cooperative agreements for a program promoting food security in Afghanistan with total obligations of \$144 million for which information on the number of personnel working on the agreement was not provided.

Agency officials acknowledged several additional challenges in providing us with complete data on their contract and assistance personnel in Iraq and Afghanistan. First, not all local nationals working on State and USAID contracts and assistance instruments were included in the numbers they provided to us. As with SPOT, local nationals were not always captured in personnel counts because it was either not feasible or too difficult to obtain accurate information. In addition, State and USAID officials stated that they have limited ability to verify the accuracy or completeness of the personnel data provided. State officials in Iraq and Afghanistan informed us that they have no visibility into the extent to which contractors use subcontracted employees and generally are not able to track the numbers of subcontract personnel. However, USAID officials in Iraq explained that they have instituted measures to review the reported data to improve accuracy.

Although agency officials acknowledged that not all contractor and assistance personnel were being tracked over the course of our review period, they still considered the data provided to our requests for

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<sup>30</sup> During part of our review period, USAID's Iraq and Afghanistan missions relied solely on periodic surveys of contract and assistance recipients for personnel data. However, in March 2009, the Iraq mission began requiring quarterly personnel data submissions from its contractors and assistance recipients. In October 2009, a similar effort was instituted in Afghanistan.

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personnel information to be more accurate than SPOT. Reflective of their policies regarding SPOT's use and challenges associated with collecting data through SPOT, there are significant discrepancies—both in terms of under- and overreporting—between the numbers in SPOT and what was reported to us by State and USAID. For example, as of the end of the second quarter of fiscal year 2010, there were 7,077 fewer State contractor and assistance personnel in SPOT than were reported to us. In fact, SPOT did not include any of the 5,741 personnel working under assistance instruments in Afghanistan that State reported to us. The discrepancies for USAID were also notable, given that during our review period USAID did not require the use of SPOT in Afghanistan or for Iraqi nationals. For USAID, there were only 579 personnel in SPOT as of end of the second quarter of fiscal year 2010—35,189 fewer than what the agency reported to us.

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## Only State and USAID Reported Data on Killed and Wounded Contractors and Assistance Personnel

Although DOD, State, and USAID are required to track the number of personnel killed or wounded while working on contracts and assistance instruments in Iraq and Afghanistan, only State and USAID tracked this information during our review period. State reported to us that 9 of its contractor and assistance personnel were killed and 68 were wounded during fiscal year 2009 and the first half of fiscal year 2010. For the same period, USAID reported to us that 116 contractor and assistance personnel were killed and 121 were wounded<sup>31</sup> (see table 6). Both agencies noted that some of the reported casualties resulted from nonhostile actions. For example, USAID reported that 3 contractors sustained injuries in a traffic accident. These data were based on reports submitted to State and USAID by contractors and assistance recipients. Without alternative sources of data, we could not verify whether State's and USAID's data were complete. However, a recent report from the USAID Inspector General suggested that not all security contractors in Afghanistan are reporting incidents that result in personnel being injured or killed.<sup>32</sup>

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<sup>31</sup> USAID also reported that an additional 19 personnel working on contracts or assistance instruments were kidnapped in Iraq and Afghanistan during fiscal year 2009.

<sup>32</sup> USAID, *Audit of USAID/Afghanistan's Oversight of Private Security Contractors in Afghanistan*, Audit Report Number 5-306-10-009-P (May 21, 2010).

**Table 6: USAID- and State-Reported Data on Contractor and Assistance Personnel Killed and Wounded in Iraq and Afghanistan, Fiscal Year 2009 and the First Half of Fiscal Year 2010**

	Iraq		Afghanistan		Total
	Fiscal year 2009	First half fiscal year 2010	Fiscal year 2009	First half fiscal year 2010	
<b>State</b>					
Killed	5	0	3	1	<b>9</b>
Wounded	22	23	23	0	<b>68</b>
<b>USAID</b>					
Killed	8	0	73	35	<b>116</b>
Wounded	2	0	67	52	<b>121</b>

Source: GAO analysis of USAID and State data.

DOD officials informed us they eventually intend to track the number of killed and wounded contractor personnel through SPOT. DOD reported that it has other systems that collect information on contractor casualties, but they have limitations. For example, the Defense Casualty Information Processing System contains information on American citizens who were killed or wounded while working as contractors or civilian employees. However, the system does not differentiate between direct-hire government civilians and contractors and does not include data on local or third country nationals. Additionally, some individual components within the department receive reports on killed or wounded contractor personnel, but such reports are not consistently tracked in a readily accessible or comprehensive manner. For example, contracting officials in Afghanistan explained that they receive serious incident reports, which include information on incidents in which personnel were killed or wounded, submitted by their private security contractors. A DOD official in Afghanistan knowledgeable on the matter cautioned though that the reports most likely understate the actual number of contractor casualties, as not all contractors submit reports as required.

Absent a reliable system for tracking killed or wounded contractor personnel, DOD officials referred us to Labor for data on cases filed under DBA for killed or injured contractors—as they have for our prior reports. However, as we previously reported, Labor’s DBA case data do not provide an appropriate basis for determining the number of contractor personnel killed or wounded in Iraq and Afghanistan. Under the NDAA for FY2008, as amended, Labor—unlike DOD, State, and USAID—has no responsibility for tracking killed or wounded contractor personnel, and as such its data were not designed to do so. Labor officials also explained

that not all deaths and injuries reported under DBA would be regarded as contractors killed or wounded within the context of the NDAA for FY2008. They further explained that injuries to local and third country contractors, in particular, may be underreported.

### Labor DBA Data Provide Insight on Contractor Casualties

While Labor’s DBA data do not serve as a proxy for fulfilling the NDAA for FY2008 requirements, Labor’s DBA case data provide insights into contractor deaths and injuries in Iraq and Afghanistan. According to data provided by Labor, there were 10,597 DBA cases, including 213 cases reporting contractor deaths, that resulted from incidents in Iraq and Afghanistan during fiscal year 2009 and the first half of fiscal year 2010.<sup>33</sup> As shown in table 7, the number of deaths and injuries in Iraq has declined since 2007. In Afghanistan, the number of contractor deaths has increased since 2007, while the number of injury cases has fluctuated from over 1,100 to almost 2,000. However, Labor’s DBA data cannot provide insight into the number of personnel working under assistance instruments who have been killed or injured in Iraq or Afghanistan as such instruments are not subject to DBA. See appendix III for additional data regarding DBA cases for contractor deaths occurring during our review period.

**Table 7: Defense Base Act Cases for Contractor Deaths and Injuries in Iraq and Afghanistan during Fiscal Year 2007 through the First Half of Fiscal Year 2010**

	Iraq				Afghanistan			
	Fiscal year 2007	Fiscal year 2008	Fiscal year 2009	First half fiscal year 2010	Fiscal year 2007	Fiscal year 2008	Fiscal year 2009	First half fiscal year 2010
Deaths	337	122	66	14	40	47	97	36
Injuries	9,148	7,735	4,838	3,331	1,962	1,100	1,199	1,016
<b>Total cases</b>	<b>9,485</b>	<b>7,857</b>	<b>4,904</b>	<b>3,345</b>	<b>2,002</b>	<b>1,147</b>	<b>1,296</b>	<b>1,052</b>

Source: GAO analysis of Labor data.

Note: Cases may be filed for contractor personnel working on contracts with U.S. government agencies other than DOD, State, and USAID.

Based on our analysis of all 213 DBA cases for contractor personnel killed in Iraq and Afghanistan during our review period, we determined that

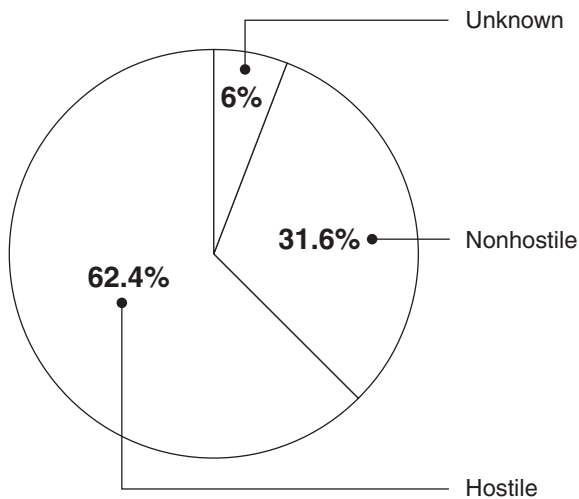
<sup>33</sup> Labor’s Web site provides data on DBA cases by the date that each case was created, which is not always the date that the incident occurred. In contrast, for our reporting purposes Labor provided us with data from October 1, 2009, until March 31, 2010, based on when the incident resulting in the case occurred.



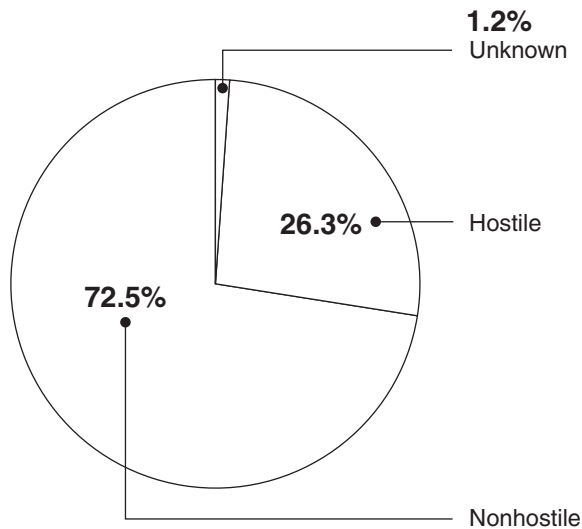
49 percent of deaths resulted from hostile incidents. When comparing deaths in Afghanistan to those in Iraq, we found that 62 percent of the reported fatalities in Afghanistan were caused by hostile incidents, whereas in Iraq, 26 percent were the result of hostile actions, as shown in figure 1. In both countries, improvised explosive devices were a primary cause of death for incidents involving hostile actions. In one incident, a vehicle carrying a group of engineers to a project site hit such a device, resulting in eight fatalities. For both countries, nonhostile deaths resulted from various types of accidents or health issues. For example, we found that at least 31 percent of the nonhostile fatalities were the result of health conditions or illnesses, such as cardiac arrest.

