**Operation Earnest Voice** [**http://1.usa.gov/mhSD3w**](http://1.usa.gov/mhSD3w)

**Report No. D-2009-091 (Project No. D2009-D000JA-0108.000) July 31, 2009 Results in Brief: Information Operations Contracts in Iraq**

**What We Did**

**This audit was requested by the Commander,**

**U.S. Central Command. We also performed this audit pursuant to Public Law 110-181, “The National Defense Authorization Act for Fiscal Year 2008,” section 842, “Investigation of Waste, Fraud, and Abuse in Wartime Contracts and Contracting Processes in Iraq and Afghanistan.”**

**Our objective was to determine whether a series of contracts for Information Operations awarded by Multi-National Force-Iraq (W91GDW-08-D4013, W91GDW-08-D-4014, W91GDW-08D-4015, and W91GDW-08-D-4016) met Federal Acquisition Regulation requirements. We also determined whether this procurement satisfied user needs.**

**What We Found**

**The Joint Contracting Command-Iraq/ Afghanistan awarded indefinite-delivery, indefinite-quantity contracts to four contractors in accordance with the Federal Acquisition Regulation. However, the Joint Contracting Command-Iraq/Afghanistan combined psychological operations and public affairs requirements in one contract. Although we did not obtain any evidence that psychological operations were intended for a U.S. audience, the contract language did not clearly differentiate between psychological operations and public affairs, as required by doctrine, creating the appearance that psychological operations were associated with a U.S. audience. Overall, the contracting process resulted in a contract vehicle that was not optimal and may not meet initial psychological operations requirements or user needs. In addition, we determined that an internal control weakness exists in the oversight of the media services contracts. Specifically, the Joint Contracting Command-Iraq/Afghanistan did not prepare a Quality Assurance Surveillance Plan for these contracts, and our review of contract documentation did not find evidence that a Contracting Officer’s Representative was appointed.**

**What We Recommend**

**The Commander, Multi-National Force-Iraq should award task orders under these contracts to meet the contract minimum values, then allow these contracts to expire, and determine how ongoing requirements for Psychological Operations will be procured in the future.**

**To improve oversight of these contracts, the Commander, Joint Contracting CommandIraq/Afghanistan should appoint a Contracting Officer’s Representative and prepare a Quality Assurance Surveillance Plan. Additionally, the Commander, Joint Contracting CommandIraq/Afghanistan should implement procedures to ensure a review is conducted of proposed psychological operations procurements by the Multi-National Force-Iraq Information Operations Division.**

**Management Comments and Our Response**

**The comments from the Multi-National Force-Iraq Information Operations Chief and the Principal Assistant Responsible for Contracting-Iraq were responsive, and no additional comments are required. Although not required to respond, we also received comments from the Office of the Under Secretary of Defense for Intelligence and the U.S. Central Command. Please see the recommendations table on the back of this page.**

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The **Chief of Staff, U.S. Central Command** agreed with the management approach identified in the MNC-I comments. He noted that MNF-I, in collaboration with

**U.S. Central Command, will manage PSYOP activities under** **Operation Earnest Voice**, an ***operation to influence regional and international audiences to achieve U.S. Central Command strategic objectives***

Our Response: The comments are responsive, and no additional comments are required

We recommend that the Commander, Joint Contracting CommandIraq/Afghanistan:

a. Appoint a Contracting Officer’s Representative and prepare a Quality Assurance Surveillance Plan, if the contracts are used to issue task orders.

Joint Contracting Command-Iraq/Afghanistan Comments

The Principal Assistant Responsible for Contracting-Iraq, on behalf of JCC-I/A, agreed and stated that if any task orders are issued under these contracts, a Contracting Officer’s Representative will be assigned and a Quality Assurance Surveillance Plan will be implemented. He added that, in situations where individual task orders are used to address unique requirements, that appointing the Contracting Officer’s Representative after the task order is awarded is standard procedure.

U.S. Central Command Comments

The Chief of Staff, U.S. Central Command agreed and stated that if task orders are awarded under the contract, a Contracting Officer’s Representative must be appointed and a Quality Assurance Surveillance Plan must be prepared.

Our Response; The comments are responsive, and no additional comments are required.

**b. Implement procedures to ensure a review is conducted of proposed procurements of Psychological Operations by the Multi-National Force-Iraq Information Operations Division**.

Joint Contracting Command-Iraq/Afghanistan Comments

The Principal Assistant Responsible for Contracting-Iraq, on behalf of JCC-I/A, agreed with the need for **oversight and management** of IO contract requirements. ***However, the Principal Assistant stated that it would be inappropriate for JCC-I/A to perform this function and that the review of proposed PSYOP procurements should be performed by personnel within the requiring activity***.

U.S. Central Command Comments

The Chief of Staff, U.S. Central Command agreed and stated that this function should be performed within the requiring activity, such as MNF-I.

