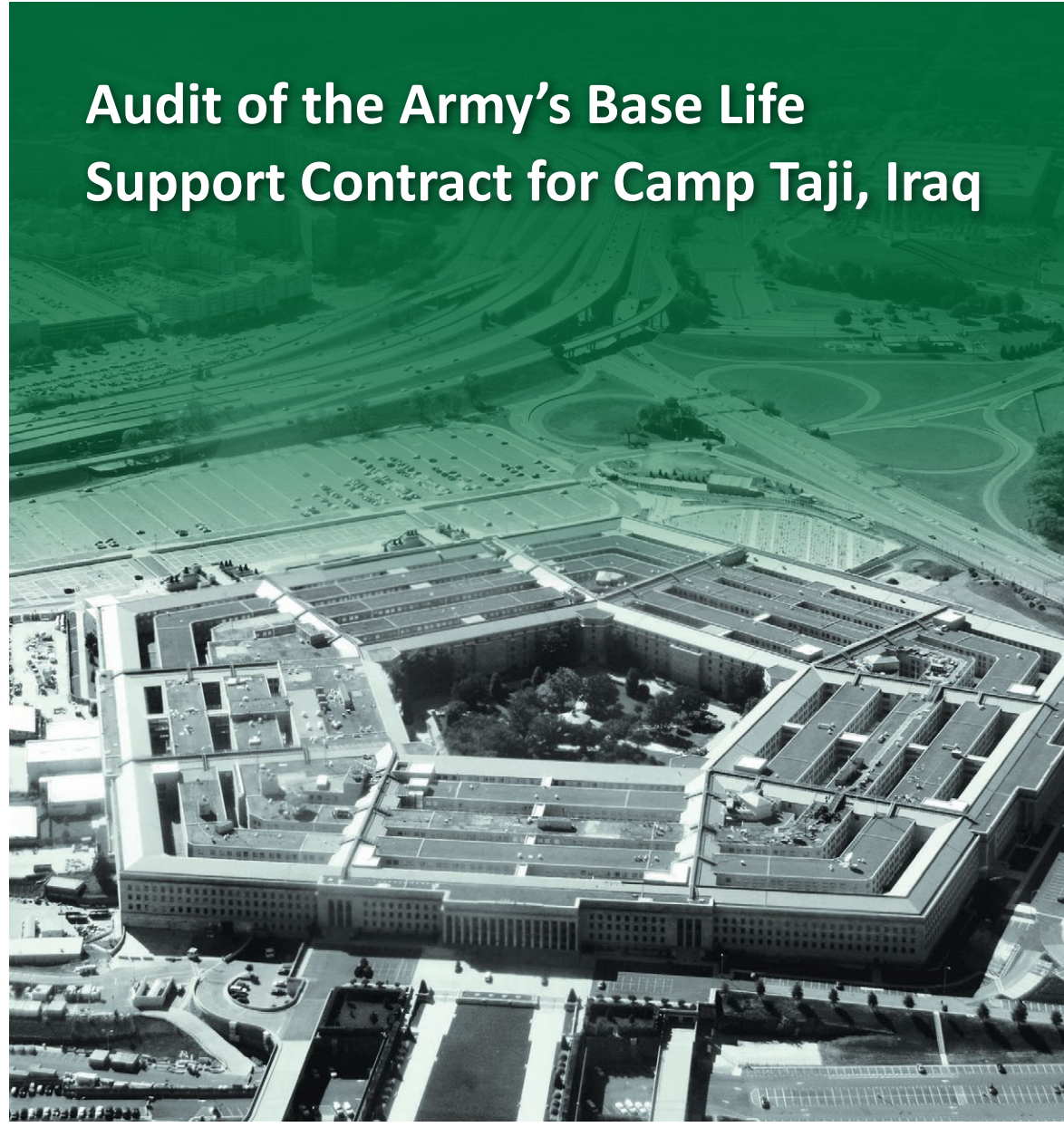


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INSPECTOR GENERAL

U.S. Department of Defense

MARCH 18, 2020



Audit of the Army's Base Life Support Contract for Camp Taji, Iraq

INTEGRITY ★ INDEPENDENCE ★ EXCELLENCE

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Results in Brief

Audit of the Army's Base Life Support Contract for Camp Taji, Iraq

March 18, 2020

Objective

The objective of this audit was to determine whether Combined Joint Task Force–Operation Inherent Resolve (CJTF-OIR) and the U.S. Army ensured that the contractor provided Camp Taji, Iraq, base life support (BLS) services in accordance with contract requirements.

During the audit, we found weaknesses in the Camp Taji BLS contract terms and performance work statement (PWS) requirements. Therefore, we expanded our review to determine whether CJTF-OIR included DoD and Army criteria related to BLS services in the contract and to determine whether the Army awarded the Camp Taji contract in accordance with Federal and DoD contracting criteria.

Background

After the invasion of Iraq, from 2003 to 2011, Coalition forces operated Camp Taji, which is located 15 miles north of Baghdad. When Coalition forces withdrew from Iraq, the Government of Iraq took control over Camp Taji, and on April 22, 2013, the Prime Minister of Iraq awarded an exclusive work authorization to SoS International LLC (SOSi) to operate Camp Taji's facilities.

On July 1, 2015, the 408th Contracting Support Brigade (CSB) awarded a firm-fixed price contract to SOSi to provide BLS services to CJTF-OIR personnel at Camp Taji. On January 1, 2019, Army Contracting Command-Rock Island (ACC-RI) awarded

Background (cont'd)

the subsequent Camp Taji, BLS contract to SOSi. Under both contracts, costs for BLS services included fixed prices based on the daily Camp Taji population.

The U.S. Embassy requested that the Government of Iraq permit the DoD to issue a new solicitation and award a BLS contract at Camp Taji through a fair and open competition to promote higher contract quality and lower cost. However, as of August 2019, the Government of Iraq has not taken actions to rescind SOSi's exclusive work authorization and a Senior Management Advisor at the U.S. Embassy stated that the Embassy continues to ask the Government of Iraq to rescind the exclusive work authorization on behalf of the DoD.

The Camp Taji BLS contracts include services such as base security, billeting, lodging, meals, potable water, emergency response, fire response and prevention, hazardous material storage, and electric power generation.

CJTF-OIR and the Camp Taji Base Operations Support-Integrator (BOS-I) are responsible for performing contract planning activities, such as identifying and defining requirements by developing a PWS and a quality assurance surveillance plan, and conducting market research to determine whether commercial item prices are fair and reasonable. The Camp Taji BOS-I is also responsible for nominating contracting officer's representatives to the administrative contracting officer.