**Figure 1: Nature of Incidents Resulting in Defense Base Act Cases for Fatalities in Iraq and Afghanistan during Fiscal Year 2009 and the First Half of Fiscal Year 2010**

**Afghanistan: hostile vs. nonhostile**



**Iraq: hostile vs. nonhostile**



Source: GAO analysis of Labor DBA data.

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## Agencies Obligated Tens of Billions of Dollars on Contracts and Assistance Instruments in Iraq and Afghanistan

DOD, State, and USAID collectively obligated \$35.7 billion on 133,283 contracts, and \$1.8 billion on 668 assistance instruments with performance in Iraq and Afghanistan during fiscal year 2009 and the first half of fiscal year 2010. DOD accounted for the vast majority of all contract obligations, while State and USAID accounted for all of the reported obligations on grants and cooperative agreements. The fundamental reason as to why agencies choose a contract instead of an assistance instrument is dependant upon whom the agency determines to be the primary beneficiary. With contracts, the goods or services obtained are for the direct benefit or use by the U.S. government, whereas the primary purpose of assistance instruments is to further a public purpose.<sup>34</sup> Most contracts and associated obligations reported to us by the agencies were awarded during fiscal year 2009 and the first half of fiscal year 2010, with the agencies generally using competitive procedures to award their contracts. State and USAID relied heavily on assistance instruments to achieve their missions in Iraq and Afghanistan and used different types of assistance instruments depending on the purpose for the funding. Additionally, State and USAID officials indicated that consistent with their policies, they used competitive procedures whenever practical in awarding assistance instruments. The agencies were unable to provide information on subcontracts and subgrantees, which we were required to report. See appendix IV for detailed information on each agency's Iraq and Afghanistan contracts, assistance instruments, and associated obligations during our review period.

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## DOD Had Significantly More Contract Obligations than State or USAID

DOD accounted for the vast majority of all contracts and obligations made by the three agencies during our review period. Of the reported \$35.7 billion obligated by the three agencies on contracts with performance in Iraq and Afghanistan, 88 percent of obligations were for DOD contracts, as shown in figure 2. Task orders made up the largest number of contracts and the majority of obligations for DOD, State, and USAID. For example, DOD had over 98,000 active task orders with obligations totaling \$24.7 billion—of which almost \$6.3 billion was for one task order that provides food, housing, and other services for U.S. military personnel. Similarly, State reported that 68 percent of its contracts were purchase orders, which accounted for only 1 percent of its total

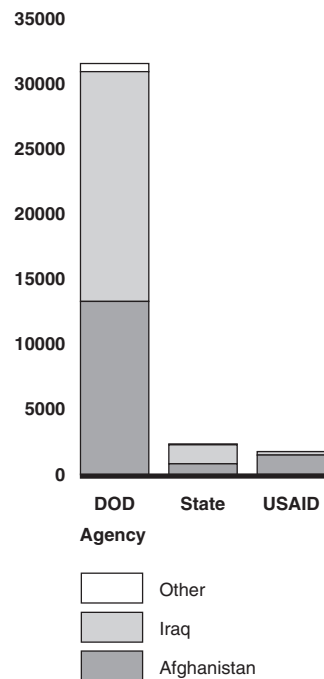
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<sup>34</sup> Federal Grant and Cooperative Agreement Act of 1977, 31 U.S.C. §§ 6301 et seq. sets forth criteria agencies are to use in determining whether a contract, grant, or cooperative agreement is the appropriate instrument.

obligations. In contrast, task orders accounted for over 76 percent of State's total contract obligations but only 17 percent of its contracts. While USAID task orders accounted for only 8 percent of its total number of contracts, obligations on these task orders amounted to 51 percent of the agency's total contract obligations. Approximately half of DOD and State's contracts and obligations were for performance in Iraq during our 18-month review period. In contrast, almost 85 percent of USAID's contract obligations were for contracts with performance in Afghanistan.

**Figure 2: DOD, State, and USAID Obligations on Active Contracts (in millions of dollars) for Iraq and Afghanistan, Fiscal Year 2009 and the First Half of Fiscal Year 2010**

Amount of obligations (in millions of dollars)



Source: GAO analysis of agency data.

Note: "Other" represents contracts with performance in Iraq and Afghanistan or contracts that the agencies reported as having performance in Iraq or Afghanistan but did not specify which country.

Some contracts also included work in both countries. For example, DOD provided us with data on seven active task orders under a construction contract with total obligations of approximately \$152 million and indicated that there was performance in both Iraq and Afghanistan. However, in such cases, it was not possible based on the data reported to us to isolate which portion of the total obligations was specific to Iraq or Afghanistan.

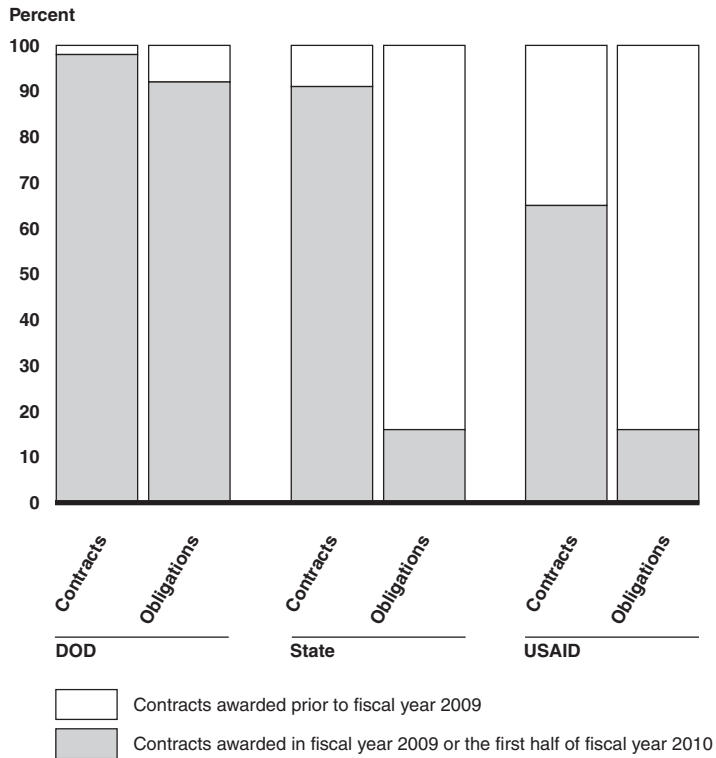
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As a result, we counted contracts, and their associated obligations, with performance in both Iraq and Afghanistan as well as contracts where the agency indicated that performance was in Iraq or Afghanistan but did not specify which country, as “other.” Further, we counted contracts with performance in multiple countries and their associated obligations with the Iraq contracts if the agency identified the place of performance as including Iraq, but not Afghanistan. Similarly, we counted contracts and their associated obligations with the Afghanistan contracts if the place of performance included Afghanistan but not Iraq.

**Agencies Competed Majority of  
New Contract Awards**

Of the over 133,000 contracts, including task and delivery orders active during our review period, 98 percent were new contracts and orders awarded by the three agencies during fiscal 2009 and the first half of fiscal year 2010. Similarly, 83 percent of the total funds obligated were on contracts awarded during this same period. There were some variations between agencies, as shown in figure 3. For example, for both State and USAID, about 84 percent of their obligations were on contracts awarded prior to fiscal year 2009, whereas the vast majority of obligations for DOD were on contracts awarded during our review period.

**Figure 3: DOD, State, and USAID Percent of Contracts and Obligations on Awards for Iraq and Afghanistan**



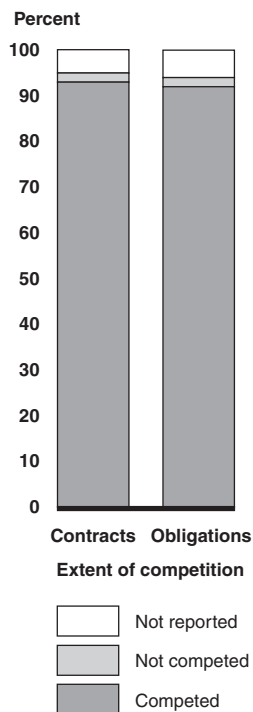
Source: GAO analysis of agency data.

The three agencies reported that they generally used competitive procedures when awarding their contracts. Out of a total of 32,876 contracts, excluding task and delivery orders, awarded in the period of our review, 92 percent were reported as awarded using competitive procedures. These competitively awarded contracts also accounted for about 92 percent of the obligations made on contracts awarded during our review period, as depicted in figure 4. Generally, contracts should be awarded on the basis of full and open competition.<sup>35</sup> The agencies reported that most of their new contracts were awarded

<sup>35</sup> See 10 U.S.C. § 2304 (applicable to DOD) and 41 U.S.C. § 253 (applicable to other executive agencies discussed in this report). Section 403(6) of title 41, U.S. Code, defines “full and open competition” as when all responsible sources are permitted to submit sealed bids or competitive proposals on a procurement. The competition requirements are implemented in FAR Part 6 and corresponding agency acquisition regulation supplements.

using full and open competition, but in some instances the agencies reported a contract as being competed but did not indicate whether full and open or other than full and open competition was used.<sup>36</sup> For about 5 percent of the contracts awarded during our review period, the agencies did not report competition information.

