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ONE HUNDRED ELEVENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

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MAJORITY (202) 225-5051
FACSIMILE (202) 225-4784
MINORITY (202) 225-5074

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March 3, 2010

The Honorable Robert M. Gates
Secretary of Defense
U.S. Department of Defense
100 Defense Pentagon
Washington, DC 20301-1000

Dear Secretary Gates:

I write with deep concern regarding reports that KBR, Inc. has been awarded a \$2.8 billion contract to, once again, provide support services to our U.S. forces in Iraq. Astonishingly, despite KBR's poor past performance in Iraq, KBR reportedly won a one-year contract, with an option for four more years.

Recent reports about KBR's record, including one issued by the Defense Department's Inspector General,¹ raise serious questions regarding whether the Department of Defense should have awarded such a lucrative contract to KBR given the contractor's poor past performance in Iraq. KBR was responsible for providing a wide range of support services in Iraq, including the maintenance of electrical systems in facilities where several U.S. service members were fatally electrocuted. Faulty electrical systems maintained by KBR have caused serious injuries in Iraq and may have contributed to the numerous electrical fires that reportedly occurred at U.S. facilities in Iraq. In addition to this, there have been numerous allegations of waste, fraud, and abuse by KBR. Given this, it seems inconceivable to me that the Defense Department would award this new contract to KBR in Iraq.

On July 30, 2008, the Committee on Oversight and Government Reform held a hearing regarding KBR's deficient maintenance of electrical systems at U.S. facilities in Iraq. The hearing exposed the Defense Department's failure to provide adequate oversight over KBR and ensure that American troops were not endangered by faulty electrical systems. Despite this, it seems that the Defense Department continues to reward KBR for deficient contract performance that has endangered the lives of our service men and women.

According to the Federal Acquisition Regulations, "when selecting contractors to provide products or perform services, the Government will use contractors who have a track record of successful past performance or who demonstrate a current superior ability to perform." Given

¹ See Inspector General, U.S. Dept. of Defense, "Review of Electrocution Deaths in Iraq: Part I – Electrocution of Staff Sergeant Ryan D. Maseth, U.S. Army", Rept. No. IE-2009-006 (July 24, 2009).

KBR's poor track record, I don't understand how KBR could meet this standard. When multiple deaths of U.S. servicemen are not enough to preclude a contractor from being awarded a new contract, it makes me wonder what is.

The Committee on Oversight and Government Reform is the principal oversight committee in the U.S. House of Representatives, with jurisdiction over "any matter." Under Rules X and XI of the Rules of the House of Representatives, the Committee is conducting an investigation into the new task order that was awarded to KBR, Inc., under the Logistics Civil Augmentation Program (LOGCAP) IV contract, by the U.S. Army Contracting Command to provide logistic support, theater transportation and postal services to U.S. forces in Iraq.

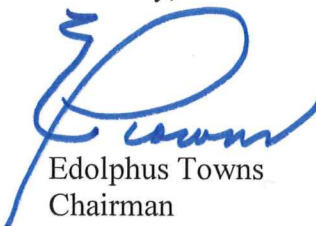
To aid in our investigation, please provide the Committee with copies of the following records:

1. Copies of all task orders, modifications, and Performance Work Statements awarded to KBR under the Logistics Civil Augmentation Program (LOGCAP) IV contract, under which KBR is to provide corps logistics support services, theater transportation mission, and postal services;
2. Copies of all documents and communications, including e-mail, relating to the award of KBR's new support contract, including records related to bid solicitations;
3. Copies of all performance reviews and corrective action reports concerning KBR's work in Iraq, since August 1, 2008; and
4. Copies of all documentation, analysis, and criteria used to evaluate KBR's past performance in the decision to award the task order.

Please deliver the requested records to the Committee on Oversight and Government Reform, room 2157 Rayburn House Office Building no later than 4:00 p.m. on Wednesday, March 17, 2010. To facilitate delivery and review, we prefer that the records be delivered in electronic format. In addition, I request that representatives from DOD contact Committee staff as promptly as possible to schedule a meeting to discuss this matter.

Should you have any questions about this request, please contact Craig Fischer, Neema Guliani, or Steve Rangel of the Committee staff at (202) 225-5051.

Sincerely,



Edolphus Towns
Chairman

cc: The Honorable Darrell Issa
Ranking Member
Committee on Oversight and Government Reform