



SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION

March 25, 2010

LETTER FOR COMMANDING GENERAL, U.S. FORCES-IRAQ

SUBJECT: Interim Report on Projects to Develop the Iraqi Special Operations Forces
(SIGIR 10-009)

This report is to bring to your attention the concerns of the Special Inspector General for Iraq Reconstruction (SIGIR) about a Multi-National Security Transition Command-Iraq¹ (MNSTC-I) program to develop the Iraqi Special Operations Forces (SOF). About \$326 million was obligated from the Iraq Security Forces Fund to develop these forces.

We reviewed two contracts awarded to provide the Iraqi SOF with a counter-terrorism communications network and intelligence database. Together, the contracts were to provide:

- a secure communications network known as the Counter-Terrorism Network, or CTNET, that links major counter-terrorism centers in Iraq;
- a software system (known as Memex) that uses CTNET to consolidate field reports to identify terrorist networks, targets, and their activities; and
- training in the use and maintenance of both systems.

The CTNET contract ended in June 2008 and the Memex contract ended in February 2009. The two contracts together had a total cost of about \$19.3 million. The CTNET and its associated Memex software appear to be available to the Iraqi SOF. However, SIGIR has the following concerns:

- SIGIR's audit work found that the CTNET is only being used at 5 of 25² sites that were to be connected to the network. In written comments on a draft of our report, USF-I stated that CTNET is operational at 17 locations. However, it acknowledged that many of these locations are not the locations identified in the contract. Moreover, Joint Contracting Command-Iraq/Afghanistan (JCC-I/A) did not modify the contract to authorize changes to planned locations. Changing contract requirements without modifying the contract impairs accountability and adds significant risks for MNSTC-I. Because United States Force-Iraq (USF-I) did not provide information about CTNET at other sites until after audit field work was complete, we were unable to conduct checks on the other locations.

¹ MNSTC-I was subsumed into U.S. Forces-Iraq, which replaced the Multi-National Force-Iraq on January 1, 2010

² As of October 22, 2009

Report Documentation Page				Form Approved OMB No. 0704-0188	
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE 25 MAR 2010		2. REPORT TYPE		3. DATES COVERED 00-00-2010 to 00-00-2010	
4. TITLE AND SUBTITLE Interim Report on Projects to Develop the Iraqi Special Operations Forces				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Office of the Special Inspector General for Iraq Reconstruction (SIGIR), 400 Army Navy Drive, Arlington, VA, 22202-4704				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT Same as Report (SAR)	18. NUMBER OF PAGES 15	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

- Nearly \$1 million worth of satellite communications equipment consisting of 18 units, one for each of the provincial coordination centers, is either not being used, or is missing. Possible reasons the Iraqis are not using the systems include poor training of Iraqi SOF personnel in the use and maintenance of the systems, and the high operating costs of the systems.
- Memex is being used at only 5 of 6³ sites that were to have data analysis capability, and none of those are in use at their full intended capacity. We found that of the five sites operating, the current capacity ranges from 6% to 38% of what officials intended. In comments on a draft of this report, USF-I said that a sixth site has since been added and that the Iraqis have funded a new contract to provide both on-site technical support, and also maintenance that should increase use of the system.
- Both the CTNET and Memex contracts' statements of work were poorly written and we had difficulty obtaining information on the contracts. For example, the CTNET contract contained conflicting instructions on government-furnished equipment, and both contracts lacked milestones for some deliverables. Further, even after the completion of the contracts, officials from MNSTC-I's Iraqi National Counter-Terrorism Force-Transition Team (INCTF-TT) could not provide reliable information on the number of troops trained or the operational status of equipment purchased.
- Much of the documentation for the CTNET and Memex contracts that is required by the Federal Acquisition Regulation is either missing, incomplete, or of such poor quality that it is difficult to determine the contract requirements. It was also difficult to determine whether MNSTC-I exercised appropriate contract oversight due to the lack of documentation. As a result of poor oversight, one INCTF-TT official explained that they are not certain what has been delivered under the contracts and directed SIGIR to the contractor for information pertaining to which sites are operational, and how many servers are at each site.