**Figure 4: Competition for DOD, State, and USAID Iraq and Afghanistan Contracts Awarded in Fiscal Year 2009 and the First Half of Fiscal Year 2010**



Source: GAO analysis of agency data.

Most of the 801 contracts reported to us by the three agencies as not competed had relatively small obligations during our review period.<sup>37</sup>

<sup>36</sup> The law authorizes agencies to use other than full and open competition in certain situations. There may be circumstances in which full and open competition would be impracticable, such as when contracts need to be awarded quickly to respond to urgent and compelling needs or when there is only one source for the required product or service.

<sup>37</sup> We obtained obligation data for each contract with performance in Iraq and Afghanistan in fiscal year 2009 and the first half of fiscal year 2010. Obligations, however, may not be equivalent to the full contract value as contracts may be incrementally funded over a period of multiple years.

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Approximately 78 percent of these contracts had obligations less than \$25,000. In contrast, only 13 of the 801 contracts had over \$1 million in obligations, accounting for 63 percent of obligations for the noncompeted contracts.

Competition requirements generally do not apply to the issuance of task orders.<sup>38</sup> However, where there are multiple awardees under the underlying contract, the FAR requires the contracting officer in most instances to provide each awardee a fair opportunity to be considered for each order exceeding \$3,000. The agencies reported that 99 percent of the task and delivery orders issued during our review period were competed—either the underlying contract was awarded competitively or multiple awardees were given a fair opportunity to be considered for each order.

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### State and USAID Relied Heavily on Grants and Cooperative Agreements in Iraq and Afghanistan

State and USAID reported obligations of \$1.8 billion on 668 grants and cooperative agreements with performance in Iraq and Afghanistan during fiscal year 2009 and the first half of fiscal year 2010. Conversely, DOD reported that it did not have any grants or cooperative agreements with obligations during our review period. Of the total number of active State and USAID assistance instruments in the two countries, 88 percent were grants. However, grants accounted for only 42 percent of the total assistance instrument obligations. Cooperative agreements, although smaller in number, accounted for the majority of the total amounts obligated on assistance instruments during our review period. According to State and USAID policy, the type of assistance instrument used is determined based on a variety of factors. Among the factors to be considered is the level of involvement the agency anticipates will be needed to effectively administer the agreement.<sup>39</sup>

State and USAID generally relied on different types of assistance instruments during our review period depending on the purpose for the funding. Of State's active assistance instruments, 84 percent of its assistance obligations were for grants, whereas 63 percent of USAID's

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<sup>38</sup> FAR § 6.001(f)

<sup>39</sup> Grants are generally used when the principal purpose of the relationship is the transfer of money, property, services, or anything of value to the recipient in order to accomplish a public purpose of support or stimulation authorized by federal statute, where the recipient is to have substantial freedom to pursue its stated program. Although similar, a cooperative agreement requires increased coordination and substantial involvement is anticipated between the agency and the recipient during the performance of the proposed activity.

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assistance obligations were for cooperative agreements as shown in figure 5. The principal purpose of State's grants in Iraq and Afghanistan varied by bureau and covered a wide range of activities such as teaching computer skills to women and adolescents, covering the travel costs for subject matter experts to attend conferences, and funding explosive ordnance and mine clearance efforts. In contrast, USAID used cooperative agreements generally to implement development programs in sectors such as banking, education, health, and road construction in the two countries. Each agency has implemented programs designed to provide grants to local national organizations and individuals to develop the Iraqi and Afghan economies. During our review period, State reported that its local grants program provided \$15.3 million in funding to over 280 Iraqi grant recipients, with 84 percent of the awards being \$25,000 or less.<sup>40</sup> USAID has similar programs, but as we recently reported, in some instances the agency also relied on contractors to award and administer such grants.<sup>41</sup> In these instances, the contract data we received contained the cumulative value of the obligations made under both the base contracts and the grants being managed under those contracts.

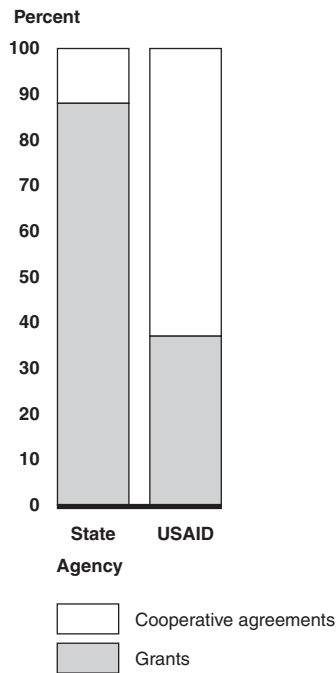
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<sup>40</sup> Established in September 2007, State's Quick Response Funds program in Iraq provides assistance and funding for local activities to fulfill needs not currently being met through existing economic and governance programs. During the period of our review, the Quick Response Funds program in Afghanistan did not make any awards as it was not established until the third quarter of fiscal year 2010.

<sup>41</sup> GAO, *Contingency Contracting: Improvements Needed in Management of Contractors Supporting Contract and Grant Administration in Iraq and Afghanistan*, [GAO-10-357](#) (Washington, D.C.: Apr. 12, 2010).



**Figure 5: State and USAID Obligations on Grants and Cooperative Agreements for Iraq and Afghanistan, Fiscal Year 2009 and the First Half of Fiscal Year 2010**



Source: GAO analysis of agency data.

State and USAID policies require the use of competitive procedures when awarding assistance instruments unless an authorized exception to the use of competition applies.<sup>42</sup> State and USAID officials informed us that they used competitive procedures for assistance awards in Iraq and Afghanistan whenever practical. Based on our review of 52 randomly sampled State assistance instruments active during fiscal year 2009, we found that 79 percent were awarded competitively. Similarly, in our review of 36 randomly sampled USAID assistance agreements in Iraq and

<sup>42</sup> State's Grants Policy Directive Number 5, Competition Requirements; USAID's ADS Chapter 303, *Grants and Cooperative Agreements to Non-Governmental Organizations*, Section 303.3.6.1. In some instances the agencies establish exceptions to competition. For example, USAID has a policy authorizing less than fully competitive procedures for the award of assistance instruments in Afghanistan to facilitate and expedite implementation of programs and activities.

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Afghanistan that were active in fiscal year 2009, we found that 50 percent were competed.<sup>43</sup>

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### Information on Subcontracts and Subgrants Not Readily Available

The NDAA for FY2008, as amended, mandated that we identify the total number and value of all contracts, grants, and cooperative agreements, which include prime contracts, task or delivery orders, as well as subawards at any tier. While we were able to obtain data on the number of and amount obligated on prime contracts and orders as well as grants and cooperative agreements, the agencies were unable to provide comparable data on subcontracts and subgrants. As we have reported in the past, contract and assistance instrument files may contain information on subcontracts and subgrants but none of the agencies systematically tracked this information in a readily retrievable manner.<sup>44</sup> The value of subawards would be included in the total value of the prime contract or assistance instrument, but the agencies could not readily distinguish the amount that went to the prime contractor, grantee, or cooperative agreement recipients from the amount that went to subcontracts or subgrants for all contracts and assistance instruments.

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### Concluding Observations

Over the past 2 years, DOD, State, and USAID have made some progress in implementing SPOT. While that progress has been hindered by practical and technical limitations, a continued lack of interagency agreement on how to address issues, particularly those related to tracking local nationals, has been an impediment toward moving forward. Tracking Iraqi and Afghan nationals who work under contracts and assistance instruments presents unique challenges, not only in terms of obtaining aggregate numbers, but especially in terms of obtaining the detailed information currently required by SPOT. The still unresolved issue of how local nationals will be tracked reliably in SPOT reflects a lack of

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<sup>43</sup> Because we followed a probability procedure based on random selections, each sample is only one of a large number of samples that we might have drawn. As each sample could have provided different estimates, we express our confidence in the precision of our particular sample's results as a 95 percent confidence interval (e.g., plus or minus 5 percentage points). This is the interval that would contain the actual population value for 95 percent of the samples we could have drawn. The confidence interval is plus or minus 6 percent for the sample of State assistance instruments and plus or minus 10 percent for the sample of USAID assistance agreements.

<sup>44</sup> [GAO-10-1](#), [GAO-09-19](#).

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consensus among and even within the agencies about the value and use of such data beyond fulfilling a statutory requirement.

With SPOT not yet fully implemented, the agencies have relied on other methods of collecting data that have their own shortcomings to respond to our requests for required information, and in some cases, data were not provided. Last year, we recommended that the agencies develop a joint plan with associated time frames to address SPOT's limitations, but agency officials believed that a plan was not needed and their ongoing coordination efforts were sufficient. However, our work since then demonstrates that their ongoing efforts alone were not sufficient to ensure that statutory requirements are met. Over the past year, SPOT's implementation has continued to be undermined by a lack of agreement among the agencies on how to proceed and how best to meet their respective data needs to fulfill statutory requirements and improve oversight and management of contracts and assistance instruments. Until the agencies individually assess their own data needs given the relative challenges and benefits of tracking detailed information on contracts, assistance instruments, and associated personnel and collectively agree on how to best address those needs while meeting statutory requirements, as we have previously recommended, they are not in a position to determine how best to move forward. By working with potential users of the data to better understand their information needs, each agency can help ensure the information tracked in SPOT is sufficient to meet statutory requirements as well as help facilitate agency oversight of contracts, grants, and cooperative agreements in Iraq and Afghanistan. Once the agencies have agreed on how to proceed, having a plan with defined roles and responsibilities and associated time frames can help hold the agencies accountable and ensure timely implementation. Otherwise, implementation of SPOT will continue to languish, with the agencies not collecting reliable information required by Congress and risking collection of other information they will not use. Therefore, we believe the recommendation in our 2009 report still applies, and we are not making any new recommendations.