Finding

We determined that for the Camp Taji BLS contracts, CJTF-OIR did not define DoD and Army-specific requirements for BLS services; the 408th CSB and ACC-RI each awarded contracts that caused CJTF-OIR to pay for services that it did not use; and CJTF-OIR's contract oversight personnel did not verify the accuracy of the contractor's invoices. Specifically:

- CJTF-OIR did not ensure the contract required the contractor to comply with DoD and Army regulations related to five BLS services, including regulations that



Results in Brief

Audit of the Army's Base Life Support Contract for Camp Taji, Iraq

Finding (cont'd)

required the Army to purchase food from the Defense Logistics Agency and to use incinerators to dispose of solid waste. This occurred because CJTF-OIR accepted the BLS services the contractor provided to its commercial customers rather than fully defining DoD and Army requirements.

- 408th CSB and ACC-RI contracting officials awarded contracts with a pricing structure that paid the contractor based on Camp Taji's daily population; however, the calculation of the daily population included personnel who were not actually on base. This occurred because the 408th CSB and ACC-RI contracting officials accepted the daily, per-person pricing structure designed by the contractor and allowed the contractor to charge full price for personnel who were assigned to Camp Taji, but not present.
- CJTF-OIR officials relied on contractor population counts and did not know whether they were paying for support for the correct number of personnel. This occurred because 408th CSB and ACC-RI contracting officials did not define in the contracts who was responsible for determining the daily population.

As a result of poorly defined contract requirements, inadequate pricing structure, and lack of invoice oversight since July 2015, CJTF-OIR paid \$116 million more than necessary for the Camp Taji BLS contracts. Specifically, CJTF-OIR wasted at least:

- \$36 million on BLS services for personnel on leave or temporary duty status and therefore not present at Camp Taji; and
- \$80 million on food and water by not requiring the contractor to comply with Army requirements for purchasing food from the Defense Logistics Agency. This amount is the difference the CJTF-OIR paid for food and water at the contracted

rates, \$126 million, and the amount it would have paid by requiring the contractor purchase food from the Defense Logistics Agency (\$45 million).

In addition, in the absence of a contract requirement to dispose of solid waste in accordance with U.S. Central Command environmental guidance, the contractor continued to use its commercially available, and Government of Iraq-approved, solid waste disposal method of dumping solid waste at a site in the Camp Taji Amber Zone, which the Iraqis would later burn. This solid waste disposal method may have contributed to the exposure of U.S. and Coalition personnel to potential long-term health effects from the burn pit smoke.

Recommendations

To improve the Camp Taji BLS contract requirements, we recommend that the CJTF-OIR Commander:

- direct his staff to review and update the PWS to include DoD and Army requirements that are applicable to BLS services at Camp Taji; and
- review the actions of the logistics officials responsible for developing Camp Taji BLS requirements. Based on that review, the Commander should take appropriate action, if warranted, to hold the necessary officials accountable or to improve generation of future contract requirements.

In addition, we recommend that the ACC-RI Executive Director direct the Camp Taji BLS procuring contracting officer to conduct a cost analysis of the Camp Taji BLS contract in accordance with Federal Acquisition Regulation Subpart 15.4, "Contract Pricing," and use the results to ensure contract pricing is awarded at the best value to the Government.



Results in Brief

Audit of the Army's Base Life Support Contract for Camp Taji, Iraq

Recommendations (cont'd)

To verify the accuracy of the Camp Taji population reported by the contractor, we recommend that the Camp Taji BOS-I Officer in Charge:

- use the CJTF-OIR personnel status reports for the BOS-I's daily occupancy tracker to ensure CJTF-OIR is paying for the correct number of personnel;
- implement and use common access card readers to track personnel who enter or depart Camp Taji; and
- include steps in the quality assurance surveillance plan or standard operating procedures to ensure all staff members with responsibilities related to the contractor population are coordinating their activities.

Management Comments and Our Response

The Executive Deputy to the Commanding General of Army Materiel Command, the Commanding General of Army Contracting Command (ACC), and the ACC-RI Executive Director each provided comments on our finding and stated that we did not thoroughly describe the limitations that the exclusive work authorization and the need to use a sole source contractor imposed on ACC elements when negotiating the Camp Taji BLS contracts. The Executive Deputy expressed concern that our report would cause the public and Congress to draw inappropriate conclusions regarding the Army's share of responsibility for the conditions we describe in this report.

We disagree with Army Material Command and ACC concerns. Specifically, the exclusive work authorization did not place any restrictions on the services the Camp Taji BLS contractor was able to provide nor prevent ACC-RI from conducting a cost analysis to

ensure definitized contract pricing was awarded at the best value to the Government. In addition, our report clearly states the Iraqi Army, not the DoD or the contractor, controls burning the trash in the Amber Zone.

The ACC-RI Executive Director did not specifically concur with our recommendation to conduct a cost analysis to facilitate pricing negotiations; however, ACC-RI provided documents showing that the PCO performed a cost analysis and used the results to negotiate a definitized Camp Taji contract that does not include a daily per-person price. Therefore, we consider this recommendation closed.

The CJTF-OIR Chief of Staff stated that its staff members disagreed with our characterization of the solid waste dumping sites as burn pits and that U.S. and coalition personnel were exposed to burn-pit toxins. We disagree that our characterization of the host-nation burn pit was inaccurate. CJTF-OIR provided documents showing that the Camp Taji BOS-I considered the solid waste dumping site we describe in this report as an Iraqi-operated burn pit. In addition, those documents show that the Camp Taji BOS-I was concerned about potential health effects associated with the host nation burn pit.

The Chief of Staff disagreed with our recommendation for the Commander to direct his staff to review and update the PWS to include all DoD and Army requirements that are applicable to BLS services at Camp Taji. The Chief of Staff also disagreed with our recommendation to perform a review of the actions of the logistics officials. The Chief of Staff agreed with our recommendation to improve personnel accountability at Camp Taji.

Although the Chief of Staff disagreed with our recommendations to review his staff's actions in the development of the Camp Taji BLS contract requirements



Results in Brief

Audit of the Army's Base Life Support Contract for Camp Taji, Iraq

Management Comments (cont'd)

and to incorporate additional DoD regulations, as appropriate, into the PWS, CJTF-OIR staff stated that after the project to install incinerators is completed, CJTF-OIR will update the PWS to include a requirement to dispose of solid waste through incineration. This demonstrates that CJTF-OIR continues to take action to address weakness in the PWS requirements. Therefore, we urge the Chief of Staff to reconsider his non-concurrence with our recommendations. We consider these recommendations unresolved, and request CJTF-OIR provide comments on the final report.

Comments from the Chief of Staff partially addressed the specifics of our recommendations to strengthen oversight of the Camp Taji population reported by the contractor. The Chief of Staff agreed

with our recommendations to improve BOS-I's tracking of Camp Taji's population; therefore, these recommendations are resolved but remain open. We will close these recommendations when we verify that the Camp Taji BOS-I is receiving the Joint Personnel Status and Casualty Report and that the Joint Asset Movement Management System is operational at Camp Taji. The Chief of Staff did not address the specifics of our recommendation to formally document overlapping responsibilities related to the contractor population to ensure oversight personnel coordinate their activities. Therefore, this recommendation is unresolved.

Please see the Recommendations Table on the next page for the status of recommendations.