Our Response: The comments are responsive, and no additional comments are required. We agree with the Principal Assistant Responsible for Contracting-Iraq that it would be inappropriate for JCC-I/A to provide the oversight and management of IO contract requirements. JCC-I/A should implement procedures to provide contract documentation, such as statements of work, to the MNF-I IO Division for review prior to the release of the solicitation. This review will allow MNF-I to assess whether the proposed contracting language adequately describes the PSYOP requirement(s) to be satisfied by the procurement

We visited, contacted, or conducted interviews with current or former officials from the following organizations:

** U.S. Central Command; Multi-National Force-Iraq, Joint Contracting**

**Command-Iraq/Afghanistan; Multi-National Corps-Iraq;**

** Under Secretary of Defense for Intelligence;  Joint Staff;**

** Leonie Industries LLC;  SOS International, Ltd.;**

** L-3 Services, Inc. (MPRI)1; and  Lincoln Group. Use of Computer-Processed Data**

**We did not use computer-processed data to perform this audit.**

**Prior Coverage**

**During the last 5 years, the DoD Inspector General (IG) and Air Force Audit Agency have issued five reports discussing IO or PSYOP. Unrestricted DoD IG reports can be accessed at <http://www.dodig.mil/audit/reports>.**

**DoD IG**

**DoD IG Report No. D-2009-090, “Information Operations Career Force Management,” July 2, 2009.**

**DoD IG Report No. 07-INTEL-06, “DoD Involvement with The Rendon Group,” March 6, 2007. This report is not publicly available.**

**DoD IG Report No. D-2007-001, “Information Operations Activities in Southwest Asia,” October 6, 2006. This report is not publicly available.**

**DoD IG Report No. D-2006-083, “Information Operations in U.S. European Command,” May 12, 2006. This report is not publicly available.**

**Air Force**

**F2005-0003-FD3000, “Information Operations Personnel Data Verification,” April 1, 2005.**

**Contract Award**

**On September 23, 2008, JCC-I/A awarded four IDIQ contracts to Leonie Industries LLC (W91GDW-08-D-4013); SOS International, Ltd. (W91GDW-08-D-4014); Lincoln Group (W91GDW-08-D-4015); and L-3 Services, Inc. (MPRI) (W91GDW-08-D-4016) to provide a full range of media services to MNF-I. The four contracts were awarded in accordance with FAR Subparts 12.203; 12.204; 15.504, “Award to Successful Offerors”; 15.204, “Contract Format”; 15.204-1, “Uniform Contract Format”; and 16.504, “Indefinite-Quantity Contracts.”**

**The four IDIQ contracts with fixed-price task orders had a period of performance of 12 months from the date of award, with two 12-month option periods. Each contract has a guaranteed minimum value of $250,000 and a maximum value of $300,000,000. Each task order has a minimum value of $125,000 and a maximum value of $100,000,000. The maximum amount of $300,000,000 represents the combined totals of base and option years for the four awarded IDIQ contracts.**

**Post-Award**

**The contracts were modified twice shortly after award. The first modification, dated September 28, 2008, corrected the fund cite on the contracts. The second modification, dated October 4, 2008, changed the contract language. The SOW in the original contracts stated: … it is essential to the success of the new Iraqi Government and the Coalition mission that both communicate effectively with our strategic audiences (i.e., Iraqi, pan-Arabic, international, and U.S. audiences) to gain widespread acceptance of their core themes and messages.**

**The second modification changed the SOW by eliminating U.S. audiences.**

**DODIG DRAFT REPORT -DATED May 19, 2009 Project No. D2009-D0001A-0108.000 " Information Operations Contracts in Iraq"**

**USCENTCOM COMMENTS TO THE DRAFT REPORT RECOMMENDATION**

**(page 7. DIG Draft) DOD1G recommends that the Commander, MLlti-National Force-Iraq (MNF-I) award task orders under these contracts to meet the contract minimum values, then allow the contracts to expire. USCENTCOM RESPONSE: USCENTCOM concurs with allowing MNF-I to award task orders under the contract. However, if DODIG determines that task orders can be written on t his contract in any manner, then it stands to reason that the contract can move forward as originally intended .**

**If the ~ materiaf internal control weakness in the oversight " of the contract stems from language that does "not clearly distinguish between PA and PSYOP", it has no bearin g on the task orders that would be written against the contract*. Provided task orders are written with sensitivity to verbiage, USCENTCOM sees no reason why MNF-I cannot utilize the contract n its intended capacity*. Moreover, USCENTCOM believes that the scope of the would satisfy PSYOP requirements and user needs. The scope of the contract enables units to draft task orders with more specific requirements that, when managed by an appointed Contracting Officer's Representative (COR) with a comprehensive Quality Assurance Surveillance Plan (QASP), should fulfill the user needs.**

