

September 2011

IRAQ AND AFGHANISTAN

DOD, State, and USAID Cannot Fully Account for Contracts, Assistance Instruments, and Associated Personnel

U.S. Government Accountability Office

GAO90

YEARS

1921-2011

ACCOUNTABILITY ★ INTEGRITY ★ RELIABILITY

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 SEP 2011		2. REPORT TYPE		3. DATES COVERED 00-00-2011 to 00-00-2011	
4. TITLE AND SUBTITLE Iraq and Afghanistan: DOD, State, and USAID Cannot Fully Account for Contracts, Assistance Instruments, and Associated Personnel				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) U.S. Government Accountability Office, 441 G Street NW, Washington, DC, 20548				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 32	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			



Highlights of [GAO-11-886](#), a report to congressional committees

Why GAO Did This Study

DOD, State, and USAID have relied extensively on contracts and assistance instruments (grants and cooperative agreements) for a range of services in Iraq and Afghanistan. In the last 3 years, GAO has provided information on the agencies' contracts, assistance instruments, and associated personnel in the two countries, detailing the agencies' challenges tracking such information.

Amendments from the National Defense Authorization Act for Fiscal Year 2011 now require the agencies to provide this and other information to Congress through annual joint reports. They also direct GAO to review those reports. In response, GAO reviewed the first joint report and assessed (1) data and data sources used to prepare the report; (2) use of data from the Synchronized Predeployment and Operational Tracker (SPOT) for management, oversight, and coordination; and (3) efforts to improve SPOT's tracking of statutorily required information. GAO compared data in the joint report to agency data GAO previously obtained, reviewed supporting documentation, and interviewed agency officials, including those in Iraq and Afghanistan, on how the data were collected and used.

What GAO Recommends

In 2009, GAO recommended that the agencies develop a plan for addressing SPOT's limitations. They disagreed, citing ongoing coordination as sufficient. GAO continues to believe a plan is needed and is not making new recommendations. DOD and State provided technical comments on this year's report, while USAID declined to comment.

View [GAO-11-886](#) for key components. For more information, contact John P. Hutton at (202) 512-4841 or huttonj@gao.gov.

September 2011

IRAQ AND AFGHANISTAN

DOD, State, and USAID Cannot Fully Account for Contracts, Assistance Instruments, and Associated Personnel

What GAO Found

The Departments of Defense (DOD) and State and the U.S. Agency for International Development (USAID) designated SPOT as their system in 2010 for tracking statutorily required information on contracts, assistance instruments, and associated personnel in Iraq and Afghanistan. Citing limitations with SPOT's implementation, the agencies generally relied on data sources other than SPOT to prepare their 2011 joint report. Only State used SPOT but just for its contractor personnel numbers. However, GAO found that regardless of the data source used, the agencies' data had significant limitations, many of which were not fully disclosed. For example, while the agencies collectively reported \$22.7 billion in fiscal year 2010 obligations, we found that they underreported the value of Iraq and Afghanistan contracts and assistance instruments by at least \$4 billion, the majority of which was for DOD contracts. In addition, data presented in the joint report on personnel, including those performing security functions, are of limited reliability because of significant over- and undercounting. For example, DOD did not disclose that its contractor personnel numbers for Afghanistan were overreported for most of the reporting period because of double counting. Additionally, despite the reporting requirement, State did not provide information on its assistance instruments or the number of personnel working under them. As a result of such limitations, data presented in the joint report should not be used to draw conclusions or identify trends over time.

DOD, State, and USAID have used SPOT to a limited extent, primarily to manage and oversee individual contracts and personnel. Agency officials cited instances of using SPOT to help identify contractors that should be billed for the use of government services, including medical treatment and dining facilities. State and DOD officials also identified instances of using SPOT to help inform operational planning, such as preparing for the drawdown of U.S. forces in Iraq. Officials from the three agencies indicated that shortcomings in data and reporting capabilities have limited their use of SPOT and, in some cases, led them to rely on other data systems to help manage and oversee contracts and assistance instruments. Further, the agencies cannot readily access each other's data in SPOT, which limits interagency coordination opportunities.

Recent efforts have been made to improve SPOT's tracking of contractor and assistance personnel. SPOT now allows users to enter aggregate, rather than individual personal information into SPOT, which may overcome resistance to using the system based on security concerns. In addition, DOD and State report increased efforts to validate personnel data in SPOT. However, practical and technical challenges continue to affect SPOT's ability to track other statutorily required data. For example, SPOT cannot be used to reliably distinguish personnel performing security functions from other contractors. Also, while SPOT has the capability to record when personnel have been killed or wounded, such information has not been regularly updated. The agencies have identified the need for further modifications and new guidance to address some but not all of these limitations. It is unclear when SPOT will serve as a reliable source of data to meet statutory requirements and be used by the agencies for management, oversight, and coordination. As a result, the agencies still do not have reliable sources and methods to report on contracts, assistance instruments, and associated personnel in Iraq and Afghanistan.

Contents

Letter	1
Background	4
Agencies Relied on Sources Other Than SPOT, but Data Used Had Significant Limitations	8
Use of SPOT Hindered by Data and Reporting Shortcomings	17
Recent Efforts Have Been Made to Improve SPOT, but Past Problems Have Not Been Fully Addressed	20
Concluding Observations	24
Agency Comments	25

Appendix I	GAO Contact and Staff Acknowledgments	28
------------	---------------------------------------	----

Table	Table 1: Data Sources Used by DOD, State, and USAID and Reasons Cited in Joint Report for Not Relying on SPOT	9
-------	---	---

Abbreviations

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
MOU	memorandum of understanding
NDA for FY2008	National Defense Authorization Act for Fiscal Year 2008
NDA for FY2010	National Defense Authorization Act for Fiscal Year 2010
NDA for FY2011	National Defense Authorization Act for Fiscal Year 2011
SPOT	Synchronized Predeployment and Operational Tracker
USAID	U.S. Agency for International Development

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.



United States Government Accountability Office
Washington, DC 20548

September 15, 2011

Congressional Committees

Over the last three years, Congress has required us to report on Department of Defense (DOD), Department of State (State), and U.S. Agency for International Development (USAID) contracts, grants, and cooperative agreements with work performed in Iraq or Afghanistan.¹ In those reports, we also detailed challenges faced by the agencies in tracking information on these contracts and assistance instruments, as well as the personnel working under them in the two countries. Reliable, meaningful data related to contractors, grantees, and cooperative agreement recipients are a starting point for informing agency decisions and ensuring proper management and oversight. Our prior work has shown that the lack of complete and accurate information may inhibit planning, increase costs, and introduce unnecessary risk. The importance of such information is heightened given the three agencies' extensive reliance on contractors to provide a range of services, including security, transportation, and base operations, relating to practically every facet of U.S. efforts in Iraq and Afghanistan. Additionally, State and USAID have relied on recipients of grants and cooperative agreements—two types of assistance instruments—to implement infrastructure, governance, and economic development projects in both countries.