Recommendations

Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Commander, Combined Joint Task Force Operation Inherent Resolve	1.a, 1.b		
Executive Director, Army Contracting Command–Rock Island			2
Officer in Charge, Base Operations Support Integrator for Camp Taji	3.c	3.a, 3.b	

Please provide Management Comments by April 20, 2020.

Note: The following categories are used to describe agency management’s comments to individual recommendations.

- **Unresolved** – Management has not agreed to implement the recommendation or has not proposed actions that will address the recommendation.
- **Resolved** – Management agreed to implement the recommendation or has proposed actions that will address the underlying finding that generated the recommendation.
- **Closed** – OIG verified that the agreed upon corrective actions were implemented.





**INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500**

March 18, 2020

MEMORANDUM FOR COMMANDER, U.S. CENTRAL COMMAND
COMMANDER, U.S. ARMY MATERIEL COMMAND
COMMANDER, U.S. ARMY CENTRAL
COMMANDER, U.S. ARMY CONTRACTING COMMAND
AUDITOR GENERAL, DEPARTMENT OF THE ARMY

SUBJECT: Audit of the Army's Base Life Support Contract for Camp Taji, Iraq
(Report No. DODIG-2020-069)

This final report provides the results of the DoD Office of Inspector General's audit. We previously provided copies of the draft report and requested written comments on the recommendations. We considered management's comments on the draft report when preparing the final report. These comments are included in the report.

Of the six recommendations in our report, one recommendation is closed, two recommendations are resolved, and three recommendations remain unresolved because the Combined Joint Task Force–Operation Inherent Resolve Chief of Staff responding for the Commander, Combined Joint Task Force Operation Inherent Resolve and the Officer in Charge, Base Operations Support Integrator for Camp Taji, did not agree with or fully address the recommendations presented in this report.

As discussed in the Recommendations, Management Comments, and Our Response section of this report, the resolved recommendations may be closed when we receive adequate documentation showing that all agreed-upon actions to implement the recommendations have been completed. The unresolved recommendations will remain open until an agreement is reached on the actions to be taken to address the recommendations, and adequate documentation has been submitted showing that the agreed-upon actions have been completed.

DoD Instruction 7650.03 requires that recommendations be resolved promptly. Please provide us within 30 days your response concerning specific actions in process or alternative corrective actions proposed on the recommendations. Your response should be sent to either followup@dodig.mil if unclassified or rfunet@dodig.smil.mil if classified secret.

Please direct questions to me at [REDACTED]. We appreciate the cooperation and assistance received during the audit.

A handwritten signature in black ink, appearing to read "Richard B. Vasquez", is located above the printed name.

Richard B. Vasquez
Assistant Inspector General for Audit
Readiness and Global Operations

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Acronyms and Abbreviations

Introduction

Objective

The objective of this audit was to determine whether Combined Joint Task Force–Operation Inherent Resolve (CJTF-OIR) and the U.S. Army ensured that the contractor provided Camp Taji, Iraq, base life support (BLS) services in accordance with contract requirements.

During the audit, we found weaknesses in the Camp Taji BLS contract terms and performance work statement (PWS) requirements. Therefore, we expanded our review to determine whether CJTF-OIR included DoD and Army criteria related to BLS services in the contract and to determine whether the Army awarded the Camp Taji contract in accordance with Federal and DoD contracting criteria.

Background

U.S. military presence in Iraq has increased since 2014 due to the rise of the Islamic State of Iraq and Syria (ISIS). Specifically, by June 2014, the security situation in Iraq had deteriorated when the Iraqi cities of Mosul and Tikrit fell to ISIS aggressors. Therefore, in October 2014, the DoD established CJTF-OIR to defeat ISIS in designated areas of Iraq and Syria and set conditions for follow-on operations to increase regional stability. Camp Taji was identified as a base of operations from which the Government of Iraq, DoD, and Coalition partners would perform its mission to defeat ISIS.¹ Approximately 3,000 U.S. and Coalition personnel occupy Camp Taji in support of Operation Inherent Resolve.

Camp Taji Military Complex

Camp Taji is one of four CJTF-OIR locations dedicated to training Iraqi soldiers to enhance their effectiveness on the battlefield against ISIS. Before the 2003 U.S.-led invasion of Iraq, Camp Taji was a military installation built and operated by the Government of Iraq. From 2003 to 2011, Coalition forces operated Camp Taji. When Coalition forces withdrew from Iraq, the Government of Iraq regained sovereign control over Camp Taji and on April 22, 2013, the Prime Minister of Iraq awarded an exclusive work authorization to SoS International LLC (SOSi) to operate Camp Taji's facilities. From April 2013 until late 2014, SOSi was primarily delivering life support services, such as meal services and lodging, to other contractors that were at Camp Taji providing support to the Government of Iraq. On March 14, 2018, the Prime Minister endorsed the exclusive work

¹ Camp Taji, Iraq, is a military base consisting of a Green Zone and an Amber Zone, located 15 miles north of Baghdad. The Green Zone is the Coalition-controlled portion of the Camp Taji Military Complex, and the Amber Zone is the Iraqi-controlled portion of the Camp Taji Military Complex. Throughout the report, Camp Taji refers to the Green Zone.

authorization, which made SOSi the only contractor authorized to provide service support contracts at Camp Taji for 3 additional years, from March 14, 2018 to March 13, 2021.²

When planning for and contracting for operational support, planners and requiring activities, in coordination with contracting officers, are required to take into account local laws and agreements with a host nation which may restrict the services to be contracted for or limit contracting services to local national or host nation contractor sources.³ In response to a sources-sought notification advising its intent to award the contract under section 2304(c) (1), title 10, United States Code, the U.S. Army received 17 expressions of interest and capabilities statements from contractors to provide BLS services at Camp Taji. The U.S. Army executed a pre-solicitation award notification along with a Justification and Approval awarding the contract sole-source to SOSi based on the Government of Iraq's exclusive work authorization with SOSi. Another contractor protested the Camp Taji contract award, but the U.S. Government Accountability Office ultimately upheld the Army's decision to award a sole-source contract.⁴

Since October 2016, the U.S. Embassy has entered into several discussions with the Government of Iraq and requested that the Government of Iraq permit the DoD to issue a new solicitation and award a BLS contract at Camp Taji to promote fair and open competition. The Federal Acquisition Regulation (FAR) includes promoting competition as a way to ensure customer satisfaction with the cost, quality, and timeliness of a service.⁵ However, as of August 2019, the Government of Iraq has not taken actions to rescind SOSi's exclusive work authorization and a Senior Management Advisor at the U.S. Embassy stated that the U.S. Embassy continues to ask the Government of Iraq to rescind the exclusive work authorization on behalf of the DoD.