Background

Since 2003, the Congress has appropriated \$18.04 billion in Iraqi Security Forces Funding to support the development of the Iraqi Security Forces. Of this total, about \$333 million was appropriated to train and equip the Iraqi SOF from 2004 to 2009. The Iraqi SOF fall under the Counter-Terrorism Command (CTC), which responds to target priorities and mission execution orders conveyed by the Prime Minister, through the Counter-Terrorism Service (formerly the Counter Terrorism Bureau).⁴ The CTC is also responsible for integrating intelligence and providing command and control of counter-terrorism operations nationwide. Under the direction of the CTC, the Iraqi SOF operational mission specializes in counter-terrorism and counter-insurgency tactics.

³ As of November 14, 2009

⁴ The Counter-Terrorism Service advises the Prime Minister on counter-terrorism issues and develops the Iraqi Counter-Terrorism National Strategy, policies, and procedures.

Responsibility for organizing, equipping, and training all Iraqi security forces belongs to the Commander, U.S. Central Command. As of January 1, 2010, these duties are now carried out by one of the Central Command's subordinate commands, USF-I. Prior to January 1 these duties were carried out by the U.S. Central Command's former subordinate command, the Multi-National Force-Iraq, under which MNSTC-I was responsible for training and equipping the Iraqi SOF. JCC-I/A executed contracts for MNSTC-I to train and equip the Iraqi SOF.

Developing a Communications Network and an Intelligence Software System

MNSTC-I's project to develop the Iraqi SOF communications network and intelligence software system was accomplished through two related contracts, both awarded by the JCC-I/A. The first of two contracts reviewed (W91GY0-07-D-0015) was awarded to Astro Systems, Inc. in May 2007, to design, install, and maintain a secure communications network at 25 locations in Iraq (18 Joint Provincial Coordination Centers, 4 Regional Coordination Centers, the Iraqi Counter-Terrorism Bureau, the Iraqi Counter-Terrorism Command Headquarters, and the Iraqi SOF Brigade Headquarters), and to train Iraqi counter-terrorism personnel in its maintenance and use. The training requirement included developing a training facility, training curriculum and course materials, and conducting training classes. The contract was awarded for an initial period of eight months, with one six-month option period.

The second of two contracts reviewed (W91GY0-07-C-0009) was awarded to Nour USA in January 2007. The contract was to install a database software program, known as Memex, which provides a platform for intelligence analysis. Memex was designed to analyze information on an individual to determine if there are links to insurgents or terrorist organizations, such as family ties, business associations, or political background. The initial requirement was to install Memex at five locations, but the contract was later modified to six locations, including the Iraqi Counterterrorism Center, two Iraqi SOF Brigade Headquarters, and three Regional Coordination Centers. The sites were to have access to Memex through the CTNET.

The CTNET and Memex Systems Are Not Being Used to Full Potential

After two years of effort and the expenditure of approximately \$19.3 million, the CTNET and its associated Memex software appear to be available to the Iraqi SOF, albeit at a greatly reduced capability. CTNET for instance, is only being used at 5 of 25 sites that were to be connected to the network, and the Memex software is only operational at 5 of 6 sites that were to have data analysis capability. After significant delays and missed timelines, much of the equipment is now available for use; however, SIGIR found that it is only minimally utilized by the Iraqi SOF.

In order to transmit classified information and connect regional and provincial coordination centers, 18 Broadband Global Area Network (BGAN) kits were provided to the Iraqis. However, according to an INCTF-TT official, these satellite communication kits are not in use, and an Iraqi official has locked 16 of them away at the Regional Centers. Furthermore, he noted that 2 of the 18 BGAN kits cannot be located. Each BGAN system costs \$54,000, and together the 18 kits comprise nearly \$1 million dollars worth of equipment that is not being used or has been lost. Overall, INCTF-TT officials believe that the Iraqis may not be using the BGAN systems because of the high cost.

While there are five sites that have Memex operating, an INCTF-TT official stated that none of those are in use at their full intended capacity. We were told by an Iraqi official that Iraqi SOF personnel sometimes have to choose between running the air conditioner or powering the Memex equipment due to electrical shortages. We found that of the five sites operating, the current capacity ranges from 6% to 38% of what officials intended. Throughout the life of the contract, there were four different configurations, with sites added and removed three different times. This included removing a site one month prior to the expiration of the contract.