Congress has taken a series of actions to increase the oversight and availability of information on Iraq and Afghanistan contracts and assistance instruments. Specifically, the agencies are now required to produce their own report that provides much of the information that GAO was previously required to report. Amendments from the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 (NDAA for FY2011) require DOD, State, and USAID to submit annual joint reports to Congress on their contracts and assistance instruments with work

¹ National Defense Authorization Act for Fiscal Year 2008, Pub. L. No. 110-181, § 863 (as amended) (NDAA for FY2008). See GAO, *Iraq and Afghanistan: DOD, State, and USAID Face Continued Challenges in Tracking Contracts, Assistance Instruments, and Associated Personnel*, [GAO-11-1](#) (Washington, D.C.: Oct. 1, 2010); *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); and *Contingency Contracting: DOD, State, and USAID Contracts and Contractor Personnel in Iraq and Afghanistan*, [GAO-09-19](#) (Washington, D.C.: Oct. 1, 2008).

performed in Iraq and Afghanistan.² The reports are to address several matters, such as the number and value of contracts and assistance instruments,³ number of contractor and assistance personnel, number of contractor personnel performing security functions,⁴ and any plans for strengthening the collection and coordination of contract information. In May 2011, the three agencies transmitted to congressional committees the first *Annual Joint Report on Contracting in Iraq and Afghanistan* (hereafter, referred to as the joint report), which covers fiscal year 2010.

The joint reporting requirement builds upon earlier requirements for the three agencies to track information on contracts, assistance instruments, and associated personnel. Specifically, the National Defense Authorization Act for Fiscal Year 2008 (NDAA for FY2008) directed DOD,

² Pub. L. No. 111-383, § 835 (amending Pub. L. No. 110-181, § 863).

³ For the purposes of the agencies' joint reporting requirement, Section 864(a)(2) of the NDAA for FY 2008, Pub. L. No. 110-181 as amended by section 813(a) of the National Defense Authorization Act for Fiscal Year 2010, Pub. L. No. 111-84 (2009) (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 work 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 a subcontract. The FAR defines a "task order" as an order for services placed against an established contract or with government sources. Throughout this report, when we use the term contract, we intend it to refer to a contract, task order, or delivery order with work in Iraq or Afghanistan, while the term assistance instrument refers to a grant or cooperative agreement with work in Iraq or Afghanistan, within the parameters established by the NDAA for FY2008 and the NDAA for FY2010.

⁴ For the purposes of the agencies' joint reporting requirement, the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009, Pub. L. No. 110-417, § 854(d) (2008) amended section 864 of the NDAA for FY2008 to define "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 fall within the definition of "contractor personnel." 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."

State, and USAID to sign a memorandum of understanding (MOU) regarding contracting in Iraq and Afghanistan.⁵ The law specified several matters to be covered in the MOU, including identifying common databases to serve as repositories of information on contracts and contractor personnel in the two countries. In a July 2008 MOU, the agencies designated the Synchronized Predeployment and Operational Tracker (SPOT) database as their common database for the statutorily required contract and contractor personnel 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 associated personnel.⁶ In response, the agencies revised the MOU in April 2010 to specify that SPOT was also their system of record to track statutorily required assistance instrument and personnel information.

Amendments from the NDAA for FY2011 also direct us to report annually on the agencies' joint reports.⁷ Pursuant to that mandate, we have reviewed the agencies' 2011 joint report and are providing our assessments of (1) the data and data sources used by the agencies to develop their report; (2) the agencies' use of data from SPOT to manage, oversee, and coordinate their Iraq and Afghanistan contracts, assistance instruments, and associated personnel; and (3) progress and plans for improving SPOT to track statutorily required information.

We used the following methodologies to conduct our review.

- To assess the data and data sources used, we obtained the underlying data the agencies used to prepare the joint report and performed several analyses to identify limitations, omissions, duplicates, and other errors that would affect the reliability of the data. This included comparing data in the joint report with data we collected from the agencies for the first half of fiscal year 2010 to prepare our 2010 report, as well as a comparison to Federal Procurement Data System – Next Generation (FPDS-NG) data from the second half of fiscal year 2010. We also interviewed agency officials to discuss steps they took to validate and verify the data presented in the report and reviewed supporting documentation that the agencies provided at our request. For our 2010 report, we obtained multiple data sets from

⁵ Pub. L. No. 110-181, § 861.

⁶ Pub. L. No. 111-84, § 813 (2009).

⁷ Pub. L. No. 111-383, § 835 (amending Pub. L. No. 110-181, § 863).

DOD, State, and USAID, including data from FPDS-NG, agency-specific databases, and manually compiled lists of contracts and assistance actions. We determined those data were sufficiently reliable to identify the minimum number of active or awarded contracts and assistance instruments, associated obligation amounts, and extent of competition for the first half of fiscal year 2010. For that report, we also obtained data on contractor and assistance personnel in the two countries; these data were generally obtained by the agencies through surveys and periodic reports submitted by contractors and assistance recipients.

- We reviewed the joint report to determine the current status of and future plans for the agencies' use of SPOT data. We conducted interviews with DOD, State, and USAID officials, including those in Iraq and Afghanistan, responsible for maintaining SPOT and other data sources and for managing, overseeing, and coordinating contracts to identify examples of how the agencies have used the data.
- We obtained relevant documentation, including agency policies and guidance, and interviewed agency officials to assess the progress and plans for improving SPOT, particularly as they pertain to shortcomings identified in our prior reports.

We conducted this performance audit from May 2011 through September 2011 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.

Background

The first joint report on contracting in Iraq and Afghanistan required under amendments from the NDAA for FY2011 was to be issued by February 1, 2011, with subsequent reports due in 2012 and 2013. In the reports, DOD, State, and USAID are to provide the following for each 12-month reporting period:

- total number and value of contracts and assistance instruments awarded,
- total number and value of active contracts and assistance instruments,

-
- the extent to which such contracts and assistance instruments used competitive procedures,
 - total number of contractor and assistance personnel at the end of each quarter of the reporting period,⁸
 - total number of contractor and assistance personnel performing security functions at the end of each quarter of the reporting period, and
 - total number of contractor and assistance personnel killed or wounded.