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## Agency Comments

We requested comments on a draft of this report from DOD, State, and USAID. DOD and State informed us they had no comments on the draft's findings or concluding observations. In its written comments, USAID described the extent to which it intends to use SPOT in Iraq and Afghanistan in a manner that would satisfy statutory requirements while meeting the agency's needs (see app. V for USAID's written comments). Additionally, after receiving the draft report USAID provided us with

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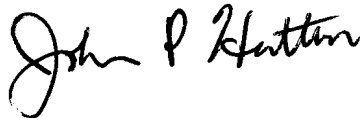
revised data on contractor and assistance personnel working in Afghanistan during the first half of fiscal year 2010. After reviewing and analyzing these data, we incorporated the results of our analysis into the final report as appropriate.

We also provided a draft of this report to Labor for its review, but the department did not have any comments.

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We are sending copies of this report to the Secretary of Defense, the Secretary of State, the Administrator of the U.S. Agency for International Development, the Secretary of Labor, and interested congressional committees. In addition, the report will be available at no charge on GAO's Web site at <http://www.gao.gov>.

If you or your staff have any questions concerning this report, please contact me at (202) 512-4841. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix VI.



John Hutton  
Director  
Acquisition and Sourcing Management

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*List of Committees*

The Honorable Carl Levin  
Chairman  
The Honorable John McCain  
Ranking Member  
Committee on Armed Services  
United States Senate

The Honorable John F. Kerry  
Chairman  
The Honorable Richard G. Lugar  
Ranking Member  
Committee on Foreign Relations  
United States Senate

The Honorable Joseph I. Lieberman  
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The Honorable Susan M. Collins  
Ranking Member  
Committee on Homeland Security and Governmental Affairs  
United States Senate

The Honorable Dianne Feinstein  
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Vice Chairman  
Select Committee on Intelligence  
United States Senate

The Honorable Ike Skelton  
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The Honorable Howard P. McKeon  
Ranking Member  
Committee on Armed Services  
House of Representatives

The Honorable Howard L. Berman  
Chairman  
The Honorable Ileana Ros-Lehtinen  
Ranking Member  
Committee on Foreign Affairs  
House of Representatives

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The Honorable Edolphus Towns  
Chairman  
The Honorable Darrell Issa  
Ranking Member  
Committee on Oversight and Government Reform  
House of Representatives

The Honorable Silvestre Reyes  
Chairman  
The Honorable Peter Hoekstra  
Ranking Member  
Permanent Select Committee on Intelligence  
House of Representatives

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# Appendix I: Scope and Methodology

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Section 863 of the National Defense Authorization Act for Fiscal Year 2008, as amended, directs GAO to review and report on matters relating to Department of Defense (DOD), Department of State (State), and U.S. Agency for International Development (USAID) contracts in Iraq and Afghanistan. In response to this mandate, we are assessing the status of the three agencies' efforts to implement the Synchronized Predeployment and Operational Tracker (SPOT) and providing the results of our analysis of agency-reported data for fiscal year 2009 and the first half of fiscal year 2010 on (1) the number of personnel, including those performing security functions, working under DOD, State, and USAID contracts and assistance instruments with performance in Iraq and Afghanistan; (2) the number of such personnel who were killed or wounded; and (3) the number and value of contracts and assistance instruments that were active or awarded during our 18-month review period and the extent of competition for new awards.

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## Implementation of SPOT

To address our first objective, we reviewed DOD, State, and USAID's July 2008 and April 2010 Memorandums of Understanding (MOUs) that addressed the National Defense Authorization Act for Fiscal Year 2008 and the National Defense Authorization Act for Fiscal Year 2010 requirements. We compared SPOT's capabilities to the MOU requirements to determine the extent to which SPOT fulfilled the terms of the MOUs. In addition, we reviewed each agency's policies and guidance governing the use and implementation of SPOT. We interviewed officials from the three agencies responsible for implementing SPOT to determine the criteria and practices for entering information into SPOT and the system's current and planned capabilities. We also met with DOD, State, and USAID officials, including those in Iraq and Afghanistan, to obtain insight into the extent to which SPOT was being used by each agency and the obstacles they were encountering. In addition, we met with the contractor responsible for SPOT's development to discuss the continued development of the system.

We reviewed DOD's internal controls governing SPOT and interviewed SPOT program and contractor officials to assess the processes used to ensure the data elements contained in the system are complete and accurate. We also obtained SPOT data from DOD on behalf of each agency for contractor and assistance personnel with deployments during our period of review and compared them to other sources such as the personnel and contract data we received for our other objectives. Because the data from other sources had limitations, we did not have a means to determine the full extent to which SPOT was incomplete or inaccurate for our review period. However, based on the data we obtained from other

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sources and our review of the internal controls, we determined that there were significant discrepancies associated with the SPOT data that undermined their reliability.

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## Contractor and Assistance Personnel

To address our second objective, we requested that the three agencies provide us with contractor and assistance personnel data covering fiscal year 2009 and the first half of fiscal year 2010. DOD, State, and USAID provided the number of U.S., third country, and local nationals working under contracts and assistance instruments with performance in Iraq or Afghanistan in fiscal year 2009 and the first half of fiscal year 2010. The data provided were generally obtained by the agencies through surveys and periodic reports submitted by contractors and assistance recipients. These data included individuals reported to be performing security functions.

To assess the completeness of the reported personnel data, we compared the data to the list of contracts and assistance instruments we compiled to address our objective on the number and value of contracts and assistance instruments. Furthermore, we interviewed agency officials regarding their methods for collecting data on the number of contractor and assistance personnel in Iraq and Afghanistan. Based on our analyses and discussions with agency officials, we determined that caution should be exercised when using the agency-provided data on contractor and assistance personnel to draw conclusions about either the actual number in Iraq or Afghanistan for any given time period or trends over time. However, we are presenting the reported data along with their limitations as they establish a rough order of magnitude for the number of contractor and assistance personnel during our period of review.

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## Killed or Wounded Contractor and Assistance Personnel

To address our third objective, we analyzed USAID and State data on the number of contract and assistance personnel killed or wounded in Iraq and Afghanistan during the period of our review. Due to the lack of other available and reliable data sources, we could not independently verify whether USAID's and State's data were accurate. Nevertheless, we are providing them as they provide insight into the number of contractor and assistance personnel who were killed or wounded during our period of review. DOD did not collect and could not provide such data. After informing us that they did not have a reliable system for tracking killed or wounded personnel, DOD officials referred us to use the Department of Labor's (Labor) Defense Base Act (DBA) case data.



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We analyzed data from Labor on DBA cases arising from incidents that occurred in Iraq and Afghanistan in fiscal year 2009 and the first half of fiscal year 2010. We obtained similar DBA data from Labor for our previous reports, for which we determined that the data were sufficiently reliable for our purposes, when presented with appropriate caveats. We reported in 2009 that DBA data are not a good proxy for determining the number of contractor and assistance instruments personnel who were killed or wounded in Iraq and Afghanistan, but they do provide insights into the number killed or wounded, common causes of death, and whether claimants died from hostile or nonhostile actions.<sup>1</sup> We reviewed the entire population of fatality case data reported by Labor that occurred during our review period, which totaled 213, to determine information such as the circumstances of the incident resulting in death and the nationality of the individual killed.

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## Contracts and Assistance Instruments

To address our fourth objective, we obtained data from DOD, State, and USAID on the number of active or awarded contracts, grants, and cooperative agreements with performance in Iraq and Afghanistan during fiscal year 2009 and the first half of fiscal year 2010, the amount of funds obligated on those contracts and assistance instruments during our review period, and the extent to which new contracts, grants, and cooperative agreements were competitively awarded. We also interviewed agency officials to discuss the reported data. The agencies provided data from FPDS-NG, agency-specific databases, and manually compiled lists of obligations and deobligations. We determined that the data each agency reported were sufficiently reliable to determine the minimum number of active or awarded contracts and obligation amounts, as well as the extent of competition, based on prior reliability assessments, interviews with agency officials, and verification of some reported data to information in contract files.

We took steps to standardize the agency-reported data. This included removing duplicates and contracts and assistance instruments that did not have obligations or deobligations during our review period. DOD provided us with 36 separate data sets, State provided 11, and USAID provided 12. The reported data included multiple contract numbering conventions for each agency. We reformatted each data set and combined them to create a single, uniform list of contracts, orders, assistance instruments, and

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<sup>1</sup> [GAO-09-19](#).

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modifications for each agency. We excluded the base contracts under which orders were issued. This was done, in part, because such contracts do not have obligations associated with them as the obligations are incurred with the issuance of each order. We also excluded other contract vehicles such as leases, sales contracts, and notices of intent to purchase, as these instruments do not include performance by contractor personnel in Iraq or Afghanistan. In addition, we also excluded voluntary contributions, property grants, and participating agency service agreements from our assistance data, as these types of instruments do not include performance by assistance personnel in either country. For all contracts and assistance instruments within our scope, we summed the reported obligations for each contract, order, and assistance instrument for fiscal year 2009 and the first half of fiscal year 2010. Some contracts and assistance instruments had obligations in both fiscal year 2009 and the first half of fiscal year 2010, so the number of active contracts, grants, and cooperative agreements for the entire 18-month period was lower than the combined number of contracts, grants, and cooperative agreements that were active in each fiscal year.