Camp Taji Base Life Support Contracts

On July 1, 2015, the 408th Contracting Support Brigade (408th CSB) awarded a sole-source firm-fixed-price contract to SOSi to provide BLS services to CJTF-OIR personnel. On January 1, 2019, Army Contracting Command–Rock Island (ACC-RI) awarded an undefinitized contract action (UCA) to the same contractor to continue providing BLS services at Camp Taji. UCAs may be used when the negotiation of

² SOSi's exclusive work authorization does not include the Camp Taji Airfield, which is currently operated by Kellogg, Brown, and Root.

³ DoD Instruction 3020.41, "Operational Contract Support," August 31, 2018.

⁴ Government Accountability Office Bid Protest Decision B-417223.2 and B-417223.4, "Sallyport Global Holdings," April 3, 2019.

⁵ FAR Part 1, "Federal Acquisition Regulations System," Subpart 1.1, "Purpose, Authority, Issuance," Section 1.102, "Statement of Guiding Principles for the Federal Acquisition System."

a final contract is not possible in time to meet the Government's requirements and the Government's interest demands that the contractor be given a binding commitment so that contract performance can begin immediately.⁶ However, the UCA should be as complete and definite as practicable. Under both the initial contract and the UCA, costs for BLS services included fixed prices based on the daily Camp Taji population. In addition, the terms of both contracts allowed a separate fixed price per-person for dining facility meals and water. The Camp Taji BLS services contract includes services such as base security, billeting, lodging, meals, potable water, emergency response, fire response and prevention, hazardous material storage, and electric power generation. Table 1 provides a description of the contracts we reviewed.⁷

~~(FOUO)~~ Table 1. Camp Taji BLS Contracts

(FOUO) Contract	Award Date	Issued By	Period of Performance	Contract Type	Award Amount (In U.S. Millions)
W56KGZ-15-C-4005	July 1, 2015	408th Contracting Support Brigade—Regional Contracting Office	July 1, 2015, to December 31, 2018	Firm-Fixed Price Commercial ¹	██████
W52P1J-19-C-0010	January 1, 2019	Army Contracting Command—Rock Island	January 1, 2019, to December 31, 2023	Firm-Fixed Price Non-commercial	██████ ²
Total					██████ (FOUO)

¹ FAR Part 2, "Definitions of Words and Terms," Subpart 2.1, "Definitions," defines commercial as an item or service sold in substantial quantities in a commercial marketplace and offered to the Government in the same form in which it is sold in the commercial marketplace.

² ~~(FOUO)~~ On January 1, 2019, ACC-RI awarded a UCA with a ████████ not-to-exceed amount for the base year of the contract. Although ACC-RI definitized the UCA on December 20, 2019, at an amount not to exceed ████████ for the base year, the performance of this audit occurred during the UCA's base year. Therefore, the Finding of this report is based on review of the initial contract and the UCA.

Source: The DoD OIG.

The initial Camp Taji BLS contract was awarded as a commercial items contract in accordance with FAR part 12 which requires contracting officers to determine the reasonableness of costs.⁸ However, commercial contracts are not subject to the

⁶ Defense Federal Acquisition Regulation 217, "Special Contracting Methods," 217.74, "Un definitized Contract Actions," 217.7403, "Policy."

⁷ Throughout this report, we will refer to contract W56KGZ-15-C-4005 as the initial Camp Taji BLS contract and contract W52P1J-19-C-0010 as the current Camp Taji BLS contract.

⁸ FAR Part 12, "Acquisition of Commercial Items," Subpart 12.2, "Special Requirements for the Acquisition of Commercial Items," Section 12.209, "Determination of Price Reasonableness."

Truthful Cost or Pricing Data Act (formerly known as Truth in Negotiations Act) requirements for certified cost or pricing data because the commercial marketplace is presumed to be a competitive environment and should regulate a fair and reasonable price. Therefore, a commercial items contract limits the contracting officer's ability to obtain certified cost or pricing data. However, according to the DoD Guidebook for acquiring commercial items, when market price data is not readily available, determining a fair and reasonable price can be challenging. Ultimately, the effectiveness of a price analysis will depend on what meaningful data the Government successfully obtains to conduct the price analysis.⁹ According to the Defense Federal Acquisition Regulation Supplement, market research is used to determine whether commercial item prices are fair and reasonable. If the contracting officer determines that market research is insufficient, the contracting officer may request other relevant price or cost information from the contractor, including uncertified cost data such as labor, material, and other direct and indirect cost data.¹⁰

In contrast, the current contract was awarded as a non-commercial items contract in accordance with FAR Part 15, which requires the contractor to submit certified cost or pricing data to the contracting officer so he or she can determine that the negotiated contract price is fair and reasonable.¹¹ Additionally, in accordance with the United States Code and the FAR, the contractor is required to submit a certificate, certifying that to the best of its knowledge, the cost or pricing data submitted is accurate, complete, and current as of the date of agreement.¹²

Contract Award and Performance Oversight Responsibilities

The following commands and activities are responsible for the award, management, and oversight of the Camp Taji BLS contracts.

Army Contracting Command–Rock Island

ACC-RI, a subordinate unit of Army Contracting Command (ACC), provides acquisition and contracting support to the Army and the DoD. ACC-RI is the procuring contracting office and provides the procuring contracting officer (PCO) for the current Camp Taji BLS contract.

⁹ DoD Guidebook for Acquiring Commercial Items, Part B, "Pricing Commercial Items," January 2018.

¹⁰ Defense Federal Acquisition Regulation Supplement 212, "Acquisition of Commercial Items," 212.2, "Special Requirements for the Acquisition of Commercial Items," 212.209, "Determination of Price Reasonableness."

¹¹ FAR Part 15, "Contracting by Negotiation."

¹² Section 2306a, Title 10, United States Code, "Cost or Pricing Data: Truth in Negotiations" (2019); Section 3502, Title 41, United States Code, "Required Cost or Pricing Data and Certification" (2019); and FAR Part 15, "Contracting by Negotiation," Subpart 15.4, "Contract Pricing," 15.403, "Obtaining Certified Cost or Pricing Data," 15.403-4, "Requiring Certified Cost or Pricing Data."

The FAR states that contracting officers are responsible for ensuring compliance with the terms of the contract and safeguarding the interests of the Government in its contractual relationships.¹³ The PCO awards the contract and makes changes through contract modifications. In addition, the PCO is responsible for selecting the appropriate contract type, which is primarily a function of allocating a reasonable degree of risk to both the Government and the contractor.¹⁴

408th Contracting Support Brigade

The 408th CSB awarded the initial Camp Taji BLS contract and subsequently, in December 2018, the PCO of the current BLS contract delegated contract administration duties to the 408th CSB. To fulfill this role, the 408th CSB, located at Camp Arifjan, Kuwait, provided an administrative contracting officer (ACO) to manage the Camp Taji BLS contracts.¹⁵

The ACO is responsible for performing quality assurance and notifying the PCO of any contractor noncompliance with contract requirements. In addition, the ACO is responsible for appointing, in writing, contracting officer's representatives (CORs), following a nomination from the requiring activity. Finally, the ACO may appoint a quality assurance specialist (QAS) to assist the COR in monitoring the contractor's performance.