The joint reports are also to include the sources of information and data used to compile the required information; a description of any known limitations of the data reported, including known limitations of the methodology and data sources used; and plans for strengthening collection, coordination, and sharing of information on contracts and assistance instruments in Iraq and Afghanistan through improvements to common databases. The first joint report submitted by the agencies in May 2011 provides an overview of the reporting requirements, an introduction, and a section for each agency to present its data. Each agency was responsible for collecting its fiscal year 2010 data from relevant sources and compiling its section of the report.

The reporting requirements in the NDAA for FY2011 build upon prior national defense authorization act requirements. Specifically, Section 861 of the NDAA for FY2008 directed the Secretaries of Defense and State and the USAID Administrator to sign an MOU related to contracting in Iraq and Afghanistan. The law, as amended by the NDAA for FY2010, specified a number of issues to be covered in the MOU. These include specifying each agency's roles and responsibilities in matters related to contracting in the two countries, determining responsibility for establishing procedures for and coordination of movement of contractor personnel in the two countries, and identifying common databases to serve as information repositories on contracts and assistance instruments with more than 30 days of performance in Iraq or Afghanistan and the personnel working in either country under those contracts and assistance instruments. The common databases are to include a brief description of each contract and assistance instrument, its total value, and whether it

⁸ The NDAA for FY2011 amendments to the NDAA for FY2008 permit the use of estimates in determining the total number of personnel working on contracts for any category of contractor personnel for which the agencies determine it is not feasible to provide an actual count. However, the agencies are to fully disclose in the joint report the extent to which estimates are used in lieu of an actual count.

was awarded competitively; for personnel working under contracts or assistance instruments, the databases will include the total number employed, total number performing security functions, and total number killed or wounded. Tracking this information should provide much of the information the agencies are to include in the joint reports.

In July 2008, DOD, State, and USAID agreed in an MOU that SPOT would serve as their common database and be the system of record for the statutorily required contract and personnel information. The agencies revised their MOU in April 2010, making SPOT their system for also tracking assistance instruments and associated personnel. 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 2010 MOU specified that SPOT would include information on DOD, State, and USAID contracts and assistance instruments with more than 30 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 and assistance instruments. SPOT is configured so that it can track individuals by name and unique identifier, such as Social Security number, and record information, including the contracts they are working under, deployment dates, 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 FPDS-NG, the federal government's system for tracking information on contracting actions. According to the MOU, DOD is responsible for all basic maintenance, upgrades, training, and systems operations costs, but the agencies agreed to negotiate funding arrangements for any agency-unique requirements. Within DOD, a program management office has responsibility for the development, integration, testing, training, and deployment of SPOT and as such, oversees the contractor that operates, maintains, and sustains the system.

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

- 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 implemented a contract clause directing firms to enter data into SPOT on U.S., third country, and local nationals working

under its contracts in Iraq or Afghanistan that meet reporting thresholds.⁹

- State issued a policy in March 2008 that included language to be incorporated in applicable contracts requiring contractors to enter data into SPOT on U.S., third country, and local nationals working in either Iraq or Afghanistan.¹⁰ State expanded this requirement in January 2009 to cover personnel working under certain assistance instruments in the two countries.¹¹ As amended, State's assistance policy directed that U.S. and third country nationals working under grants must be entered into SPOT but allowed for discretion in determining whether local nationals were entered given safety and security concerns. In January 2011, State revised its assistance guidance and related provision to allow grantees with locally hired Iraqi or Afghan personnel to report aggregate numbers of local nationals without providing personally identifying information when safety concerns exist.¹²
- USAID issued a directive in April 2009 that required the use of contract clauses and assistance provisions requiring contractors and assistance recipients in Iraq to enter personnel data into SPOT.¹³ The directive explicitly excluded Iraqi entities and nationals from having to be entered into SPOT until a classified system is in place. In July 2010, USAID issued a directive establishing a similar requirement for Afghanistan.¹⁴ However, the policy notes that procedures will be

⁹ This guidance was implemented in Department of Defense FAR Supplement clause 252.225-7040(g), Class Deviation 2007-O0010, and Class Deviation 2011-O0004, which set SPOT reporting thresholds.

¹⁰ Department of State 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*, March 25, 2008. Under this policy, applicable contracts are defined as those required to include FAR clause 52.225-19.

¹¹ Department of State Grants Policy Directive Number 33, *Recipient Performance in a Designated Area of Combat Operations*, January 6, 2009, as amended on August 13, 2009.

¹² Department of State Grants Policy Directive Number 33, *Recipient Performance in a Designated Area of Combat Operations*, as amended on January 10, 2011. In addition, certain locally hired private personnel, for example, those performing a private security function or performing duties as translators, must be individually entered into SPOT.

¹³ USAID Acquisition & Assistance Policy Directive 09-01, *Contract Clause and Assistance Provision for Awards in Iraq*, April 1, 2009.

¹⁴ USAID Acquisition & Assistance Policy Directive 10-04, *Contract Clause and Assistance Provision for Awards in Afghanistan*, July 20, 2010.

provided separately for entering information on Afghan nationals, but to date, such procedures have not been issued.

Agencies Relied on Sources Other Than SPOT, but Data Used Had Significant Limitations

Variety of Data Sources Used to Prepare Joint Report

DOD, State, and USAID's joint report cited a number of limitations associated with SPOT's implementation, and as a result, the agencies relied on a variety of other data sources to develop the report. The only exception was State's use of SPOT as the basis for its contractor personnel numbers. Whereas GAO previously collected and compiled data from numerous sources including manually compiled lists of contracts and assistance instruments and personnel data obtained through surveys, officials from the three agencies told us they decided to rely on existing databases and sources to the greatest extent possible. Table 1 summarizes the data sources used to prepare the joint report and the reasons cited by the agencies for not using SPOT.

Table 1: Data Sources Used by DOD, State, and USAID and Reasons Cited in Joint Report for Not Relying on SPOT

Data element	Agency	Data source used for joint report	Reasons cited for not relying on SPOT
Number and value of new and active contracts and assistance instruments and extent of competition	DOD	FPDS-NG	SPOT does not yet have the functionality to provide financial information about contracts.
	State	FPDS-NG	
	USAID	USAID's Phoenix Financial Management System (Phoenix) ^a /FPDS-NG	
Number of personnel working on contracts and assistance instruments, including personnel performing security functions	DOD	U.S. Central Command (CENTCOM) Quarterly Contractor Census/SPOT-Plus ^b	The full population of contractors in Iraq and Afghanistan were not registered in SPOT.
	State	SPOT	
	USAID	Mission-collected data, estimates	
Number of personnel killed and wounded	DOD	Department of Labor's Office of Workers' Compensation Program Defense Base Act Summary ^c	While SPOT has the ability to reflect the number of personnel killed or wounded, contractors are not routinely using this function and therefore the data are unreliable.
	State	Bureau-collected data	
	USAID	Mission-collected data	

Source: *The 2011 Annual Joint Report on Contracting in Iraq and Afghanistan*.

