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United States Senate

COMMITTEE ON ARMED SERVICES

WASHINGTON, DC 20510-6050

October 17, 2003

The Honorable David Walker
Comptroller General
General Accounting Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Comptroller General:

The debate over the Emergency Supplemental Appropriations bill has raised numerous questions and concerns about the extent to which funds appropriated for the reconstruction of Iraq are being spent in an efficient manner. In particular, we have learned that contracts for the reconstruction of Iraq, with values in the hundreds of millions and even the billions of dollars, have been awarded without full and open competition. Moreover, the press has reported that some companies have successfully obtained a share of these contracts with the assistance of well-connected Washington lobbyists.

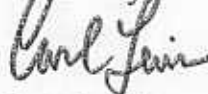
I would appreciate your assistance in addressing this issue. In particular, I ask that you review each of the major contracts awarded for the reconstruction of Iraq, and a sample of the task orders awarded under such contracts, and provide me with your assessment of the following:

- the nature of the contract vehicles used to perform the work, the extent of competition used in entering the contracts, and the amount of profit provided in the contracts;

- the nature of task orders or other work orders used to perform the work, including whether those task orders or other work orders were performance-based, cost-based, or provided fixed prices;
- the reasonableness of the rates charged by the contractors and the overall prices paid for the work, including an assessment of the impact of a greater reliance upon Iraqi labor or other possible alternative sources of supply;
- the extent to which the contractors performed the work themselves and, to the extent that subcontractors were utilized, how those subcontractors were selected; and
- the extent to which the CPA or the contractors relied upon consultants to assist in the project or program, the amounts paid for any such consulting services, and whether these services were obtained pursuant to full and open competition.

Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carl Levin".

Carl Levin
Ranking Member