Combined Joint Task Force–Operation Inherent Resolve

CJTF-OIR is the requiring activity for the Camp Taji BLS contracts. The Camp Taji Base Operating Support-Integrator (BOS-I) is subordinate to the Camp Taji Base Commander, who is a subordinate commander of CJTF-OIR. CJTF-OIR and BOS-I, are responsible for performing contract planning activities, such as identifying and defining requirements by developing a PWS and a Quality Assurance Surveillance Plan (QASP), conducting market research to determine whether commercial item prices are fair and reasonable, and preparing the acquisition requirements package.¹⁶

¹³ FAR Part 1, "Federal Acquisition Regulations System," Subpart 1.6, "Career Development, Contracting Authority, and Responsibilities," Section 1.602, "Contracting Officers," Subsection 1-602-2, "Responsibilities."

¹⁴ Army Regulation 70-13, "Management and Oversight of Service Acquisitions," July 30, 2010. Office of the Under Secretary of Defense Acquisition and Sustainment, "Guidance on Using Incentive and Other Contract Types," March 2016.

¹⁵ Although the 408th CSB's headquarters is in Kuwait, the ACO is located at Camp Taji, Iraq.

¹⁶ The acquisition requirements package includes the PWS, QASP, acquisition plan, acquisition strategy, independent government cost estimate, and COR nomination package. When we refer to the BOS-I, we are referring to the Army Reserve unit that deploys to Camp Taji to fulfill BOS-I responsibilities on behalf of CJTF-OIR.

BOS-I Contracting Officer's Representatives

The Camp Taji BOS-I is responsible for nominating CORs to the ACO. The CORs act as the eyes and ears for the contracting officer and are responsible for monitoring the contractor's performance to verify compliance with PWS requirements. According to delegation letters for the Camp Taji CORs, CORs are responsible for a variety of contract administration duties, including:

- conducting contract surveillance;
- inspecting work performed under the contract;
- documenting contractor performance in the Contractor Performance Assessment Reporting System; and
- processing acceptance and payment of contractor invoices.

The CORs conduct contract surveillance by completing a 408th CSB surveillance checklist each month and submitting the completed checklist to the QAS for review. In addition, CORs use the completed checklist to rate the contractor's performance by submitting monthly status reports to the ACO for approval.

Army Food Management Information System

Army Regulation 30-22 and Army Techniques Publication 4-41 define the authorized dollar value to feed military personnel and other diners for three meals per day and requires all Army dining facilities to order all food and water through the Defense Logistics Agency (DLA).¹⁷ The DLA is the DoD executive agent for subsistence and controls buying, inspecting, storing, and distribution of logistics support materials worldwide.¹⁸ The Army uses the Army Food Management Information System (AFMIS) to support the operations of dining facilities for menu planning, recipe management, automated headcount, and cash collection. AFMIS is also used to order and receive food from the DLA. The price the Army pays for food ordered through AFMIS is determined by the basic daily food allowance established by the DoD's Joint Culinary Center of Excellence.¹⁹ The basic daily food allowance is the dollar value authorized to feed military personnel and other diners for three meals per day. As of August 2019, the basic daily food allowance for Camp Taji was \$14.33.

¹⁷ Army Regulation 30-22, "Army Food Program," July 24, 2012. Army Techniques Publication 4-41, "Army Field Feeding and Class I Operations," December 31, 2015.

¹⁸ DoD Directive 5101.10E, "DoD Executive Agent for Subsistence," October 26, 2015.

¹⁹ The Joint Culinary Center of Excellence serves as the focal point for all Army Food Program issues, including lead organization for the Army food program doctrine development, policy and procedures, garrison, field, and subsistence supply operations.

Review of Internal Controls

DoD Instruction 5010.40 requires DoD organizations to implement a comprehensive system of internal controls that provides reasonable assurance that programs are operating as intended and to evaluate the effectiveness of the controls.²⁰

We identified internal control weaknesses with the Camp Taji BLS contract terms and PWS requirements. Specifically, CJTF-OIR accepted the BLS services the contractor provided to commercial customers rather than define DoD and Army-specific requirements. In addition, the 408th CSB and ACC-RI contracting officials accepted the daily per-person pricing structure designed by the contractor and allowed the contractor to charge full price for personnel who were assigned to Camp Taji but not present. Finally, 408th CSB and ACC-RI contracting officials did not define who was responsible for determining the daily population in the contracts and CJTF-OIR accepted the contractor's calculation of the daily population, which the PCO relied on to establish the daily cost of services because, according to CJTF-OIR officials, the contractor had the best method. We will provide a copy of the report to the senior official responsible for internal controls in the Department of the Army and CJTF-OIR.

²⁰ DoD Instruction 5010.40, "Managers' Internal Control Program Procedures," May 30, 2013.

Finding

CJTF-OIR Paid \$116 Million More Than Necessary for Camp Taji Base Life Support Services

For the Camp Taji BLS contracts, CJTF-OIR did not define all DoD and Army specific requirements for BLS services; the 408th CSB and ACC-RI each awarded contracts that caused CJTF-OIR to pay for services, such as dining facility services and food and water supply, that it did not use; and CJTF-OIR's contract oversight personnel did not verify the accuracy of the contractor's invoices. Specifically:

- CJTF-OIR did not ensure the contract required the contractor to comply with DoD and Army regulations related to five BLS services, including regulations that required the Army to purchase food from the DLA and to use incinerators to dispose of solid waste. This occurred because CJTF-OIR accepted the BLS services the contractor provided to its commercial customers, such as allowing the contractor to provide food and water from its own supply chain, rather than requiring the contractor to comply with DoD-specific requirements for purchasing food and water supply from the DLA.
- 408th CSB and ACC-RI contracting officials awarded the Camp Taji BLS contracts with a pricing structure that paid the contractor based on Camp Taji's daily population; however, the daily population included personnel who were not actually on base, causing CJTF-OIR to pay for services it did not use. This occurred because the 408th CSB and ACC-RI contracting officials accepted the daily, per-person pricing structure designed by the contractor and allowed the contractor to charge full price for personnel who were assigned to Camp Taji, but not present.
- CJTF-OIR contract oversight officials acknowledged they relied on contractor population counts and did not know whether they were paying for support for the correct number of personnel. This occurred because 408th CSB and ACC-RI contracting officials did not define who was responsible for determining the daily population in the contracts and CJTF-OIR stated that the contractor had the most accurate method for counting personnel on base.

As a result of poorly defined contract requirements, inadequate pricing structure, and lack of invoice oversight since July 2015, CJTF-OIR wasted at least \$116 million on the Camp Taji BLS contracts. Specifically, CJTF-OIR wasted at least:

- \$36 million on BLS services for personnel on leave or temporary duty status and therefore not present at Camp Taji; and

- \$80 million on food and water by not requiring the contractor to comply with Army requirements for purchasing food from the DLA.