While the contractor did provide training classes to Iraqi personnel on the CTNET system, attendance varied to the point where the contractor could not track the personnel that were supposed to graduate from the training classes. MNSTC-I officials considered training as critical to the successful operation of the system after the contract conclusion date. If training classes had been attended on a regular basis by Iraqi personnel, the CTNET would have a better chance to succeed. The total cost of training classes and materials for the CTNET was over \$1.7 million, and without full commitment by the Iraqis to attend class, this money was at a significant risk of waste.

Training was an integral part of the Memex contract to promote a successful transition of the Memex software to designated Iraqi SOF personnel. Both INCTF-TT and Iraqi officials think initial training of the workforce by Nour USA, Inc was of high quality. However, one Iraqi official noted that training continues to be an issue at nearly every site due to the availability of personnel to be trained. Under the current situation, soldiers may be pulled away from training to participate in other activities deemed more pressing. As a result, a soldier may receive only hours of instruction on the system out of one day of training. The absence of continuity in training prevents Iraqi SOF personnel from completing the curriculum, retaining much of the information, or advancing to higher level courses.

In written comments on a draft of this report, dated March 13, 2010, USF-I did not concur with the information on the number of sites with an operating CTNET system. According to USF-I, the CTNET is currently operating at 17 locations rather than the 5 sites identified by SIGIR. However, USF-I acknowledged that many of these locations are different from the 18 Provincial Joint Coordination Centers where CTC planned to locate the equipment when the contract was originally awarded. USF-I did not provide this information until after we issued the draft report to the agency for comment, so we were unable to conduct further checks. However, we remain concerned about this issue for several reasons. First, MNSTC-I officials did not provide information on the equipment's location during our field work. Second, based on USF-I's comments, the terms of the contract were changed without modifying the contract. The lack of a properly modified contract impairs our ability to verify the explanation provided in the comments. Third, without a modified contract MNSTC-I had no record of the change in plans, and once the individuals responsible for the project left the theater, MNSTC-I could not provide evidence of what was achieved by the contract.

Weak Contract Administration and Oversight

Much of the documentation for the CTNET and Memex contracts that is required by the Federal Acquisition Regulation is either missing, incomplete, or of such poor quality that it is difficult to

determine the contract requirements, or whether MNSTC-I exercised appropriate contract oversight. The contract administration and oversight problems that SIGIR found include:

- While the CTNET contract required Astro Systems, Inc. to provide regular status updates, the majority of the daily, weekly, and monthly situation reports were missing or never completed. One Contracting Officer's Representative's (COR) memorandum for record noted that daily situation reports were never submitted from September 19, 2007 through February 8, 2008. Moreover, if daily situation reports were submitted after February 15, 2008, they were not documented in the CTNET contract files. Furthermore, JCC-I/A was able to provide only 12 daily reports for a contract that lasted from May 2007 through June 2008, accounting for approximately 3% of required daily reports. While we are unable to determine if the contractor did not submit the reports as required or if the COR did not keep accurate records of correspondence, failure to follow internal controls made the CTNET program more vulnerable to fraud, waste, and abuse. The amount of missing documentation constitutes a material weakness in contract management and left MNSTC-I vulnerable to fraud, waste, and abuse.
- The Memex contract failed to include contractor reporting criteria and a quality assurance plan, significantly increasing the overall risk for fraud, waste, and mismanagement. According to JCC-I/A officials, a subject matter expert in intelligence databases from Great Britain wrote the original statement of work, and they attributed the lack of quality assurance to his unfamiliarity with American contracting laws. The lack of required contractor reports led to inconsistent tracking of the project's status and overall progress. Furthermore, over 20 months into the contract, an incoming contracting officer conducted a file review of the contract and noted seven pre-award action discrepancies. These discrepancies included no evidence of acquisition planning, no evidence of market research, no evidence of a technical review of the offeror's proposal, no price reasonableness memo, and no evidence of a notice posted in accordance with Federal Acquisition Regulation 5.201 of contract action, which requires the publication of a proposed contract action for acquisition of supplies and services. Without clear evidence of fair and reasonable proposals and market research in the contract files, we cannot be certain that Nour USA was the best option for providing the Iraqi SOF with an intelligence database system.
- A poorly written statement of work for the CTNET contract resulted in delays and a lack of adequate oversight. Unclear language in the statement of work on the provision of government-furnished equipment led to disagreements between the CORs and the contractor over what equipment each party was supposed to provide. Because the statement of work was vague, the government entered into a second contract for CTNET equipment that probably should have been provided under the original contract with Astro Systems, Inc. In addition to the possibly unnecessary expenses, it also led to significant delays early in the contract. Two contracting officers and two CORs responsible for the CTNET contract expressed frustration with the contract and statement of work, and believed that the vague contract hampered overall project success. Since the contract lacked milestones, contracting officers and CORs spent significant amounts of time negotiating the terms of the contract. Without clearly defined benchmarks, it is difficult to measure progress of work and hold the contractor accountable for delays.