^aPhoenix is USAID's financial management system that tracks obligations on contracts and assistance instruments. Phoenix does not contain information on competition and therefore USAID used FPDS-NG to obtain competition information.

^bThe CENTCOM census relies on contractor firms to report their personnel data to DOD components. The components then report the data to CENTCOM at the end of each quarter. SPOT-Plus is a SPOT-populated census template that is distributed to DOD contracting activities for quarterly review and updates and is being used as DOD transitions from the CENTCOM census to eventual reliance on SPOT.

^cThe Defense Base Act Summary is a Department of Labor system that tracks claims for disability, medical, and death benefits for contractors working outside the United States or on U.S. military bases.

Data Presented in Joint Report Have Significant Limitations

The data presented in the agencies' joint report had significant limitations, many of which were not fully disclosed. As a result, the data should not be used to draw conclusions about contracts, assistance instruments, and associated personnel in Iraq or Afghanistan for fiscal year 2010 or to identify trends over time.

Contracts and Assistance Instruments

While the agencies collectively reported \$22.7 billion in fiscal year 2010 obligations, the joint report understates the three agencies' obligations on contracts and assistance instruments with work performed in Iraq and Afghanistan by at least \$4 billion, nearly all for DOD contracts. We identified this minimum amount by comparing the underlying data the agencies used to prepare the joint report with data we obtained from the agencies during our prior review of contracts and assistance instruments with work in either country during the first half of fiscal year 2010. The

level of underreporting we identified does not fully account for new awards or obligations that the agencies made in the second half of fiscal year 2010.

DOD and State underreported their contracts and obligations in the joint report because they relied solely on FPDS-NG to identify contracts with work performed in Iraq or Afghanistan. FPDS-NG allows agencies to only report one principal place of contract performance. However, contracts can have performance in multiple countries, and the reporting requirement applies to contracts with performance in Iraq or Afghanistan, even if neither country is the principal place of performance.¹⁵ Further, not all DOD contracts with performance in Iraq and Afghanistan were entered into FPDS-NG. Neither DOD nor State disclosed any limitations with their FPDS-NG queries or that there could be additional contracts with associated obligations with work in the two countries.

Using FPDS-NG to identify contracts with a principal place of performance in Iraq and Afghanistan, DOD reported \$18.4 billion in fiscal year 2010 obligations but underreported its contract obligations by at least \$3.9 billion. Specifically, we identified an additional 20,810 contracts and orders that totaled to about \$3.5 billion in fiscal year 2010 obligations that DOD had reported to us last year but were not included in the joint report because the principal place of performance was not Iraq or Afghanistan. For example, DOD previously reported to us two contracts for translation and interpretation services with performance in Iraq and/or Afghanistan with \$1.5 billion in fiscal year 2010 obligations, but these contracts were not included in the joint report because FPDS-NG identified the principal place of performance as the United States. We also identified additional contracts that were previously reported to us but not included in the joint report because they were not in FPDS-NG. Among those, we identified 13 contracts with \$418 million in obligations during the first half of fiscal year 2010, including combat support contracts for information technology services and linguist support in the two countries. DOD did not report any assistance instruments with performance in Iraq or Afghanistan. This is consistent with our 2010 report for which we found DOD had no assistance instruments with performance in either country during fiscal year 2009 or the first half of fiscal year 2010.

¹⁵ Pub. L. No. 110-181, § 863 (as amended by Pub. L. No. 111-383, § 835).

For the joint report, State relied on FPDS-NG and reported \$1.8 billion in contract obligations in Iraq and Afghanistan for fiscal year 2010. We found, however, that State underreported its fiscal year 2010 contract obligations by at least \$62 million by not including 49 contracts and orders that were reported to us last year. Specifically, we identified a State delivery order for facility management with about \$54.3 million in obligations in fiscal year 2010 that was not in the joint report because the United States was identified as the principal place of performance in FPDS-NG, as opposed to either Iraq or Afghanistan. We also identified another 48 contracts and orders that State reported to us last year as having performance in either country that were not identified through State's FPDS-NG query. These include 23 contracts and orders awarded by the embassies in Iraq and Afghanistan with about \$1 million in obligations in the first half of fiscal year 2010, even though the joint report states that it includes all procurement activities contracted for by State's missions in the two countries.

While the reporting requirement applies to both contracts and assistance instruments, State did not report any assistance instruments with performance in Iraq or Afghanistan or provide any explanation in the joint report as to why such information was not included. Based on data provided by State last year, we identified 155 assistance instruments with work performed in Iraq and/or Afghanistan with \$120 million obligated during the first half of fiscal year 2010. These assistance instruments covered a wide range of activities, such as media workshops, small business development, and capacity building for nongovernmental organizations. State officials informed us that they did not include information on assistance instruments as they were not including information on personnel working under assistance instruments because of limitations, as discussed below. They told us, however, that they plan to include assistance instrument information in next year's joint report.

Unlike DOD and State, USAID did not rely on FPDS-NG as its data source for the number and value of contracts. As explained in the joint report, USAID knew gaps existed in its FPDS-NG data, particularly for Afghanistan, so it used data from its financial management system, which contains information on the number and value of both contracts and assistance instruments. USAID reported \$2.6 billion in contract and assistance instrument obligations in Iraq and Afghanistan for fiscal year 2010. However, by comparing the data from the financial management system to data USAID provided us last year, we found that the agency underreported its obligations by about \$3.9 million. These obligations were for 16 contracts and 8 assistance instruments in the first half of fiscal year 2010 that were not included in the joint report. Almost all of the

Contractor and Assistance Personnel

contracts that were not reported were personal services contracts.¹⁶ USAID officials told us they did not report personal services contracts because they consider such contractor personnel to be USAID employees, but this was not disclosed in the joint report. Further, unlike DOD and State, which provided competition information for nearly all contracts included in the joint report, USAID provided competition data on fewer than half the active contracts and assistance instruments included in the joint report. Other than acknowledging FPDS-NG data gaps, USAID provided no specific explanation for why the competition data presented in the report are incomplete.

We identified a number of limitations and methodological challenges that resulted in both over- and underreporting of contractor and assistance personnel and call into question the overall reliability of the data in the joint report. However, we were not able to determine the full magnitude of the discrepancies.