Furthermore, in the absence of a contract requirement to dispose of solid waste in accordance with DoD regulations, the contractor continued to use its commercially available, and Government of Iraq-approved, solid waste disposal method of dumping solid waste at a site in the Camp Taji Amber Zone, which the Iraqis would later burn. This solid waste disposal method may have contributed to the exposure of U.S. and Coalition personnel to potential long-term health effects from the burn pit smoke.

CJTF-OIR and the Army Did Not Effectively Plan for or Provide Complete Oversight of the Camp Taji BLS Contracts

For the Camp Taji BLS contracts, CJTF-OIR did not define all DoD and Army specific requirements for BLS services, and the 408th CSB and ACC-RI each awarded contracts that placed CJTF-OIR at high risk of paying for services it did not use. In addition, the 408th CSB and ACC-RI contracting officials agreed to a pricing structure that paid the contractor based on Camp Taji's daily population, which included personnel who were not actually on base. Furthermore, CJTF-OIR contract oversight personnel did not verify the accuracy of the contractor's invoices for BLS services before approving the payments.

CJTF-OIR Did Not Incorporate DoD and Army Regulations

CJTF-OIR, the requiring activity, did not ensure that the contract required the contractor to comply with DoD and Army regulations related to five BLS services. According to Army Regulation 70-13, the requiring activity is responsible for identifying and defining requirements that are within the mission of the agency to ensure that the requirements are actionable and produce measurable outcomes throughout contract performance.²¹ However, in the PWS, CJTF-OIR did not include existing DoD and Army requirements for purchasing food and water, solid waste disposal, or additional requirements related to BLS services such as pest management, waste water disposal, and fire response services.

~~(FOUO)~~ Specifically, Army Regulation 30-22 and Army Techniques Publication 4-41 define the authorized dollar value to feed military personnel and other diners for three meals per day and require all Army dining facilities to order all food and water through the DLA. The Army can comply with these two requirements by using AFMIS, a computer-based system that the Army dining facility managers use to order food through the DLA at the authorized basic daily food allowance. However, from July 2015 until May 2019, the Camp Taji BLS contracts required that

²¹ Army Regulation 70-13, "Management and Oversight of Service Acquisitions," July 30, 2010.

(FOUO) the contractor purchase food from “CENTCOM-approved sources” and included a provision to pay the contractor a daily, per-person rate for food and water.²² Since July 2016, the rate established in the contract for 3,500 or more personnel varied between [REDACTED] per person, per day. In comparison, during the same time, the DoD’s basic daily food allowance for Iraq never exceeded \$14.35. The basic daily food allowance is established by the DoD’s Joint Culinary Center of Excellence and is the cost CJTF-OIR would have incurred if it had required the contractor to comply with Army Regulation 30-22 and Army Techniques Publication 4-41, and implemented the use of AFMIS. In May 2019, the PCO modified the current Camp Taji BLS contract to implement the requirement for the contractor to use AFMIS and to remove the contract line item that paid the contractor a per-person price for food and bottled water. Based on the provisional prices CJTF-OIR paid for food and water, this contract modification resulted in a savings of approximately \$7 million per month for CJTF-OIR. However CJTF-OIR did not incorporate these requirements in the PWS until May 2019; therefore, CJTF-OIR paid at least [REDACTED] the basic daily food allowance for food and bottled water for nearly 4 years. To illustrate the cost of not requiring the contractor to purchase food from the DLA, we selected a 6-month period and compared the actual prices CJTF-OIR paid and the price available by using AFMIS and determined that for this period CJTF-OIR wasted \$19.6 million. Table 2 compares the actual prices CJTF-OIR paid for food for 6 months, from October 2018 to March 2019, with the price available by using AFMIS.

(FOUO) Table 2. 6-Month Example of a Comparison Between the Price CJTF-OIR Paid for Food and the Price Available by Using AFMIS

(FOUO) Billing Period	Monthly Population*	Contracted Price Per Occupant	Actual Price Paid	Basic Daily Food Allowance	Price Available Using AFMIS	Waste
October 2018	[REDACTED]	[REDACTED]	[REDACTED]	\$14.25	[REDACTED]	\$1,649,446
November 2018	[REDACTED]	[REDACTED]	[REDACTED]	\$14.26	[REDACTED]	\$397,014
December 2018	[REDACTED]	[REDACTED]	[REDACTED]	\$14.27	[REDACTED]	\$1,674,432
January 2019	[REDACTED]	[REDACTED]	[REDACTED]	\$14.28	[REDACTED]	\$5,952,945
February 2019	[REDACTED]	[REDACTED]	[REDACTED]	\$14.30	[REDACTED]	\$5,424,951
March 2019	[REDACTED]	[REDACTED]	[REDACTED]	\$14.31	[REDACTED]	\$4,530,090
6 Month Total			[REDACTED]		[REDACTED]	\$19,628,878 (FOUO)

*The Monthly Population column shows the sum of the daily population for each day in the calendar month displayed.

Source: The DoD OIG.

²² USCENTCOM-approved sources are food establishments in the USCENTCOM area of responsibility that were inspected by DoD Veterinary Services organizations for sanitation to determine whether they are safe sources of food for the Armed Forces. The DLA is also required to purchase food through USCENTCOM-approved sources.

In addition, CJTF-OIR did not establish a contract requirement for the contractor to dispose of solid waste in accordance with DoD and U.S. Central Command (USCENTCOM) environmental guidance. DoD Instruction 4715.19:

- defines open air burn pits as an area that is designated for disposing of solid waste by burning in the outdoor air;
- prohibits the disposal of waste in open-air burn pits during contingency operations, except when no alternative disposal method is possible; and
- for open-air burn pits not owned or operated by the DoD the Instruction requires, combatant commands to work with stakeholders to meet the Instruction's requirements.²³

Similarly, USCENTCOM Contingency Regulation 200-2, "Environmental Standards," states that burn pits create health issues and should be terminated as soon as practical in order to protect the life, health, and safety of personnel.²⁴ USCENTCOM Contingency Regulation 200-2 also requires base camps to implement a solid waste strategy to reduce solid waste burning. CJTF-OIR provided draft PWS documents showing that CJTF-OIR considered adding solid waste incineration requirements in 2018; however, these requirements are not currently included the Camp Taji BLS contracts.

According to the PWS, the contractor must dispose of solid waste in accordance with host nation rules and regulations. The Task Force Essayons Chief of Environmental Programs and COR for the solid waste disposal services explained that the contractor dumped the solid waste in the Amber Zone.²⁵ CJTF-OIR staff provided a letter, dated October 2, 2018, from the Iraqi site commander that directed the Camp Taji contractor to dispose of solid waste in a landfill in the Amber Zone; multiple BOS-I officials stated that the Iraqis later burned the waste. In addition, we reviewed memorandums prepared by the BOS-I and his staff showing that the Camp Taji BOS-I considered the solid waste dumping site a burn pit. Therefore, we consider the solid waste dumping site an open-air burn pit as defined in DoD Instruction 4715.19. Because CJTF-OIR does not exercise primary control of the burn pit in the Amber Zone, DoD Instruction 4715.19 states that the commands should coordinate with partners to meet the Instruction's intent. Even though the PWS includes the requirement for waste to be disposed of in accordance with host nation rules, the DoD requirement to avoid burning waste except when

²³ DoD Instruction 4715.19, "Use of Open-Air Burn Pits in Contingency Operations," November 13, 2018. Since February 2019, there were incinerators at Camp Taji; according to BOS-I officials, they are not currently in use. We did not determine whether an alternate method of waste disposal, such as using incinerators, was available to Camp Taji for the initial BLS contract.