- Two JCC-I/A officials stated that neither the CTNET nor the Memex contracts would have met standards for quality assurance and internal controls in the United States. The officials stated that they would have rejected both contracts and attributed the contract discrepancies and poor file administration to COR inexperience and operating in a contingency environment.

Conclusion

The lack of commitment from the Iraqi Government to provide soldiers for training makes it difficult for the projects to succeed. In these cases, Iraqi soldiers did not report for training, consequently the systems provided are not being used as MNSTC-I expected, potentially leading to waste. We also believe that moving forward with contracts to improve the capabilities of the Iraqi security forces when the contracts do not clearly define milestones or require regular contractor updates creates inherent program and cost risks. Moreover, poor contract management on these contracts combined with lack of training attendance and poorly written contracts contributed to the contracts failing to achieve their desired outcomes.

Recommendations

SIGIR recommends that the Commanding General, U.S. Forces-Iraq take the following actions:

1. Assist the Counter-Terrorism Service in developing a plan to use the equipment provided to them under these two contracts. The plan should focus on achieving full operational capability for both CTNET and Memex. This plan should identify each party's roles and responsibilities, a time line for achieving the goals, and Iraqi SOF training needs for the systems. If the Counter-Terrorism Service (formerly the Counter-Terrorism Bureau) is unable to operate or configure the systems in the manner envisioned under the contracts, determine if the systems can be operated or configured in a manner consistent with the goal of increasing the operational capability of the Counter-Terrorism Service.
2. Conduct a review of the CTNET and Memex contract files and develop a plan for addressing the deficiencies identified in this report for these contracts and future contracts.

Management Comments and Audit Response

SIGIR provided two drafts of this report to USF-I for comment. The first draft was issued to the USF-I Commanding General on January 7, 2010, and USF-I provided comments on January 17, 2010. However, the comments received did not directly address the findings contained in our draft report. Following discussions with senior Joint Forces Special Operations Component Command-Iraq officials, USF-I agreed to a second opportunity to comment on the draft. During the same discussions, SIGIR agreed to modify one of our draft recommendations to better reflect the possible options for addressing our concerns. SIGIR provided the revised draft report to the command for comment, and USF-I resubmitted its comments on March 13, 2010.

In written comments to the second draft of this letter report, USF-I did not concur with the information on the number of sites with CTNET capabilities. However, it acknowledged that many of these locations are not the locations identified in the contract. There were no

modifications to the contract that indicate changes in these locations, and because we did not receive information about these sites until after field work was complete, we were unable to conduct further checks on the locations.

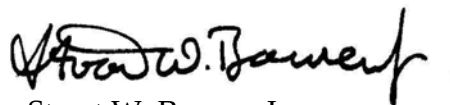
USF-I also stated in its comments that we are correct that 2 BGAN systems are “unlocated” and the other 16 are not being used. USF-I reiterated its earlier point that the recurring cost of commercial satellite usage to operate the BGAN is beyond the fiscal capability of the Counter-Terrorism Service to fund. Thus, the nearly \$1 million spent purchasing this equipment is wasted.

Finally, USF-I stated that Memex is currently operational at six locations, one more location than the five SIGIR reported. This change occurred since SIGIR completed its field work. USF-I also said that the Counter-Terrorism Service has taken steps increase its Memex usage by contracting for on-site technical support, Memex server maintenance, and the installation of Memex at a seventh site.

USF-I provided technical comments to the report and we have made changes in the report where appropriate. USF-I’s comments are reprinted in their entirety in Appendix D.

- - - -

We appreciate the courtesies extended to the SIGIR staff. For additional information on the report, please contact David Warren, Assistant Inspector General for Audits, (703) 604-0982/ david.warren@sigir.mil or Glenn Furbish, Principal Deputy Assistant Inspector General for Audits, (703) 604-1388/ glenn.furbish@sigir.mil.