**RECOMMENDAnON 1.7. Dr-aft) DODIG recommends that the Commander, Multi -National ForCEIraq determine how ongoing reqUirements for Psychological Operations will be procured in the future. USCENTCOM RESPONSE: USCENTCOM concurs with the need to determine reqUirements and acquisition procedures for PSYOP activities, and concurs with using the program management approach identified in MNC-I's memo. MNF-I, in collaboration with USCENTCOM 10, will manage this program under *OPERATION Earnest Voice* (OEV). The mission of OEV is to inform, persuade, and influence international and regional audience perceptions, attitudes, and actions to ach ieve USUSCENTcor-1 strategic objectives.**

**the Commander, i Command·Iraq/Afghanistan (JCC I/A) appoint a COR and prepare a QASP, if the contracts are used to issue task orders. USCENTCOM RESPONSE: USCENTCOM concurs with the recommendation having a CO R prepare a QASP. Since JCC I/A has not issued any task orders on this contract to date, there has not been a need to appoint a COR or prepare a QASP. Should MNF~I issue task current contract to cover the minimum values, t hey must appoint a COR and prepare a QASP. RECOMMENDAT(ON 2.b. 7 . DODIG DODI G recommends that the Commander, Joint Contracting Command·Iraq/Afghanistan implement procedures to ensure a review is conducted of proposed procurements of Psychological Operations by the MNF·I Information Operations Cel!.**

**IN AN ATTEMPT TO CUT/PASTE A MEMORANDUM: HEADQUARTERS MULTI-NATIONAL CORP IRAQ:**

**DATED: May 27,2009** [**http://www.dodig.mil/audit/reports/fy09/09-091.pdf**](http://www.dodig.mil/audit/reports/fy09/09-091.pdf)

**???\*\*\*\*\*\*\*\*\*\*\*\* WHAT IS THIS? ENCRIPTION? \*\*\*\*\*\*\*\*\*\*\*? ?? (NO QUESTION IS INTENTIONAL)\*\*\*\*\*\*\*\*\*\*\***

**M "JAORA.'<OUM FOR O~paJtmern of Defense Inspector Oen~reJ. The ?e::tegon, Wa:>hlny!.on. DC 20301**

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**The Program Uangcr WIll tnll'l8fer ri~ of non-petfOt'TTlaJ1Ge to the contractors to the maximum ~xtent POSSit:te. The Pr~mMan.:ager will idel'ltify ~of Information O~';lr:s ancl Psyc:ho1ogical Operations in particular which are capable of beil"lQ e:r.ecuted by a tOntra::!or in View of specific measurable standard'S sud! that the contractor is respor:sib!e fof a faIlure to meet ~1Eid measures of performance and measures of e1'fectiVel'les5.**

**GENERAL COMMENTS ON THE REPORT**

**1. (U) Page i. The summary of the report says that "The contract language did not dearly**

**differentiate between Psychological Operations and Public Affairs." It should be understood**

**that the Statement of Work covered the whole spectrum of media services under an ID/lQ**

**arrangement, no work would be ordered for the entire statement of work against the basic**

**contract. Rather, individual task orders would be placed for specific requirements, (Le. public**

**affairs or psychological operations), but not both together. Task orders are considered stand**

**alone contracts and there never was an intent t o include public affairs and psychological**

**operations under one task order.**

**2 . (U) Page i. The summary of the report also says " materia! internal control weakness exists**

**in the oversight of the contract...because JCC· I/A did not appoint a COR or prepare a QASP."**

**JCC-I/A does not agree with th at assessment because no task orders were ever issued under**

**this contra ct. If a task order were to be issued a COR would be aSSigned and a QASP**

**developed and implemented. As noted in recommendation 2a, It was the command's Intent**

**all along to <lppoint a COR and a QASP for individul!Il task orders as each is a unique**

**requ irement . This Is the standard procedure for ID/IQ contracts with differing customers OJnd**

**requirements.**

**OFFICE OF THE UNDER SECRETARY OF DEFENSE**

**!5000 DEFENSE PENTAGON WASHINGTON, DC 20301·!5(X)Q**

**June 2, 2009**

**MEMORANDUM FOR DIRECTOR, JOINT AND OVERSEAS OPERATIONS**

**SUBJECT: OUSD(I) Comments on Project No. D2009-DOOOJA-010S.000**

**This memorandum responds to your request to provide comments on the**

**draft report aryour audit of the Information Operations Contracts in Iraq. I have**

**read your draft, and concur with all of your findings. The action OSO will take to**

**accomplish the DoD IG team's recommendations is to endorse and advocate them**

**within the Department.**

**Regarding the material internal control weakness discussed in the report, I**

**agree that we must improve material contract controls to distinguish between tasks**

**that support products intended for United States audiences and those intended**

**exclusively for foreign audiences. There arc instances, however, where select**

**contracts can be consolidated, e.g., media analysis. These types of contracts are**

**best optimized under one vehicle, as these products do not intended to inform or**

**influence outside audiences.**

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**F. Austin Branch**

**Senior Advisor for 10 Strategy & Plans**

**Infonnation Operations & Strategic Studies**