²⁴ USCENTCOM Regulation 200-2, "Environmental Quality: Central Command Contingency Environmental Guidance."

²⁵ Task Force Essayons, under the U.S. Army Corps of Engineers, provides environmental and contracting support to CJTF-OIR. The Task Force Essayons Environmental Program provides technical support, advice, and guidance to the Camp Taji BOS-I.

no alternative exists is a stricter requirement designed to minimize health risks to U.S. and Coalition personnel. The Camp Taji BOS-I provided documentation from 2017, 2018, and 2019 showing that the BOS-I initiated requests for funding from CJTF-OIR to install and operate incinerators in order to comply with USCENTCOM Contingency Regulation 200-2, which requires that burn pits stop being used after 90 days and once over 100 U.S. personnel are on site. However, CJTF-OIR was unable to provide an explanation for why the project to install incinerators was canceled. Since February 2019, CJTF-OIR had incinerators available at Camp Taji that, if installed, would have allowed CJTF-OIR to modify the Camp Taji BLS contract for disposal of solid waste in a cleaner manner. In October 2019, CJTF-OIR approved funding for the installation and use of a USCENTCOM-compliant incineration plant. According to CJTF-OIR staff, CJTF-OIR will work with the PCO to modify the BLS contract to include incineration plant operation and maintenance. Figure 1 shows burning trash in the Camp Taji Amber Zone where the contractor dumped solid waste.



Figure 1. Camp Taji Amber Zone Solid Waste Dumping Site
Source: U.S. Army Corps of Engineers Task Force Essayons.

Furthermore, we reviewed the PWS for both the previous and current Camp Taji BLS contracts to determine whether the contract's BLS requirements would produce a measureable result and included applicable DoD and Army regulations.²⁶ For example, the Camp Taji PWS states that the contractor must provide comprehensive maintenance services 24 hours a day, 7 days a week. The 24 hours a day, 7 days a week requirement is measurable, but "comprehensive," is not defined, which leaves the types of maintenance services open to the contractor's

²⁶ Army Regulation 70-13, "Management and Oversight of Service Acquisitions," July 30, 2010, states the requiring activity is responsible for translating contract needs into an actionable requirement that can be well managed and produce measurable outcomes.

interpretation. We found additional examples of PWS requirements that were not specific enough to ensure contractor compliance with applicable DoD and Army requirements for BLS services. Specifically:

- the requirement for pest management did not require the contractor to comply with Army Regulation 200-1, which includes procedures for the safe handling, application, and disposal of pesticides;²⁷
- the contract requirement for wastewater did not include Army Regulations 200-1 or 420-1, which include procedures for the safe treatment, collection, and disposal of wastewater;²⁸ and
- the contract requirement for fire response did not include DoD Instruction 6055.06, which establishes procedures to create and maintain a comprehensive fire and emergency services program, including guidance on firefighting, emergency dispatch services, fire prevention, and disaster preparedness.²⁹ In addition, the requirement for fire response did not include Army Regulation 420-1, which provides instruction for the contractor to develop an inspection plan and provide written reports of the inspections, evacuation plans, and fire safety trainings.

In each of these additional examples, we did not identify any impacts to CJTF-OIR, Coalition, or Iraqi personnel related to the requirements omissions. However, in each instance, the contract did not provide terms and conditions requiring the contractor to comply with the DoD or Army regulations related to the corresponding service.

408th CSB and ACC-RI Contracting Officials Awarded Contracts With a Commercial Pricing Structure

The 408th CSB contracting officials agreed to a pricing structure that paid the contractor based on Camp Taji's daily population; however, the daily population included personnel who were not actually on base. Additionally, ACC-RI contracting officials extended these terms under the current Camp Taji BLS contract through award of a UCA. The FAR states that contracting officers are responsible for safeguarding the interests of the Government in its contractual relationships. In addition, DoD guidance on contract types states that the contract type and negotiated pricing should result in a reasonable degree and balance of risk between the Government and the contractor while also providing the contractor with the greatest incentive for efficient and economical performance.³⁰ However, the PCOs

²⁷ Army Regulation 200-1, "Environmental Protection and Enhancement," December 13, 2007.

²⁸ Army Regulation 420-1, "Army Facilities Management," August 24, 2012.

²⁹ DoD Instruction 6055.06, "DoD Fire and Emergency Services Program," August 31, 2018.

³⁰ FAR Part 1, "Federal Acquisition Regulations System," Subpart 1.6, "Career Development, Contracting Authority, and Responsibilities," Section 1.602, "Contracting Officers," Subsection 1-602-2, "Responsibilities." Office of the Under Secretary of Defense Acquisition and Sustainment, "Guidance on Using Incentive and Other Contract Types," March 2016.

for both the initial contract and the UCA awarded the Camp Taji BLS contracts as a firm-fixed price based on a per-person price. As a result, CJTF-OIR paid for services it did not use. Table 3 illustrates an example of how the contractor determines the daily cost of BLS services using the pricing structure of the contract.

~~(FOUO)~~ Table 3. Example of the Contractor's Cost Computation Using the Contract's Daily Price for Camp Taji BLS Services

(FOUO) Billing Date	Contractor-Determined Daily Population	Population Band Awarded	Negotiated Per Person Price	Daily Total for BLS
April 8, 2019	████	████████	████	\$371,587
April 9, 2019	████	████████	████	\$330,246
2-Day Total				\$701,833 (FOUO)

Source: The DoD OIG.

The Camp Taji BLS contracts established pricing at various population levels to support variations in the number of personnel requiring BLS services, but the contracts did not define population; in particular, exclusions to the population. Therefore, we estimated that the pricing structure of the Camp Taji BLS contracts allowed the contractor to charge \$36 million for services that CJTF-OIR did not receive.

To estimate the \$36 million, we reviewed the Camp Taji BOS-I's daily occupancy reports, between April 2018 and June 2019, and determined that Camp Taji's daily population averaged 2,793 people. Using the BOS-I's population reports, we also determined that over the same time, on average, 267 of the 2,793 people (approximately 9 percent) were assigned to—but not physically located—at Camp Taji each day.³¹ However, these 267 people were still included in each day's population count, which the contractor used to determine the monthly price of services, and CJTF-OIR paid the contractor as though these people were on base and using BLS services.³² When we asked the Camp Taji BLS contracting officials about this pricing structure, they explained that if a person was on temporary duty or leave but still maintained a room, the contractor could not give that room to another person, and therefore the daily rate was justified.