Stuart W. Bowen, Jr.
Inspector General

cc: U.S. Secretary of State
U.S. Ambassador to Iraq
U.S. Secretary of Defense
Commander, U.S. Central Command

Appendix A—Scope and Methodology

Scope and Methodology

In June 2009, the Special Inspector General for Iraq Reconstruction (SIGIR) initiated Project 9023 to review the contracts supporting the equipping and training of Iraqi Special Operations Forces (SOF). SIGIR's objectives for this report were to determine: (1) whether the contracts met their intended goal (results) and their overall cost; and (2) the extent to which the Multi-National Security Transition Command-Iraq has taken appropriate steps to ensure proper administration and oversight of the contracts, to include whether adequate controls were in place to detect and prevent fraud, waste, and abuse. SIGIR issued this report as an interim report to bring SIGIR concerns regarding two contracts to the attention of U.S. Forces-Iraq (USF-I). This audit was performed by SIGIR under the authority of Public Law 108-106, as amended, which also incorporates the duties and responsibilities of inspectors general under the Inspector General Act of 1978. SIGIR conducted its work during June 2009 through January 2010 in Baghdad, Iraq.

To accomplish our objectives, we visited or held discussions with officials, and reviewed documents and data from the Joint Contracting Command-Iraq/Afghanistan (JCC-I/A), Multi-National Security Transition Command-Iraq (MNSTC-I), and the Iraqi Military. Officials at these organizations included senior Iraqi and U.S. military officials, contracting officers, and contracting officers' representatives. We visited the Iraqi Counter-Terrorism Bureau (now the Counter-Terrorism Service) in September 2009, which advises the Prime Minister in counter-terrorism issues and develops the Iraqi Counter-Terrorism National Strategy, policies, and procedures.

To determine outcomes of the contract, we obtained and analyzed relevant programmatic documents and other information on contractor's performance. These sources included contractor reports on the work performed and prior audit reports relevant to the work being performed. To determine costs we obtained and analyzed relevant contract, financial, and other information from JCC-I/A and MNSTC-I. This information includes the basic contract, modifications, and invoices submitted by contractors for work. We reviewed and summarized contract obligations and expenditures data received from contracting officials. We compared initial cost estimates and periods of performance with actual costs and status of performance. We also conducted surveys with prior contracting officers and contracting officers' representatives, and we conducted interviews with senior MNSTC-I officials from the Iraqi National Counter-Terrorism Force-Transition Team as well as senior Iraqi military and civilian personnel.

To determine the adequacy of contract management and oversight, we obtained and analyzed relevant contract information. Additionally, we reviewed relevant portions of the Federal Acquisition Regulation and government internal control standards applicable to the two contracts. To understand MNSTC-I's process for overseeing the contracts, we met with officials on site and toured the counter-terrorism facilities in Baghdad.

SIGIR provided two drafts to USF-I. SIGIR initially issued a draft to the USF-I Commanding General on January 7, 2010, and USF-I provided comments on January 17, 2010. However, the comments received did not directly address the findings contained in our draft report. Following discussions with senior Joint Forces Special Operations Component Command-Iraq officials, USF-I agreed to a second opportunity to comment on the draft. During the same discussions, SIGIR agreed to modify one of our draft recommendations to better reflect the possible options for addressing our concerns. SIGIR provided the revised draft report to the command for comment.

The audit was conducted 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.

Use of Computer-processed Data

We did not use data from computer-based systems to perform this audit. Instead, we used financial data provided by contracting personnel to achieve the audit's objectives. SIGIR determined that this data was the best available for purposes of our review.

Internal Controls

In conducting the audit, we assessed certain internal controls pertinent to the audit objectives regarding the administration and oversight of contracts. Specifically, we identified and reviewed internal and management control procedures for contract oversight and for monitoring and evaluating activities in the field. To do this, we relied on the very limited available reports in the contract files and discussions with key oversight officials to understand both JCC-I/A's and MNSTC-I's internal controls. We did not examine internal management and financial control systems.

Prior Coverage

We reviewed the following reports by SIGIR:

Security Forces Logistics Contract Experienced Certain Cost, Outcome, and Oversight Problems, SIGIR 09-014, 4/26/2009.

The U.S. Has Reduced Its Funding for the Iraqi Security Forces, but Continued Support Will Likely Be Necessary, SIGIR 09-012, 1/26/2009.