For the joint report, DOD relied on quarterly censuses as its source of data on contractor personnel, including personnel performing security functions. DOD provided the numbers of contractor personnel, broken out by nationality, in Iraq and Afghanistan at the end of each quarter. However, the numbers for local nationals working under contracts in Afghanistan were generally overreported. According to the U.S. Central Command (CENTCOM) official who oversees the compilation of the census, a methodological error resulted in double counting of local nationals in Afghanistan for the first three fiscal year 2010 quarters. The error was discovered as the fourth quarter census was being compiled, which resulted in a significant reduction in the number of local national contractor personnel in Afghanistan for that quarter. To illustrate the magnitude of the double counting, DOD reported 73,392 local national contractor personnel in Afghanistan for the third quarter of fiscal year 2010 and only 34,222 in the fourth quarter—a difference of 39,170 personnel. No adjustments were made to the prior three quarters to correct for the double counting. Furthermore, this error and an

¹⁶ The FAR defines “personal services contracts” as contracts that, by their express terms or as administered, make the contractor personnel appear to be, in effect, government employees. FAR 2.101. The Foreign Assistance Act of 1961, as amended, authorizes USAID to enter into personal services contracts with individuals for services abroad; these individuals are not regarded as employees of the U.S. government for the purpose of civil service laws. 22 U.S.C. § 2396(a)(3).

explanation as to what occurred are not provided in the joint report, except to note that there are challenges associated with counting local national personnel in Afghanistan. Officials from the Office of the Deputy Assistant Secretary of Defense for Program Support and CENTCOM told us they have a high level of confidence in the census numbers for all contractor personnel except local nationals in Afghanistan.¹⁷ However, as we noted in October 2010, DOD officials overseeing the census characterized the census as providing rough approximations of the actual numbers of contractor personnel in either country. They explained that several challenges pertaining to counting local nationals and validating contractor-reported data have hindered their ability to collect accurate and reliable personnel data.

State relied on SPOT as its source for data on contractor personnel, which led to several omissions and discrepancies. Based on our analysis of State's reported personnel data and the contract data reported from FPDS-NG, we identified 50 contracts that met SPOT reporting requirements but were not in the system. Therefore, personnel working on those contracts in Iraq and Afghanistan were not included in the joint report. For example, we identified 5 contracts for construction with about \$525 million in fiscal year 2010 obligations with no contractor personnel reported in SPOT. Further, at the end of the second quarter of fiscal year 2010, there were 1,336 fewer contractor personnel in SPOT than were reported to us last year from State's surveys of contractor personnel in the two countries. Such omissions are consistent with what State officials told us in 2010—that manually compiled surveys of contractor personnel in either country have some limitations but provide more accurate information than SPOT. Additionally, while the joint report presents the numbers as "contractor personnel," and we confirmed with State officials that the numbers were only to include contractor personnel, we found that about 13 percent of the personnel State reported as contractor personnel were actually working under assistance instruments.

In addition, State did not include in the joint report the number of personnel working under assistance instruments in Iraq and Afghanistan or explain why assistance personnel were not included. State officials

¹⁷ The Office of the Deputy Assistant Secretary of Defense for Program Support is responsible for oversight and program management for the orchestration, synchronization, and integration of contingency acquisition planning and its operational execution in the Department of Defense. This office was responsible for compiling DOD's contribution to the joint report.

informed us that although State's policy required assistance personnel to be entered into SPOT since January 2009, assistance recipients had been reluctant to enter information into the system. As a result, for fiscal year 2010, officials told us that little information regarding personnel working under assistance instruments had been entered into the system. However, State could have relied on other data sources to provide the required personnel information. Last year, based on surveys State conducted of its assistance recipients, we reported that there were at least 8,074 personnel working under State's assistance instruments in Iraq and Afghanistan at the end of the second quarter of fiscal year 2010. We cautioned that the number was likely understated because of several factors. State officials informed us that response rates to their requests for personnel numbers from assistance instrument recipients were low; they also stated that local nationals were not always captured in personnel counts because it was not feasible or it was too difficult to obtain accurate information.

In reporting the number of personnel performing security functions, State relied exclusively on SPOT and did not disclose any limitations with that source. As we reported last year, SPOT cannot be used to reliably distinguish personnel performing security functions from other contractor personnel, as each of the three available methods has limitations.¹⁸ State officials responsible for compiling the joint report told us they queried SPOT based on security-related job titles.¹⁹ Upon review of the data, officials from the Bureau of Diplomatic Security noticed that the numbers appeared low. An analyst from the Bureau of Diplomatic Security identified five large security contracts with numerous personnel who did not have the word "security" in their job titles and as a result were not included in the query results, a risk we noted in our prior report. The SPOT query indicated that there were 3,924 State contractor personnel performing security functions in Iraq and Afghanistan at the end of the fourth quarter of fiscal year 2010. State revised this number and reported 8,034 personnel performing security functions for that quarter. Despite the fact that the SPOT data were incomplete and had to be manually adjusted, the joint report provides no explanation and does not identify

¹⁸ The three different methods that can be used are sorting by (1) job titles, (2) common industry classification system code that identifies contracts based on the type of service provided, or (3) the weapon authorization data field that identifies personnel authorized to carry firearms.

¹⁹ 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.

limitations with the SPOT data for determining the number of personnel providing security functions.

In presenting personnel numbers in the joint report, USAID was the only agency that used estimates as opposed to actual counts for the total number of contractor and assistance personnel, as allowed by the reporting requirement. USAID also used estimates for the number of personnel performing security functions, which is not provided for in the reporting requirement. Specifically, USAID estimated the number of personnel for Afghanistan. However, the full extent to which estimates were used is not disclosed in the joint report. Further, the estimates are based on unreliable data. USAID officials explained to us that the estimates were based on data from several sources including databases used to track aid effectiveness metrics, quarterly reports submitted by its contractors and grantees, and data submitted to us for last year's report. All of these sources have limitations. For example,

- while contractors and assistance recipients in Iraq report their personnel numbers on a regular basis, a USAID official informed us that only about 70 percent of their contractors and assistance recipients in Afghanistan provide personnel information;
- a USAID official told us they have a limited ability to verify the accuracy or completeness of the data that are reported, especially for Afghanistan where they operate far more projects than in Iraq;
- the USAID official responsible for preparing the joint report raised concerns about possible inconsistent reporting of security personnel that could result in double counting; and
- the data provided to us by USAID for our 2010 report did not include personnel working under several contracts and assistance instruments, such as four cooperative agreements for food security programs in Afghanistan.

USAID officials also told us that the numbers in the joint report do not include the number of personnel working under certain support service contracts, such as facilities maintenance, or personal services contractors. For example, a USAID official told us that at least 109 contractor personnel supporting the Iraq mission were not counted in the joint report because a decision was made not to include support services and personal services contractors.