We reviewed 52 State and 36 USAID assistance files as part of our data reliability assessment of agency-specific databases. From State's Grant Database and Management System, we randomly selected 68 assistance files that were active during fiscal year 2009 and reviewed 52 of these files to ensure the accuracy of basic information—such as the assistance agreement number, the amount obligated, and date of action, among others—that the agency provided in response to our requests for information. From USAID's Electronic Procurement and Information Collection System, we randomly selected 39 assistance files that were active during fiscal year 2009 and reviewed 36 of these files in either Iraq or Afghanistan. Although we found a small number of errors when comparing the data contained in State and USAID's databases to the assistance agreement documents, we determined that the errors were inconsequential and that the data were sufficiently reliable for the purposes of this report.

We conducted this performance audit from November 2009 through September 2010 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

# Appendix II: DOD, State, and USAID Contractor and Assistance Personnel in Iraq and Afghanistan

**DOD Contractor Personnel** Table 8 shows the total number of Department of Defense (DOD) contractor personnel in Iraq or Afghanistan, as reported by the U.S. Central Command's (CENTCOM) census, for each quarter in fiscal year 2009 and the first half of fiscal year 2010. The data depict an overall decrease in personnel in Iraq and an overall increase in personnel in Afghanistan during our review period. DOD did not report having any personnel working under assistance instruments in either country during our review period.

**Table 8: DOD Quarterly Census Data on the Number of Contractor Personnel in Iraq and Afghanistan, Fiscal Year 2009 and the First Half of Fiscal Year 2010**

Contractor personnel	Fiscal year 2009				Fiscal year 2010	
	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter
Iraq	148,050	132,610	119,706	113,731	100,035	95,461
Afghanistan	71,755	68,197	73,968	104,101	107,292	112,092
<b>Total</b>	<b>219,805</b>	<b>200,807</b>	<b>193,674</b>	<b>217,832</b>	<b>207,327</b>	<b>207,553</b>

Source: DOD CENTCOM census data.

Table 9 provides a breakdown of the total number of DOD contractor personnel by nationality working in the two countries at the end of fiscal year 2009 and the end of the second quarter of fiscal year 2010. The number of Afghan personnel working on DOD contracts was significantly larger than the number of U.S. or third country national personnel working on DOD contracts in Afghanistan, while in Iraq a smaller percentage of DOD's contractor workforce consisted of Iraqi nationals.

**Table 9: Nationalities of DOD Contractor Personnel in Iraq and Afghanistan, Fiscal Year 2009 and the First Half of Fiscal Year 2010**

Nationality	End of fiscal year 2009		End of second quarter fiscal year 2010	
	Iraq	Afghanistan	Iraq	Afghanistan
U.S.	29,944	9,322	24,719	16,081
Local national	30,007	78,430	17,193	78,499
Third country national	53,780	16,349	53,549	17,512
<b>Total</b>	<b>113,731</b>	<b>104,101</b>	<b>95,461</b>	<b>112,092</b>

Source: DOD CENTCOM census data.

## State Contractor and Assistance Personnel

Table 10 shows the number of Department of State (State) contractor and assistance instrument personnel, by nationality, as reported to us based on State surveys of contractors and assistance instrument recipients.

**Table 10: Nationalities of State Contractor and Assistance Personnel in Iraq and Afghanistan, Fiscal Year 2009 and the First Half of Fiscal Year 2010**

Nationality	Fiscal year 2009		First half fiscal year 2010	
	Iraq	Afghanistan	Iraq	Afghanistan
U.S.	2,943	1,399	3,082	1,240
Local national	4,262	5,946	3,139	7,055
Third country national	3,400	1,490	3,345	1,389
Unknown	1	11	25	35
<b>Total</b>	<b>10,606</b>	<b>8,846</b>	<b>9,591</b>	<b>9,719</b>

Source: GAO analysis of State data.

Note: In addition to the number of personnel presented in the table, there were 43 personnel working in both Iraq and Afghanistan in fiscal year 2009 and 44 personnel working in both countries as of the second quarter of 2010 for which nationality is unknown. These personnel are not included in the table.

## USAID Contractor and Assistance Personnel

Table 11 shows the number of U.S. Agency for International Development (USAID) contractor and assistance instrument personnel, by nationality, as reported to us based on USAID surveys and reports from its contractors and assistance instrument recipients. During our review period, the number of local national personnel in both Iraq and Afghanistan working under USAID contracts or assistance instruments was significantly larger than the number of U.S. or third country national personnel.

**Table 11: Nationalities of USAID Contractor and Assistance Personnel in Iraq and Afghanistan, Fiscal Year 2009 and the First Half of Fiscal Year 2010**

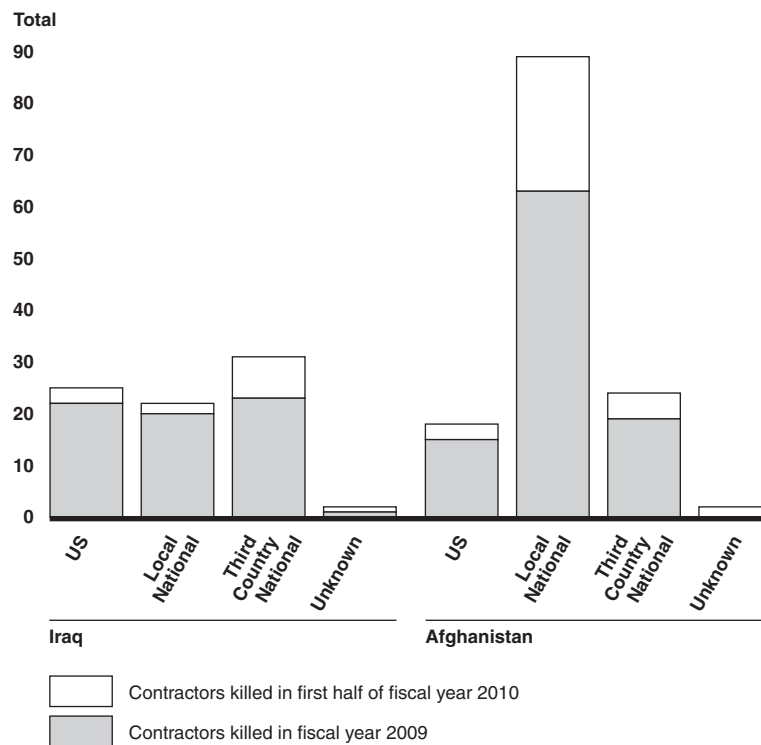
Nationality	Fiscal year 2009		First half fiscal year 2010	
	Iraq	Afghanistan	Iraq	Afghanistan
U.S.	204	434	180	625
Local national	1,636	32,238	1,887	30,734
Third country national	177	1,565	193	1,000
Unknown	1,330	0	1,149	0
<b>Total</b>	<b>3,347</b>	<b>34,237</b>	<b>3,409</b>	<b>32,359</b>

Source: GAO analysis of USAID data.

# Appendix III: Contractors Killed in Iraq and Afghanistan

Figure 6 provides information on the number Defense Base Act (DBA) cases by nationality for contractors killed in Iraq or Afghanistan during fiscal year 2009 and the first half of fiscal year 2010. In Iraq, the total number of fatality cases resulting from incidents during our review period was 80. By comparison, the total number of fatality cases during the same period in Afghanistan was 133. In Iraq, death cases were fairly evenly distributed among U.S., local, and third country nationals, but in Afghanistan the majority of death cases involved local nationals.

**Figure 6: Total Number of DBA Fatality Cases Classified by Nationality of Contractor Killed in Iraq and Afghanistan during Fiscal Year 2009 and the First Half of Fiscal Year 2010**



Source: GAO analysis of Labor DBA data.

Table 12 shows, by occupation, the number of DBA fatality cases for incidents that occurred during our review period. The security contractor occupation category had the highest number of fatalities with 68 cases for fiscal year 2009 and the first half of fiscal year 2010.

**Table 12: Number of DBA Cases Classified by Occupation of Contractor Killed in Iraq and Afghanistan during Fiscal Year 2009 and the First Half of Fiscal Year 2010**

Occupation	Iraq		Afghanistan	
	Fiscal year 2009	First half fiscal year 2010	Fiscal year 2009	First half fiscal year 2010
Security Contractor	15	5	31	17
Translator / Interpreter	12	0	13	5
Construction / Laborer	5	1	22	4
Facility Support / Maintenance	8	2	7	1
Transportation / Driver	9	3	7	5
Administrative / Office Staff	4	1	4	1
Other / Unknown	13	2	13	3
<b>Total</b>	<b>66</b>	<b>14</b>	<b>97</b>	<b>36</b>

Source: GAO analysis of Labor DBA data.

# Appendix IV: DOD, State, and USAID Contracts and Assistance Instruments in Iraq and Afghanistan

## DOD Contracts

Table 13 shows all Department of Defense (DOD) contracts, along with the associated obligations, reported to us as active in Iraq, Afghanistan, or both during fiscal year 2009 and the first half of fiscal year 2010. For last year's review, DOD reported obligating \$26,981.6 million on 46,645 contracts for fiscal year 2008. DOD did not report any obligations for assistance instruments with performance in either country during fiscal year 2009 and the first half of fiscal year 2010.