Challenges in Obtaining Reliable and Useful Data on Iraqi Security Forces Continue, SIGIR 09-002, 10/21/2008.

Iraqi Security Forces: Review of Plans to Implement Logistics Capabilities, SIGIR 06-032, 10/28/2006.

Appendix B—Acronyms

Acronym	Description
BGAN	Broadband Global Area Network
COR	Contracting Officer's Representative
CTC	Counter-Terrorism Command
CTNET	Counter-Terrorism Network
INCTF-TT	Iraqi National Counter-Terrorism Force-Transition Team
SOF	Special Operations Forces
JCC-I/A	Joint Contracting Command-Iraq/Afghanistan
MNSTC-I	Multi-National Security Transition Command-Iraq
SIGIR	Special Inspector General for Iraq Reconstruction
USF-I	United States Forces-Iraq

Appendix C—Audit Team Members

This report was prepared and the review was conducted under the direction of David R. Warren, Assistant Inspector General for Audits, Office of the Special Inspector General for Iraq Reconstruction.

The staff members who conducted the audit and contributed to the report include:

Wilson D. Haigler

Paul J. Kennedy

P. Hayden Morel

Nancee Needham

William Shimp

Norris W. Smith III

Appendix D—Management Comments

UNCLASSIFIED

**SIGIR INTERIM REPORT DATED FEBRUARY 26, 2010
SIGIR 10-009 (SIGIR Audit Number 9023A)**

"Interim Report on Projects to Develop the Iraqi Special Operations Forces"

USF-I COMMENTS TO THE DRAFT REPORT

RECOMMENDATION:

SIGIR recommends that the Commanding General, U.S. Forces-Iraq take the following actions:

1. Assist the Counter-Terrorism Service in developing a plan to use the equipment provided to them under these two contracts. The plan should focus on achieving full operational capability for both CTNET and MEMEX. This plan should identify each party's roles and responsibilities, a time line for achieving the goals, and Iraqi SOF training needs for the systems. If the Counter-Terrorism Service (formerly the Counter-Terrorism Bureau) is unable to operate or configure the systems in the manner envisioned under the contracts, determine if the systems can be operated or configured in a manner consistent with the goal of increasing the operational capability of the CTS.
2. Conduct a review of the CTNET and Memex contract files and develop a plan for addressing the deficiencies identified in this report for these contracts and future contracts.

SIGIR Comments:

This is the second draft of this report provided to USF-I. SIGIR initially issued a draft to the USF-I Commanding General on January 7, 2010, and USF-I provided comments on January 17, 2010. However, the comments received did not directly address the findings contained in our draft report. Following discussions with senior Joint Forces Special Operations Component Command-Iraq officials, USF-I agreed to a second opportunity to comment on the draft. During the same discussions, SIGIR agreed to modify one of our draft recommendations to better reflect the possible options for addressing our concerns. SIGIR provided the revised draft report to the command for comment.

USF-I RESPONSE: USF-I non-concurs with information provided in this SIGIR report.

USF-I non-concurrence is based on SIGIR's erroneous findings about the effectiveness of CTNET and MEMEX. CTNET and MEMEX are used daily by the Iraqi National Counter-Terrorism Forces, which consist of the Counter-Terrorism Service (CTS) which was formerly the Counter-Terrorism Bureau (CTB, the Counter-Terrorism Command (CTC) and the Iraqi Special Operations Forces (ISOF). The systems are used to analyze information and transmit mission critical data and voice communications that facilitate the CTS/CTC mission of reducing the threat of terrorism across Iraq. The systems have expanded and evolved since their inception to meet emerging requirements. The CTS has since established and funded contracts to continue to support them after the expiration of U.S. funded contracts.

UNCLASSIFIED

CTNET is currently operational at 17 locations. Many of these locations are different than the 18 Provincial Joint Coordination Centers (PJCCs) that CTS/CTC expected to locate the equipment when the contract was originally let. This was a consequence of the evolving nature of command and control of Iraqi Security Forces over the past years. While some of the PJCCs have become important nodes of operational coordination, in other areas the Iraqis have established Regional Operations Centers that have a much greater role in the command and control of ISF than the PJCCs. Consequently, the CTS/CTC have adjusted their positioning of the CTTET systems in order to provide the best command and control of, and situational awareness for, their forces. SIGIR is correct in their finding that two of the BGAN systems are unlocated and that the remaining BGAN systems are not being employed. The recurring cost of commercial satellite usage to operate the BGANs is beyond the fiscal capability of the CTS to fund.