Personnel Killed and Wounded

Although all three agencies are required to track the number of personnel killed or wounded while working on contracts and assistance instruments in Iraq or Afghanistan, DOD still does not have a system that reliably tracks killed and wounded contractor personnel. For the joint report, DOD

relied on data maintained by the Department of Labor (Labor) regarding Defense Base Act (DBA) claims.²⁰ While DOD acknowledged in the joint report that claims data from this workers' compensation program do not provide a true reflection of how many DOD contractor personnel were killed or wounded while working in either country, DOD did not fully disclose the limitations associated with DBA claims data. First, the claims data presented in the joint report are for death and injury claims filed in fiscal year 2010 for all U.S. government contractors and civilians—including those employed by State and USAID—and not just DOD contractors. Further, as we concluded in 2009, DBA claims data do not provide an appropriate basis for determining the number of contractor personnel killed or wounded in either country. Most notably, not all deaths and injuries for which claims are filed under DBA would be regarded as contractors killed or wounded within the context of the NDAA for FY2011 reporting requirement. For example, we previously identified DBA claims filed for occupational injuries and medical conditions such as sprains and appendicitis. Also, Labor officials previously explained to us that injuries to local and third country contractor personnel, in particular, may be underreported.

To provide their data on personnel killed and wounded, State and USAID relied on data collected by State bureaus and USAID missions in Iraq and Afghanistan. These data were based on reports submitted to State by contractors and to USAID by contractors and assistance recipients. Without alternative sources of data, we could not verify whether State's and USAID's data were complete, except to note that State did not include assistance personnel who were killed or wounded. However, there are indications of underreporting by contractors and assistance recipients. For example, a May 2010 report from the USAID Inspector General indicated that not all contractors and assistance recipients in Afghanistan were reporting incidents that result in personnel being injured or killed.²¹ In addition, a USAID official in Afghanistan acknowledged that for fiscal year 2010, it was voluntary for contractors and assistance recipients to file serious incident reports, which would provide information

²⁰ Congress enacted the DBA in 1941. The insurance required under 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.

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

on personnel killed or wounded. Earlier this year, USAID began modifying contracts in Afghanistan to require its contractors to file serious incident reports.

Use of SPOT Hindered by Data and Reporting Shortcomings

Agencies Have Used SPOT to a Limited Extent

Officials from the three agencies told us they have used SPOT in some instances to obtain information on individual contracts and contractor employees. For example, an official from State's Bureau of Diplomatic Security said they have used SPOT during investigations to verify whether the individuals involved were deployed in theater at the time of the incidents being investigated. A USAID contracting officer in Iraq told us that when a security incident involving a contractor employee occurs, she uses SPOT to determine if the individual involved has a letter of authorization, which should provide personal information including whether the individual is authorized to carry a weapon. A senior official with DOD's CENTCOM Contracting Command in Iraq explained that he used SPOT to obtain information on specific contracts, such as the name of the contracting officer or contracting officer's representative, in response to questions about contracts that were not awarded or managed by his office. State and DOD officials have also reported using SPOT to better manage contractor personnel. For example, DOD officials from the SPOT program management office told us that SPOT has been used in conjunction with information from other systems to identify contractors that should be billed for the use of government services, including medical treatment and dining facilities. Additionally, State Diplomatic Security officials told us they have used SPOT to confirm that contractor personnel are authorized to be in Iraq and determine to what government services those personnel are entitled.

DOD and State officials also identified instances of using SPOT data to inform operational planning for contractor support. Officials from the SPOT program management office told us they have received requests from U.S. Forces-Iraq commanders to identify the universe of contractors and contractor capabilities in Iraq to assist with the drawdown of U.S. forces. They also stated that base commanders in Iraq are receiving contractor population reports to obtain insight into which contractors are

on their bases. Additionally, officials in the Office of the Deputy Assistant Secretary of Defense for Program Support told us that data from SPOT are being used to help prepare future operational plans. For example, SPOT data have been analyzed to help determine what services contractors have provided and what level of life support the U.S. government has provided to them, which can aid combatant commanders in developing operational plans. State officials also told us that the U.S. Embassy in Iraq has requested SPOT data to help it determine the number of contractors in country and to assist with planning for the future U.S. presence in Iraq once the U.S. military withdraws at the end of this year. However, USAID officials including those we spoke with in Iraq and Afghanistan told us that they do not use SPOT data to manage, oversee, or coordinate contracts aside from obtaining information on specific contractor employees.

Data and Reporting Limitations Affect Opportunities for Using SPOT to Manage, Oversee, and Coordinate

DOD, State, and USAID officials informed us that shortcomings in SPOT data and reporting capabilities limit their ability to use the system in managing, overseeing, and coordinating contracts with work performed in Iraq and Afghanistan. In some cases, officials have relied on other data sources for such purposes. For example, DOD officials with the Contracting Fusion Cell in Iraq told us that because SPOT is designed to track contractor personnel on an individual basis rather than to support the operational management of contractors, they developed a new, separate database containing aggregate-level data on contractor personnel at each base to help manage the drawdown of personnel and equipment from the country.²² While the new database includes information not available from SPOT, such as information on contractor equipment, some of the basic contract information overlaps with SPOT and was added to the database from sources other than SPOT. Similarly, officials from State's Bureau of Diplomatic Security told us that SPOT does not provide the level of detail needed to manage their security contractor employees and that they rely on their own data system for the day-to-day management of their contractors.

Officials from all three agencies also raised concerns about the reports that can be generated from SPOT. USAID officials in Iraq explained that one reason they do not rely on SPOT to help manage contractors and assistance recipients is that the types of reports they need are not easily

²² The Contracting Fusion Cell is responsible for monitoring and assessing the contractor demobilization mission and compliance with mission requirements for U.S. Forces-Iraq.

available from the system. State officials also indicated that the standard reports available through SPOT do not meet their needs and they have to request ad hoc reports from the SPOT program management office's help desk. CENTCOM Contracting Command officials in Iraq also told us that for a large data run they cannot obtain data from SPOT in a timely manner, with it taking up to a week to receive the data. SPOT program management officials acknowledged that agency personnel are not fully aware of SPOT's reporting capabilities and may not have confidence in the system given its data reliability challenges. As a result, the program management officials are seeking to expand their outreach to potential users of the data, focusing on improving customer service, and exploring the development of training on how SPOT data could be used for management and operations, as opposed to the current training that has been focused on entering data into the system. Also, the SPOT program management office told us that they have taken steps to facilitate agency officials' ability to query SPOT for contracts awarded by their agencies, a process they described as cumbersome, to allow for better coordination and leveraging of existing contracts within an agency. Staff from the Office of the Senior Contracting Official in Afghanistan told us that they recently began using this query functionality and they expect it to better enable their use of SPOT in responding to future data requests.