**Table 13: DOD Active Contracts and Obligations for Iraq and Afghanistan, Fiscal Year 2009 and the First Half of Fiscal Year 2010**

Dollars in millions

	Fiscal year 2009		First half fiscal year 2010		Fiscal year 2009 and first half fiscal year 2010	
	Number of active contracts	Obligation amount	Number of active contracts	Obligation amount	Number of active contracts <sup>a</sup>	Obligation amount
Afghanistan	39,479	\$8,820.7	22,972	\$4,489.1	60,723	\$13,309.8
Iraq	47,474	\$13,197.3	21,655	\$4,464.1	67,611	\$17,661.5
Other <sup>b</sup>	1800	\$482.5	1,430	\$140.9	3,210	\$623.5
<b>Total</b>	<b>88,753<sup>c</sup></b>	<b>\$22,500.6</b>	<b>46,057</b>	<b>\$9,094.1</b>	<b>131,544</b>	<b>\$31,594.8</b>

Source: GAO analysis of DOD data.

Note: Total obligations may not add due to rounding.

<sup>a</sup> Some contracts were active in both fiscal year 2009 and the first half of fiscal year 2010. As a result, the total number of active contracts during the 18-month period of our review is less than the number that were active each year added together. Obligation amounts are unique to each fiscal year so total obligations for the entire period are the sum of obligations in each fiscal year.

<sup>b</sup> "Other" represents contracts with performance in Iraq and Afghanistan or contracts that DOD reported as having performance in Iraq or Afghanistan but did not specify which country.

<sup>c</sup> One DOD component changed the way it reported its contracts in fiscal year 2009. Orders that had been previously combined were reported separately. A DOD official said that what appeared to be an increase in the number of contracts from fiscal year 2008 and fiscal year 2009 was due to the reporting change rather than an actual increase in the number of orders.

Table 14 provides information on the number of contracts awarded by DOD and associated obligations made during our review period. The majority of DOD's active contracts were awarded during our review period, while 92 percent of the DOD's obligations were made on the new contract awards.

**Table 14: DOD New Contract Awards and Obligations for Iraq and Afghanistan, Fiscal Year 2009 and the First Half of Fiscal Year 2010**

Dollars in millions

	Fiscal year 2009 <sup>a</sup>		First half fiscal year 2010 <sup>a</sup>	
	Number of awarded contracts	Obligation amount	Number of awarded contracts	Obligation amount
Afghanistan	38,612	\$9,498.8	21,169	\$3,176.6
Iraq	46,577	\$13,126.3	20,015	\$2,798.8
Other <sup>b</sup>	1,720	\$331.2	1,412	\$203.4
<b>Total</b>	<b>86,909</b>	<b>\$22,956.3</b>	<b>42,596</b>	<b>\$6,178.8</b>

Source: GAO analysis of DOD data.

Note: Total obligations may not add due to rounding.

<sup>a</sup>The fiscal year indicates the year that each contract was awarded, not when the obligations occurred, so some obligations for contracts awarded in fiscal year 2009 occurred in the first half of fiscal year 2010.

<sup>b</sup>“Other” represents contracts with performance in Iraq and Afghanistan or contracts that DOD reported as having performance in Iraq or Afghanistan but did not specify which country.



Table 15 shows competition information for the DOD contracts (excluding task and delivery orders) that were awarded during our review period. DOD reported that 29,440 (93 percent) contracts were competed, including 26,544 contracts that were awarded using full and open competition. For 1,528 contracts, DOD either provided no competition information or provided insufficient information for us to determine whether the contract was competed.

**Table 15: DOD's Competition of Iraq and Afghanistan Contracts (Excluding Orders) Awarded in Fiscal Year 2009 and the First Half of Fiscal Year 2010**

Dollars in millions

	Fiscal year 2009 <sup>a</sup>		First half fiscal year 2010 <sup>a</sup>		Fiscal year 2009 and first half fiscal year 2010	
	Number of awarded contracts	Obligation amount	Number of awarded contracts	Obligation amount	Number of awarded contracts	Obligation amount
Competed	21,364	\$4,488.5	8,076	\$1,144.7	29,440	\$5,633.2
Not competed	473	\$25.6	110	\$37.9	583	\$63.5
Not reported	695	\$233.1	833	\$165.5	1,528	\$398.7
<b>Total</b>	<b>22,532</b>	<b>\$4,747.3</b>	<b>9,019</b>	<b>\$1,348.1</b>	<b>31,551</b>	<b>\$6,095.4</b>

Source: GAO analysis of DOD data.

Note: Total obligations may not add due to rounding. We excluded task and delivery orders because they are not subject to the same competition requirements as other contract vehicles. Further, we excluded the base contracts under which orders were issued. This was done, in part, because such contracts do not have obligations associated with them as the obligations are incurred with the issuance of each order.

<sup>a</sup>The fiscal year indicates the year that each contract was awarded, not when the obligations occurred, so some obligations for contracts awarded in fiscal year 2009 occurred in the first half of fiscal year 2010.

As shown in table 16, most of the DOD contracts reported as awarded without competition had relatively small obligations during our review period.

**Table 16: DOD’s Contracts (Excluding Orders) in Iraq and Afghanistan Awarded without Competition in Fiscal Year 2009 and the First Half of Fiscal Year 2010**

Fiscal year 2009 and first half fiscal year 2010		
Contract value by obligated amount	Number of awarded contracts	Obligation amount (in millions)
Less than or equal to \$25,000	493	\$2.7
Greater than \$25,000 and less than or equal to \$100,000	54	\$3.1
Greater than \$100,000 and less than or equal to \$1 million	30	\$25.4
Greater than \$1 million	6	\$32.3
<b>All</b>	<b>583</b>	<b>\$63.5</b>

Source: GAO analysis of DOD data.

Note: Total obligations may not add due to rounding. We excluded task and delivery orders because they are not subject to the same competition requirements as other contract vehicles. Further, we excluded the base contracts under which orders were issued. This was done, in part, because such contracts do not have obligations associated with them as the obligations are incurred with the issuance of each order.

## State Contracts and Assistance Instruments

Table 17 shows all Department of State (State) contracts, along with the associated obligations, reported to us as active in Iraq, Afghanistan, or both during fiscal year 2009 and the first half of fiscal year 2010. For last year’s review, State reported obligating \$1,475.7 million on 846 contracts for fiscal year 2008.

**Table 17: State Active Contracts and Obligations for Iraq and Afghanistan, Fiscal Year 2009 and the First Half of Fiscal Year 2010**

Dollars in millions

	Fiscal year 2009		First half fiscal year 2010		Fiscal year 2009 and first half fiscal year 2010	
	Number of active contracts	Obligation amount	Number of active contracts	Obligation amount	Number of active contracts <sup>a</sup>	Obligation amount
Afghanistan	431	\$742.1	103	\$84.7	523	\$826.8
Iraq	664	\$1,387.1	170	\$72.6	818	\$1,459.7
Other <sup>b</sup>	30	\$49.1	12	\$19.8	40	\$68.9
<b>Total</b>	<b>1,125</b>	<b>\$2,178.2</b>	<b>285</b>	<b>\$177.1</b>	<b>1,381</b>	<b>\$2,355.3</b>

Source: GAO analysis of State data.

Note: Total obligations may not add due to rounding.

<sup>a</sup> Some contracts were active in both fiscal year 2009 and the first half of fiscal year 2010. As a result, the total number of active contracts during the 18-month period of our review is less than the number that were active each year added together. Obligation amounts are unique to each fiscal year so total obligations for the entire period are the sum of obligations in each fiscal year.

<sup>b</sup> "Other" represents contracts with performance in Iraq and Afghanistan or contracts that State reported as having performance in Iraq or Afghanistan but did not specify which country.

Table 18 provides information on the number of contracts awarded and associated obligations made during our review period. The majority of State’s active contracts were awarded during our review period but only 16 percent of State’s obligations were made on the new contract awards.

**Table 18: State New Contract Awards and Obligations for Iraq and Afghanistan, Fiscal Year 2009 and the First Half of Fiscal Year 2010**

Dollars in millions

	Fiscal year 2009 <sup>a</sup>		First half fiscal year 2010 <sup>a</sup>	
	Number of awarded contracts	Obligation amount	Number of awarded contracts	Obligation amount
Afghanistan	405	\$283.5	87	\$23.5
Iraq	604	\$42.0	141	\$8.7
Other <sup>b</sup>	13	\$14.7	7	\$0.4
<b>Total</b>	<b>1,022</b>	<b>\$340.2</b>	<b>235</b>	<b>\$32.5</b>

Source: GAO analysis of State data.

Note: Total obligations may not add due to rounding.

<sup>a</sup>The fiscal year indicates the year that each contract was awarded, not when the obligations occurred, so some obligations for contracts awarded in fiscal year 2009 occurred in the first half of fiscal year 2010.

<sup>b</sup>“Other” represents contracts with performance in Iraq and Afghanistan or contracts that State reported as having performance in Iraq or Afghanistan but did not specify which country.

Table 19 shows competition information for the State contracts (excluding task and delivery orders) that were awarded during our review period. State reported that 76 percent of its contracts were competed, including 489 (40 percent) that were awarded using full and open competition. For 72 contracts, State either provided no competition information or provided insufficient information for us to determine whether the contract was competed.

**Table 19: State's Competition of Iraq and Afghanistan Contracts (Excluding Orders) Awarded in Fiscal Year 2009 and the First Half of Fiscal Year 2010**

Dollars in millions

	Fiscal year 2009 <sup>a</sup>		First half fiscal year 2010 <sup>a</sup>		Fiscal year 2009 and first half fiscal year 2010	
	Number of awarded contracts	Obligation amount	Number of awarded contracts	Obligation amount	Number of awarded contracts	Obligation amount
Competed	667	\$286.0	168	\$25.7	835	\$311.7
Not competed	165	\$21.6	32	\$0.9	197	\$22.4
Not reported	70	\$6.0	2	\$0.5	72	\$6.5
<b>All</b>	<b>902</b>	<b>\$313.6</b>	<b>202</b>	<b>\$27.0</b>	<b>1,104</b>	<b>\$340.6</b>

Source: GAO analysis of State data.