Every Target Intelligence Packet required to gain target approval, mission Concept of Operations required to execute the mission, and every task order and execution order is passed on the CTTET. The capabilities of CTS and its subordinate units would be severely degraded without it. It has become the backbone of their command and control system, roughly analogous to the U.S. SIPRNET system.

When the U.S.-funded contract expired in June 2008, CTS initiated two contracts with their own funds to maintain and expand the capabilities of the system. One contract was for bandwidth access, on-site technical support, and the submission of monthly status reports to CTC. The second contract was for operating the network backbone, maintaining the CTTET back-end servers, fiber installation and Help Desk support. These Iraqi contracts are still in effect.

CTC's Communications Directorate (G-6), in coordination with U.S. advisors have developed a long-term plan to reduce CTTET's dependence on expensive VSAT links and instead utilize lower-cost microwave connections into a national fiber optic backbone. CTS has devoted considerable resources to training soldiers in both Cisco and Microsoft disciplines. CTTET has become an invaluable asset in accomplishing INCTF's mission.

MEMEX is currently operational at 6 locations and a funded contract is in place to complete installation at a seventh location. MEMEX is the primary system for Iraqi SOF to analyze intelligence information, perform link analysis, and store and retrieve intelligence information. Inconsistent electrical power at the outstations and limited bandwidth to support data transfer have created some challenges for the Iraqis but they continue to utilize the system and develop solutions to compensate for Iraq's limited electrical infrastructure. When the U.S. funded contract expired, CTS signed a new contract, funded by the Iraqis, to provide on-site technical support at Mosul, Basra, and Baghdad, the maintenance of all MEMEX servers, and the installation of MEMEX in Diyala. As MEMEX users become more familiar and skilled using the systems, their use of the system and positive effects from using the system has increased exponentially.

The Iraqis view the MEMEX system, in conjunction with CTTET, as critical components to their ability to conduct effective counter-terrorism operations in Iraq.

UNCLASSIFIED

2

UNCLASSIFIED

USF-I is actively working to assist the CTS to maximize usage of CTNET and MEMEX as outlined above. USF-I is examining the possibility of CTS using portions of the BGAN systems that are currently not in use, to increase the existing capabilities of CTS computer systems.

If these findings were reviewed and revised in light of this new information, USF-I would have concurred with these recommendations, based upon the correct information being presented.

APPROVED BY:
JOSEPH ANDERSON
MG, USA
USF- I Chief Of Staff

PREPARED BY:
MATTHEW LaCHAPELLE
LCDR, USN
USF-I IG, Chief of Inspections
SVOIP 243-6308

UNCLASSIFIED

3

Appendix E—SIGIR Mission and Contact Information

SIGIR’s Mission	Regarding the U.S. reconstruction plans, programs, and operations in Iraq, the Special Inspector General for Iraq Reconstruction provides independent and objective: • oversight and review through comprehensive audits, inspections, and investigations • advice and recommendations on policies to promote economy, efficiency, and effectiveness • deterrence of malfeasance through the prevention and detection of fraud, waste, and abuse • information and analysis to the Secretary of State, the Secretary of Defense, the Congress, and the American people through Quarterly Reports
Obtaining Copies of SIGIR Reports and Testimonies	To obtain copies of SIGIR documents at no cost, go to SIGIR’s Web site (www.sigir.mil).
To Report Fraud, Waste, and Abuse in Iraq Relief and Reconstruction Programs	Help prevent fraud, waste, and abuse by reporting suspicious or illegal activities to the SIGIR Hotline: • Web: www.sigir.mil/submit_fraud.html • Phone: 703-602-4063 • Toll Free: 866-301-2003
Congressional Affairs	Hillel Weinberg Assistant Inspector General for Congressional Affairs Mail: Office of the Special Inspector General for Iraq Reconstruction 400 Army Navy Drive Arlington, VA 22202-4704 Phone: 703-428-1059 Email: hillel.weinberg@sigir.mil
Public Affairs	Danny Kopp Office of Public Affairs Mail: Office of the Special Inspector General for Iraq Reconstruction 400 Army Navy Drive Arlington, VA 22202-4704 Phone: 703-428-1217 Fax: 703-428-0818 Email: PublicAffairs@sigir.mil