

## Commission on Wartime Contracting to Hold Hearings on Contractor Internal Controls

Written by Administrator

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We previously reported on the Commission on Wartime Contracting's Interim [report](#) . At that time we noted the Commission--headed by Michael Thibault (former Deputy Director, DCAA) and Christopher Shays (former member of Congress, Republican)--not only lambasted DOD for its management of contractors deployed on the battlefield, but also took aim at "inadequate" contractor business systems as well as a perceived lack of accountability associated with the use of subcontractors. GovExec.com reports that the Commission will hold hearings on August 8, 2009 regarding "contractor business systems and subcontracting rules." According to GovExec.com, the Commission "found investigators had deemed half the [contractor] systems for billing and compensation inadequate and prone to unallowable costs. Panel staffers uncovered somewhat smaller problems with the [contractor] systems used for accounting, budget, electronic data processing, indirect and overhead costing, labor and purchasing." The Commission's hearing will reportedly focus on the activities of three contractors: KBR, DynCorp International, and Fluor -- each of whom were awarded a large Logistics Capability ("LOGCAP IV") contract to support warfighters in the battlefield. GovExec reports that April Stephenson (Director, DCAA), David Ricci (Director of Contract Business Operations, DCMA) and Jeff Parsons (Director of the Army Contracting Command) will also testify at the hearing.

The GovExec.com story can be found [here](#) .

It is ironic that, at the same time Congress and taxpayers are upset at the costs of major weapon systems, contractors are under pressure to develop expensive operational control systems that, arguably, add no real value to the warfighter. There are plenty of controls already in place to penalize contractors who knowingly or inadvertently include unallowable costs in proposals, billings and/or claims submitted to the Federal government. Adding more layers of bureaucracy would not seem to be the right answer, unless perhaps one lives inside the Beltway.