Note: Total obligations may not add due to rounding. We excluded task and delivery orders because they are not subject to the same competition requirements as other contract vehicles. Further, we excluded the base contracts under which orders were issued. This was done, in part, because such contracts do not have obligations associated with them as the obligations are incurred with the issuance of each order.

<sup>a</sup>The fiscal year indicates the year that each contract was awarded, not when the obligations occurred, so some obligations for contracts awarded in fiscal year 2009 occurred in the first half of fiscal year 2010.

As shown in table 20, most of the State contracts reported as awarded without competition had relatively small obligations during our review period.

**Table 20: State's Contracts (Excluding Orders) in Iraq and Afghanistan Awarded without Competition in Fiscal Year 2009 and the First Half of Fiscal Year 2010**

Contract value by obligated amount	Fiscal year 2009 and first half fiscal year 2010	
	Number of awarded contracts	Obligation amount (in millions)
Less than or equal to \$25,000	121	\$1.1
Greater than \$25,000 and less than or equal to \$100,000	45	\$2.7
Greater than \$100,000 and less than or equal to \$1 million	28	\$5.3
Greater than \$1 million	3	\$13.2
<b>All</b>	<b>197</b>	<b>\$22.4</b>

Source: GAO analysis of State data.

Note: Total obligations may not add due to rounding. We excluded task and delivery orders because they are not subject to the same competition requirements as other contract vehicles. Further, we excluded the base contracts under which orders were issued. This was done, in part, because such contracts do not have obligations associated with them as the obligations are incurred with the issuance of each order.

Table 21 shows all active State assistance instruments along with the associated obligations reported to us as active in Iraq, Afghanistan, or both during fiscal year 2009 and the first half of fiscal year 2010.

**Table 21: State Active Assistance Instruments and Obligations for Iraq and Afghanistan, Fiscal Year 2009 and the First Half of Fiscal Year 2010**

Dollars in millions

	Fiscal year 2009		First half fiscal year 2010		Fiscal year 2009 and first half fiscal year 2010	
	Number of active assistance instruments	Obligation amount	Number of active assistance instruments	Obligation amount	Number of active assistance instruments <sup>a</sup>	Obligation amount
Afghanistan	131	\$39.4	89	\$27.1	218	\$66.5
Iraq	303	\$50.3	63	\$92.8	365	\$143.0
Other <sup>b</sup>	6	\$0.4	3	\$0.1	9	\$0.5
<b>Total</b>	<b>440</b>	<b>\$90.1</b>	<b>155</b>	<b>\$120.0</b>	<b>592</b>	<b>\$210.1</b>

Source: GAO analysis of State data.

Note: Total obligations may not add due to rounding.

<sup>a</sup> Some assistance instruments were active in both fiscal year 2009 and the first half of fiscal year 2010. As a result, the total number of active assistance instruments during the 18-month period of our review is less than the number that were active each year added together. Obligation amounts are unique to each fiscal year so total obligations for the entire period are the sum of obligations in each fiscal year.

<sup>b</sup> "Other" represents assistance instruments with performance in Iraq and Afghanistan or assistance instruments that State reported as having performance in Iraq or Afghanistan but did not specify which country.

Table 22 provides information on the number of assistance instruments awarded and associated obligations made during our review period. Nearly all of State’s active assistance instruments were awarded during our review period.

**Table 22: State New Assistance Awards and Obligations for Iraq and Afghanistan, Fiscal Year 2009 and the First Half of Fiscal Year 2010**

Dollars in millions

	Fiscal year 2009 <sup>a</sup>		First half fiscal year 2010 <sup>a</sup>	
	Number of awarded assistance instruments	Obligation amount	Number of awarded assistance instruments	Obligation amount
Afghanistan	131	\$41.2	87	\$25.3
Iraq	286	\$50.3	59	\$92.1
Other <sup>b</sup>	6	\$0.4	3	\$0.1
<b>Total</b>	<b>423</b>	<b>\$92.0</b>	<b>149</b>	<b>\$117.5</b>

Source: GAO analysis of State data.

Note: Total obligations may not add due to rounding.

<sup>a</sup> The fiscal year indicates the year that each assistance instrument was awarded, not when the obligations occurred, so some obligations for instruments awarded in fiscal year 2009 occurred in the first half of fiscal year 2010.

<sup>b</sup> “Other” represents assistance instruments with performance in Iraq and Afghanistan or assistance instruments that State reported as having performance in Iraq or Afghanistan but did not specify which country.



Table 23 shows State’s assistance instruments active in Iraq and Afghanistan and associated obligations by type—grants, including those made using Quick Response Funds, and cooperative agreements. During our review period, grants accounted for 97 percent of State’s active assistance instruments and 84 percent of assistance obligations.

**Table 23: State Active Assistance Instruments and Obligations for Iraq and Afghanistan, by Type, Fiscal Year 2009 and the First Half of Fiscal Year 2010**

Dollars in millions

Assistance type	Fiscal year 2009		First half fiscal year 2010		Fiscal year 2009 and first half fiscal year 2010	
	Number of active assistance instruments	Obligation amount	Number of active assistance instruments	Obligation amount	Number of active assistance instruments <sup>a</sup>	Obligation amount
Grants	189	\$55.5	103	\$113.7	289	\$169.3
Quick Response Funds grants	234	\$13.7	50	\$1.7	284	\$15.3
Cooperative agreements	17	\$20.9	2	\$4.6	19	\$25.5
<b>Total</b>	<b>440</b>	<b>\$90.1</b>	<b>155</b>	<b>\$120.0</b>	<b>592</b>	<b>\$210.1</b>

Source: GAO analysis of State data.

Note: Total obligations may not add due to rounding.

<sup>a</sup> Some assistance instruments were active in both fiscal year 2009 and the first half of fiscal year 2010. As a result, the total number of active assistance instruments during the 18-month period of our review is less than the number that were active each year added together. Obligation amounts are unique to each fiscal year so total obligations for the entire period are the sum of obligations in each fiscal year.

## USAID Contracts and Assistance Instruments

Table 24 shows all U.S. Agency for International Development (USAID) contracts, along with the associated obligations, reported to us as active in Iraq or Afghanistan during fiscal year 2009 and the first half of fiscal year 2010. For last year’s review, USAID reported obligating \$1,656.7 million on 277 contracts for fiscal year 2008.

**Table 24: USAID Active Contracts and Obligations for Iraq and Afghanistan, Fiscal Year 2009 and the First Half of Fiscal Year 2010**

Dollars in millions

	Fiscal year 2009		First half fiscal year 2010		Fiscal year 2009 and first half fiscal year 2010 <sup>a</sup>	
	Number of active contracts	Obligation amount	Number of active contracts	Obligation amount	Number of active contracts	Obligation amount
Afghanistan	160	\$836.7	106	\$665.2	229	\$1,501.8
Iraq	111	\$259.5	25	\$4.3	128	\$263.8
<b>Total</b>	<b>271</b>	<b>\$1,096.2</b>	<b>131</b>	<b>\$669.4</b>	<b>357</b>	<b>\$1,765.6</b>

Source: GAO analysis of USAID data.

Note: Total obligations may not add due to rounding.

<sup>a</sup> Some contracts were active in both fiscal year 2009 and the first half of fiscal year 2010. As a result, the total number of active contracts during the 18-month period of our review is less than the number that were active each year added together. Obligation amounts are unique to each fiscal year so total obligations for the entire period are the sum of obligations in each fiscal year.

Table 25 provides information on the number of contracts awarded and associated obligations made during our review period. Fifty-two percent of USAID’s active contracts were awarded prior to our review period and these contracts accounted for nearly 84 percent of USAID’s obligations.

**Table 25: USAID New Contract Awards and Obligations for Iraq and Afghanistan, Fiscal Year 2009 and the First Half of Fiscal Year 2010**

Dollars in millions

	Fiscal year 2009 <sup>a</sup>		First half of fiscal year 2010 <sup>a</sup>	
	Number of awarded contracts	Obligation amount	Number of awarded contracts	Obligation amount
Afghanistan	72	\$147.5	58	\$96.0
Iraq	86	\$28.9	16	\$3.0
<b>Total</b>	<b>158</b>	<b>\$176.3</b>	<b>74</b>	<b>\$98.9</b>

Source: GAO analysis of USAID data.

Note: Total obligations may not add due to rounding.

<sup>a</sup> The fiscal year indicates the year that each contract was awarded, not when the obligations occurred, so some obligations for contracts awarded in fiscal year 2009 occurred in the first half of fiscal year 2010.

Table 26 shows competition information for the USAID contracts (excluding task and delivery orders) that were awarded during our review period. USAID reported to us that 107 contracts (48 percent) were competed, including 98 contracts that were awarded using full and open competition. For 93 contracts, USAID either provided no competition information or what was provided was not sufficient to determine whether the contract was competed.

**Table 26: USAID's Competition of Iraq and Afghanistan Contracts (Excluding Orders) Awarded in Fiscal Year 2009 and the First Half of Fiscal Year 2010**

Dollars in millions

	Fiscal year 2009 <sup>a</sup>		First half fiscal year 2010 <sup>a</sup>		Fiscal year 2009 and first half fiscal year 2010	
	Number of awarded contracts	Obligation amount	Number of awarded contracts	Obligation amount	Number of awarded contracts	Obligation amount
Competed	86	\$52.0	21	\$53.3	107	\$105.3
Not competed	17	\$22.1	4	\$6.3	21	\$28.3
Not reported	47	\$9.4	46	\$8.0	93	\$17.4
<b>All</b>	<b>150</b>	<b>\$83.5</b>	<b>71</b>	<b>\$67.5</b>	<b>221</b>	<b>\$151.1</b>

Source: GAO analysis of USAID data.