The agencies' ability to use SPOT for interagency coordination purposes has been limited by the fact that they cannot easily access each other's data. SPOT program management officials told us that SPOT could be used by the agencies to identify and leverage contracts being performed for common services so that agencies could minimize duplication, share price information, and obtain cost savings. However, agency officials are currently not able to access information on other agencies' contracts unless DOD grants them permission to have full access to the information in SPOT. SPOT program management officials informed us that they are developing a separate reporting and analysis functionality to allow users to more easily share, analyze, and use data available in SPOT. However, this functionality is currently being tested and there are no time frames for when it will be available to all users. While USAID officials agreed that coordination among the agencies is important, they did not share the perspective that the agencies needed access to each others' information in SPOT. They explained that this is partly due to the fact that interagency coordination before the award of a contract or assistance instrument is occurring without using SPOT.

Recent Efforts Have Been Made to Improve SPOT, but Past Problems Have Not Been Fully Addressed

Recent Efforts to Improve Tracking of Personnel in SPOT

We previously reported that a significant challenge associated with SPOT's implementation was ensuring that Iraqi and Afghan nationals working under contracts and assistance instruments were consistently and accurately entered in SPOT. Last year we reported that local nationals were not always entered into the system because of agency policies as well as practical and technical limitations. For example, many local nationals work at remote locations, which limits agencies' ability to track these personnel and verify the completeness of reported information. Also, DOD, State, and USAID officials have told us that some local national contractors 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 dates of birth, may not be known due, in part, to cultural norms specific to each country.

The agencies have taken some steps to improve the reliability of the personnel data in SPOT. DOD and State officials informed us that they have increased efforts to validate SPOT data. In DOD's case, this is done, in part, through the SPOT-Plus process, which began in January 2010. This process is used to reconcile contractor personnel numbers in SPOT with the quarterly contractor census and identify information that needs to be updated or entered into SPOT. DOD officials informed us that they will continue comparing SPOT and census data until there is confidence that 85 percent of the personnel reported through the census are reported in SPOT, at which point the plan is to discontinue the census and fully rely on SPOT. According to DOD officials, their analyses indicate that for some categories of contractor personnel they may have achieved the 85 percent confidence level, but that for other categories—particularly local nationals in Afghanistan—they are still below that level. The officials could not provide an estimate as to when they will discontinue the census. However, they noted that once the 85 percent confidence level is achieved, DOD plans to conduct random samplings to ensure it is maintained. Similarly, State officials informed us that program and contracting officials have begun reviewing SPOT data on a quarterly or

even monthly basis in an effort to improve SPOT data entry. Given this emphasis, State officials told us that they are increasingly confident in the reliability of personnel data in SPOT. However, a USAID official responsible for preparing the joint report told us that the agency does not validate SPOT data and does not intend to do so, noting it has experienced high staff turnover in Iraq and Afghanistan and has other reporting priorities.

In April 2011, SPOT was modified to address concerns cited by State and USAID officials, as well as by contractors and assistance recipients, that the safety of local nationals could be at risk should SPOT, with its detailed personal information, be compromised. The system now allows users to enter the aggregate number of personnel working under a contract or assistance instrument, rather than requiring personnel to be entered individually with personally identifiable information. This provides a means of counting local nationals working under contracts and assistance instruments who previously were not entered into the system. USAID officials said that while guidance on the use of the aggregate count function has not yet been issued, they have begun entering aggregate data on local nationals in Afghanistan into SPOT. In January 2011, State revised its assistance policy to allow grantees with locally hired Iraqi or Afghan personnel to report their aggregate numbers of local nationals into SPOT. State officials told us the modification appears to have satisfied assistance recipients' concerns, as they are now providing State officials with aggregate numbers for inclusion in SPOT. DOD officials informed us that they will not be issuing guidance regarding the aggregate count function, as DOD's policy continues to require personnel working under contracts that meet reporting thresholds to be individually entered into SPOT.

Additional measures have been undertaken to help address the challenge of tracking local nationals in SPOT. For example, the SPOT program management office developed procedures for establishing unique identification numbers for local nationals who are entered into the system by name but whose personal identifying information does not conform to the required SPOT data fields. Similarly, DOD officials told us they have developed work-arounds for Iraqi and Afghan firms that lack reliable Internet connections to submit their personnel information via templates, which are then uploaded by DOD personnel into SPOT. In an effort to improve the collection of data on personnel working at remote locations, DOD officials informed us that the department is also piloting a handheld device that does not require an Internet connection and can be used to collect information on personnel that is then uploaded into SPOT.

Practical and Technical Challenges Continue to Affect SPOT's Ability to Track Statutorily Required Data

In 2009, we recommended that the three agencies develop a joint plan with associated time frames to address SPOT's limitations, but agencies responded that a plan was not needed as their ongoing coordination efforts were sufficient. However, we concluded last year and our work continues to demonstrate that coordination alone is not sufficient to ensure that statutory requirements are met. Specifically, SPOT still cannot be used to reliably track statutorily required contract, assistance instrument, and personnel data as agreed to in the agencies' MOU because of a number of longstanding practical and technical limitations. SPOT program management officials and the agencies have identified plans for further modifications and new guidance needed to address some but not all of these limitations.

SPOT still is not linked with FPDS-NG or other agency systems for obtaining information on contracts and assistance instruments.

Consequently, SPOT cannot be used to obtain financial and competition information on contracts and assistance instruments as agreed to in the MOUs. According to the joint report, the link to FPDS-NG to obtain contract information is scheduled to occur in early fiscal year 2012—this functionality was previously planned to be available in 2010. As we reported in 2009, one reason for this delay is that contract numbers, which are the unique identifiers that would be used to match records in SPOT to those in FPDS-NG, are entered into SPOT using different formats. To help resolve this, the SPOT program management office modified SPOT earlier this year to require DOD users to enter contract numbers in a standardized manner that can be matched with FPDS-NG information. SPOT program management officials told us that a similar modification has not been made for State or USAID contracts. Once the link is made between SPOT and FPDS-NG, information from the two systems can only be merged if the contract number has been entered into SPOT. If the contract is not in SPOT, because, for example, no contractor personnel working on that particular contract have been entered, its information cannot be linked with the information in FPDS-NG. Conversely, current information on the contract has to be in FPDS-NG, which does not always occur as we found in our analyses of the information presented in the joint report. Most notably, officials told us that information on USAID contracts awarded in Afghanistan must still be manually entered into FPDS-NG, which has resulted in known information gaps. USAID is planning to deploy a new system to Afghanistan—already in place in Iraq and other countries—that will automatically upload contract information into FPDS-NG by the end of 2011. Once the link between SPOT and FPDS-NG is established and the necessary data are in both systems, then SPOT could be relied on to provide more complete information on contracts with performance in either country, as opposed

to relying only on the FPDS-NG principal place of performance. SPOT program management officials informed us that there are currently no plans to establish links with the State or USAID systems that contain assistance instrument information. Officials stated that, therefore, information on those instruments needs to be manually entered into SPOT.