Note: Total obligations may not add due to rounding. We excluded task and delivery orders because they are not subject to the same competition requirements as other contract vehicles. Further, we excluded the base contracts under which task and delivery orders were issued. This was done, in part, because such contracts do not have obligations associated with them as the obligations are incurred with the issuance of each order.

<sup>a</sup>The fiscal year indicates the year that each contract was awarded, not when the obligations occurred, so some obligations for contracts awarded in fiscal year 2009 occurred in the first half of fiscal year 2010.

As shown in table 27, there were only 21 contracts that USAID reported as awarded without competition, 4 of which had obligations greater than \$1 million during our review period.

**Table 27: USAID's Contracts (Excluding Orders) in Iraq and Afghanistan Awarded without Competition in Fiscal Year 2009 and the First Half of Fiscal Year 2010**

Contract value by obligated amount	Fiscal year 2009 and first half fiscal year 2010	
	Number of awarded contracts	Obligation amount (in millions)
Less than or equal to \$25,000	9	\$0.1
Greater than \$25,000 and less than or equal to \$100,000	3	\$0.1
Greater than \$100,000 and less than or equal to \$1 million	5	\$1.9
Greater than \$1 million	4	\$26.1
<b>All</b>	<b>21</b>	<b>\$28.3</b>

Source: GAO analysis of USAID data.

Note: Total obligations may not add due to rounding. We excluded task and delivery orders because they are not subject to the same competition requirements as other contract vehicles. Further, we excluded the base contracts under which orders were issued. This was done, in part, because such contracts do not have obligations associated with them as the obligations are incurred with the issuance of each order.

Table 28 shows all USAID assistance instruments along with the associated obligations, reported to us as active in Iraq, Afghanistan, or both during fiscal year 2009 and the first half of fiscal year 2010. During the first half of fiscal year 2010, USAID deobligated funds from one cooperative agreement with performance in Iraq, which resulted in its total assistance obligations showing negative \$15.8 million for that time period.

**Table 28: USAID Active Assistance Instruments and Obligations for Iraq and Afghanistan, Fiscal Year 2009 and the First Half of Fiscal Year 2010**

Dollars in millions

	Fiscal year 2009		First half fiscal year 2010		Fiscal year 2009 and first half fiscal year 2010	
	Number of active assistance instruments	Obligation amount	Number of active assistance instruments	Obligation amount	Number of active assistance instruments <sup>a</sup>	Obligation amount
Afghanistan	48	\$882.9	27	\$634.4	53	\$1,517.3
Iraq	19	\$129.0	5	(\$15.8) <sup>b</sup>	23	\$113.2
<b>Total</b>	<b>67</b>	<b>\$1,011.9</b>	<b>32</b>	<b>\$618.6</b>	<b>76</b>	<b>\$1,630.5</b>

Source: GAO analysis of USAID data.

Note: Total obligations may not add due to rounding.

<sup>a</sup>Some assistance instruments were active in both fiscal year 2009 and the first half of fiscal year 2010. As a result, the total number of active assistance instruments during the 18-month period of our review is less than the number that were active each year added together. Obligation amounts are unique to each fiscal year so total obligations for the entire period are the sum of obligations in each fiscal year.

<sup>b</sup>In its fiscal year 2010 data submission, USAID reported to us that one cooperative agreement in Iraq had a deobligation of \$27 million. After taking into consideration all other obligations occurring on assistance instruments in Iraq for the same period, total obligations were negative \$15.8 million.

Table 29 provides information on the number of assistance instruments awarded and associated obligations made during our review period. The majority of USAID's active assistance instruments were awarded before our review period and 84 percent of USAID's obligations were made on the existing assistance awards.

**Table 29: USAID New Assistance Awards and Obligations for Iraq and Afghanistan, Fiscal Year 2009 and the First Half of Fiscal Year 2010**

Dollars in millions

	Fiscal year 2009 <sup>a</sup>		First half fiscal year 2010 <sup>a</sup>	
	Number of awarded assistance instruments	Obligation amount	Number of awarded assistance instruments	Obligation amount
Afghanistan	17	\$223.9	2	\$16.7
Iraq	5	\$19.3	1	\$5.5
<b>Total</b>	<b>22</b>	<b>\$243.2</b>	<b>3</b>	<b>\$22.2</b>

Source: GAO analysis of USAID data.

Note: Total obligations may not add due to rounding.

<sup>a</sup>The fiscal year indicates the year that each assistance instrument was awarded, not when the obligations occurred, so some obligations for instruments awarded in fiscal year 2009 occurred in the first half of fiscal year 2010.

Table 30 shows USAID’s assistance instruments active in Iraq and Afghanistan and associated obligations by type—grants and cooperative agreements. During our review period, cooperative agreements accounted for 76 percent of USAID’s active assistance instruments and 63 percent of assistance obligations.

**Table 30: USAID Active Assistance Instruments and Obligations for Iraq and Afghanistan, Fiscal Year 2009 and the First Half of Fiscal Year 2010**

Dollars in millions

Assistance type	Fiscal year 2009		First half of fiscal year 2010		Fiscal year 2009 and first half of fiscal year 2010	
	Number of active assistance instruments	Obligation amount	Number of active assistance instruments	Obligation amount	Number of active assistance instruments <sup>a</sup>	Obligation amount
Grants	14	\$318.6	7	\$288.6	18	\$607.1
Cooperative agreements	53	\$693.3	25	\$330.0	58	\$1,023.3
<b>Total</b>	<b>67</b>	<b>\$1,011.9</b>	<b>32</b>	<b>\$618.6</b>	<b>76</b>	<b>\$1,630.5</b>

Source: GAO analysis of USAID data.

Note: Total obligations may not add due to rounding.

<sup>a</sup>Some assistance instruments were active in both fiscal year 2009 and the first half of fiscal year 2010. As a result, the total number of active assistance instruments during the 18-month period of our review is less than the number that were active each year added together. Obligation amounts are unique to each fiscal year so total obligations for the entire period are the sum of obligations in each fiscal year.

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# Appendix V: Comments from the U.S. Agency for International Development

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**USAID**  
FROM THE AMERICAN PEOPLE

September 22, 2010

John Hutton  
Director, Acquisition and Sourcing Management  
U.S. General Accountability Office  
441 G Street, NW  
Washington, DC 20548

Dear Mr. Hutton,

I am pleased to provide the U.S. Agency for International Development's (USAID) formal response to the draft GAO report entitled "Iraq and Afghanistan: DoD, State, and USAID Face Continued Challenges in Tracking Contracts, Assistance Instruments, and Associated Personnel (GAO-11-1)".

The enclosed USAID comments are provided for incorporation with this letter as an appendix to the final report.

Thank you for the opportunity to respond to the GAO draft report and for the courtesies extended by your staff in the conduct of this audit review.

Sincerely,

A handwritten signature in black ink that reads "Drew W. Luten".

Drew W. Luten  
Senior Deputy Assistant Administrator  
Bureau for Management

Enclosure: a/s



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**USAID Comments on Draft GAO Report Entitled “Iraq and Afghanistan:  
DoD, State, and USAID Face Continued Challenges in Tracking Contracts,  
Assistance Instruments, and Associated Personnel (GAO-11-1)”**

We are very appreciative of the fact that this year’s draft report more clearly highlights the practical challenges associated with using Synchronized Predeployment and Operational Tracker (SPOT). As a reporting tool, its utility has not yet been fully demonstrated. In this context and as the report also highlights, USAID is not the only SPOT user to question the amount of time and effort required should it be necessary to enter, individually, all contractor and grantee personnel by name with associated personal and deployment information.

For this reason we would like to comment on the topic of agreement among the three Memorandum of Understanding (MOU) signatories. We believe the mutual agreement of the parties is that each party to the MOU is able to implement SPOT in a manner that most appropriately suits its own purposes. In doing so, it should still be possible to fulfill requisite National Defense Authorization Act (NDAA) reporting requirements – subject to completion of the SPOT related, on-going work to further develop and implement the promised Total Operational Picture Support System (TOPPS) program. With the objective of further developing SPOT’s aggregate reporting functionality, USAID is pleased to be cooperating on this effort.

We believe it is correct to say that with the awareness of DOD and State, USAID has defined the extent of SPOT application in Iraq and Afghanistan as follows:

- Partner personnel with military interface or roles that require SPOT Letters of Authorization (LOAs) will be entered, by name, into SPOT.
- Private armed security guard personnel contracted for by both contractors and grantees will be, to the extent possible, entered by name into SPOT. (Please allow us to observe on this point that contemporary uncertainties in Afghanistan might impact our implementation of SPOT for this specific purpose.)
- All other contractor and grantee staff will be accounted for in SPOT reporting using the aggregate number methodology, the utility of which is recognized by all of the MOU signatories.

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# Appendix VI: GAO Contact and Staff Acknowledgments

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## GAO Contact

John P. Hutton (202) 512-4841 or [huttonj@gao.gov](mailto:huttonj@gao.gov).

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## Acknowledgments

In addition to the contact above, Johana R. Ayers, Assistant Director; Noah B. Bleicher; John C. Bumgarner; Burns D. Chamberlain; Morgan Delaney-Ramaker; Timothy J. DiNapoli; Justin Fisher; Cynthia Grant; David Greyer; Justin M. Jaynes; Christopher Kunitz; Jean McSween; Heather B. Miller; Jamilah Moon; Roxanna T. Sun; and Jeff Tessin made key contributions to this report.

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