SPOT does not provide a reliable means of obtaining information on orders and subawards. The statutory requirement to track information on contracts and assistance instruments includes a requirement to track comparable information on task and delivery orders as well as subcontracts and subgrants. However, SPOT does not have a specific data field for this information. Instead, contractors and assistance recipients are instructed by the agencies to enter information on their subawards into a data field designed to track information on task orders. As a result, it has not been possible to obtain accurate counts of orders and subawards using SPOT. SPOT program management officials told us that they expect to address this issue by creating a new subaward data field in a September 2011 SPOT upgrade.

SPOT does not reliably distinguish personnel performing security functions. As discussed in our 2010 report, there are three methods to distinguish personnel performing security functions from others in SPOT. Each method has limitations and yields different results, none of which are fully consistent with the statutory definition of contractor personnel performing security functions. SPOT program officials acknowledge this limitation but informed us that they have not yet developed a corrective action to ensure that security personnel are consistently and reliably distinguished for statutory tracking and reporting purposes.

SPOT is not being used to track the number of personnel killed and wounded. As we reported last year and as noted in the joint report, contractors and assistance recipients generally have not been recording information on killed or wounded personnel in SPOT. According to the joint report, the SPOT program management office is working with users to explore ways of improving compliance by clarifying the terminology and expanding data fields. For example, there have been questions about whether deaths or injuries resulting from car accidents should be recorded in SPOT or if SPOT should only be used to track those killed or wounded while performing their contractual duties. SPOT program officials informed us that there has been some discussion of expanding the data fields in SPOT to include information like the date of injury or death and details surrounding the incident. However, officials told us these actions are still being discussed internally and no plans are in place

to include such changes in upcoming versions of SPOT. Instead, DOD and State officials said they are helping contractors and assistance instrument recipients gain a better understanding of the requirement to report killed or wounded personnel using SPOT. Additionally, State officials told us that they have begun entering information into SPOT on killed and wounded personnel based on information provided by contractors and assistance recipients and anticipate using the data in SPOT to prepare future joint reports.

Concluding Observations

In 2008, DOD, State, and USAID designated SPOT as their system of record for tracking statutorily required information on contracts and contractor personnel in Iraq and Afghanistan, a designation they reaffirmed in 2010 when the requirement was expanded to include assistance instruments and personnel. Yet the agencies still do not have reliable sources and methods to report on contracts, assistance instruments, and associated personnel in Iraq and Afghanistan. This is evidenced by the fact that the agencies could not reliably use data from SPOT to prepare their first joint report and instead relied on other data sources and methods that had significant limitations. Over the years, we have reported on the limitations associated with SPOT's implementation and the agencies' resulting decisions to rely on other methods of collecting and reporting data that have their own shortcomings. We recommended in 2009 that the agencies develop a joint plan with associated time frames to address limitations and ensure SPOT's implementation to fulfill statutory requirements. The agencies disagreed with the need for the plan, citing ongoing coordination efforts as sufficient.

While the agencies' recent modifications to SPOT help address some limitations, such as those related to tracking local nationals, other limitations persist that undermine SPOT's ability to fulfill statutory reporting requirements. Further, while agency officials have recognized some benefits of using SPOT to help manage, oversee, and coordinate contracts, assistance instruments, and associated personnel, their ability to do so has been hindered by SPOT's shortcomings. Our prior recommendation for a joint plan was intended to provide an opportunity for the agencies to work with potential users of the data to better understand their information needs and determine how best to proceed with defined roles, responsibilities, and associated time frames that could help hold the agencies accountable and ensure timely implementation. We were concerned that without such a plan, SPOT's implementation would continue to languish with the agencies not collecting statutorily required information in a reliable manner, either using SPOT or other sources. Based on our review of the agencies' joint report, we continue to

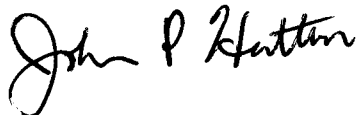
have this concern and are uncertain when SPOT will be fully implemented and serve as a reliable source of data for management, oversight, and coordination. We have, therefore, concluded that the recommendation from our 2009 report still applies, and we are not making any new recommendations.

Agency Comments

We requested comments on a draft of this report from DOD, State, and USAID. The three agencies informed us that they had no comments on the draft's findings or concluding observations. DOD and State provided us with technical comments that we incorporated into the final report, as appropriate.

We are sending copies of this report to the Secretary of Defense, the Secretary of State, and the Administrator of the U.S. Agency for International Development, as well as interested congressional committees. The report also is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions concerning this report, please contact me at (202) 512-4841 or huttonj@gao.gov. 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 I.



John P. Hutton
Director
Acquisition and Sourcing Management

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

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

The Honorable Howard P. "Buck" McKeon
Chairman
The Honorable Adam Smith
Ranking Member
Committee on Armed Services
House of Representatives

The Honorable Ileana Ros-Lehtinen
Chairman

The Honorable Howard L. Berman
Ranking Member
Committee on Foreign Affairs
House of Representatives

The Honorable Darrell Issa
Chairman

The Honorable Elijah Cummings
Ranking Member
Committee on Oversight and Government Reform
House of Representatives

The Honorable Michael Rogers
Chairman

The Honorable C.A. Dutch Ruppersberger
Ranking Member
Permanent Select Committee on Intelligence
House of Representatives

Appendix I: GAO Contact and Staff Acknowledgments

GAO Contact

John P. Hutton, (202) 512-4841 or huttonj@gao.gov

Staff Acknowledgments

In addition to the contact named above, Johana R. Ayers, Assistant Director; E. Brandon Booth; Virginia Chanley; Julia Kennon; Gilbert Kim; Angie Nichols-Friedman; Anne McDonough-Hughes; Margaret McKenna; Robert Swierczek; Michael Rohrback; and Alyssa Weir made key contributions to this report.

GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's Web site (www.gao.gov). Each weekday afternoon, GAO posts on its Web site newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to www.gao.gov and select "E-mail Updates."

Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's Web site, <http://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: www.gao.gov/fraudnet/fraudnet.htm

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Ralph Dawn, Managing Director, dawnr@gao.gov, (202) 512-4400
U.S. Government Accountability Office, 441 G Street NW, Room 7125
Washington, DC 20548

Public Affairs

Chuck Young, Managing Director, youngc1@gao.gov, (202) 512-4800
U.S. Government Accountability Office, 441 G Street NW, Room 7149
Washington, DC 20548