³¹ April 2018 was the first month the Camp Taji BOS-I began to include personnel on temporary duty in its daily occupancy tracker.

³² Reasons personnel may be assigned to, but not present at Camp Taji include taking mid-tour leave or traveling on temporary duty to another base.

We spoke to multiple CJTF-OIR contract oversight officials who incorrectly stated that the Camp Taji BLS contract was priced “per bed.” However, Camp Taji is not a hotel, CJTF-OIR required 45 contracted services, and when a person was included in the daily population count but not physically present, CJTF-OIR paid for the lodging service, plus services that the person did not use during his or her absence from Camp Taji. For example, CJTF-OIR paid a full price for dining facility services and food for people who were not on base and could not possibly eat in the dining facility. We agree that paying the contractor for the cost of fixed services, such as security, would have been appropriate. However, the contract did not have a provision to pay a reduced rate for personnel not on base.

CJTF-OIR Did Not Verify Accuracy of Contractor’s Invoices

CJTF-OIR’s invoice inspector did not verify the accuracy of the contractor’s invoices and instead relied on the contractor’s data to verify the population at Camp Taji. The pricing structure of the Camp Taji BLS contracts required tracking of base personnel to ensure payment in accordance with the contract. Therefore, the Camp Taji BOS-I assigned an invoice inspector who was responsible for determining that the contractor was charging for the correct number of personnel before the PCO authorized payment to the contractor. According to the invoice inspector, the contractor determined Camp Taji’s population, and therefore the daily cost of BLS services, by counting the number of beds that were assigned to CJTF-OIR and Coalition personnel. The invoice inspector stated that the contractor used a spreadsheet to track the name and organization of each individual assigned a bed on Camp Taji, and that the total number of assigned beds on a given day is the same number of personnel for which the CJTF-OIR would pay. However, we compared a nonstatistical sample of occupied beds from the contractor’s database for 5 days in July 2019 to the invoices for the same day and in all 5 days the contractor charged for more personnel than were reported in the lodging database. Therefore, the method the BOS-I invoice inspector used to verify the Camp Taji population was inaccurate and did not ensure CJTF-OIR paid for the correct number of people. Table 4 compares the contractor-calculated daily occupancy for the 5 sampled days in July 2019 to the population included on the invoice for the same days.

Table 4. Discrepancies Between the Contractor’s Billeting Database and the Population Reported on the Camp Taji Invoice

Date	Population Reported On Invoice	Population in the Contractor’s Billeting Database
July 1, 2019	3,072	3,039
July 10, 2019	3,126	3,086
July 18, 2019	3,147	3,095

Table 4. Discrepancies Between the Contractor's Billeting Database and the Population Reported on the Camp Taji Invoice (cont'd)

Date	Population Reported On Invoice	Population in the Contractor's Billeting Database
July 20, 2019	3,162	3,116
July 30, 2019	3,149	3,109

Source: The DoD OIG.³³

CJTF-OIR and the Army Contracting Officials Accepted Sole-Source Contractor's Terms

CJTF-OIR did not define contract requirements because CJTF-OIR officials accepted the BLS services the contractor provided to its commercial customers, rather than requiring the contractor to comply with DoD-specific requirements. In addition, the 408th CSB and ACC-RI each awarded contracts with pricing based on daily population because the 408th CSB and ACC-RI officials did not include a reduced contract price for personnel who were assigned, but not physically present at Camp Taji. Furthermore, CJTF-OIR contract oversight personnel did not verify the accuracy of the contractor's invoices because 408th CSB and ACC-RI officials did not define who was responsible for determining the daily population in the contracts and CJTF-OIR stated the contractor had the best method for counting personnel on base.

CJTF-OIR Accepted the Contractor's Commercial Services Instead of Defining Contract Requirements

CJTF-OIR officials accepted the BLS services the contractor was already providing to its commercial customers instead of defining DoD-specific requirements for BLS. For example, in the initial contract's acquisition strategy, officials at the 408th CSB explained that the contractor had existing and reliable sources of food and bottled water; therefore, CJTF-OIR officials did not incorporate Army requirements for the contractor to use AFMIS. Additionally, the current PWS contains requirements for solid waste disposal and fire protection services with language that is nearly identical to the solid waste disposal and fire protection services the contractor was providing to a commercial client in 2014. Neither of these requirements required the contractor to comply with DoD and Army-specific regulations related to waste disposal and fire protection. This shows that CJTF-OIR officials accepted commercial services already in place and did not further develop the

³³ During our audit we did not determine whether the contractor willfully misrepresented the Camp Taji population in these 5 instances as that determination is beyond the scope of this audit. However, we did refer our findings to Defense Criminal Investigative Service in order for Defense Criminal Investigative Service to determine if further investigation is warranted.

PWS to incorporate DoD and Army requirements. Therefore, the requirements of the contracts did not ensure that the contractor provided BLS services in accordance with DoD and Army regulations. As the requiring activity, CJTF-OIR is responsible for identifying and defining requirements in the PWS to ensure that the requirements are actionable and produce measurable outcomes throughout the contract performance within the appropriate DoD and Army-specific regulations. To ensure that the Camp Taji BLS contract requires the contractor to comply with all applicable DoD and Army regulations, CJTF-OIR, in conjunction with the Camp Taji BOS-I, should review the performance work statement to determine whether additional DoD and Army requirements should be included. If, based on that review, the CJTF-OIR staff determines that additional requirements should be added to the PWS, the BOS-I should use the results of the review to coordinate with the PCO to include any additional requirements in the performance work statement.

Camp Taji BLS Contract Awarded With Terms Not Typically Found in BLS Contracts

The 408th CSB awarded the initial Camp Taji BLS contract with a pricing structure that paid the contractor for BLS services based on Camp Taji's population and allowed the contractor to charge full price for personnel who were assigned to but not present on Camp Taji. The contract's pricing structure was awarded based on Camp Taji's population because 408th CSB contracting officials accepted the per-person pricing structure designed by the contractor and allowed the contractor to charge full price for personnel who were assigned to Camp Taji but not present. We reviewed market research documents available in the initial contract file and determined that the contractor used a fixed, per-person price for its commercial clients, which mimics the pricing structure of the Camp Taji BLS contracts. In addition, we reviewed four other BLS contracts for DoD contingency bases in Iraq, Afghanistan, Kuwait, and Qatar and did not find another instance of contract pricing based solely on population.³⁴ After the initial contract ended, ACC-RI awarded a UCA that included terms similar to the initial Camp Taji BLS contract. According to contract planning documents, the UCA was necessary to ensure continuity of services while final contract negotiations continued. The ACC-RI Branch Chief for the Camp Taji BLS contract stated that he had not seen a BLS contract with firm-fixed pricing based on population in his 38-year career. Therefore, we concluded that the provision in the Camp Taji BLS contracts to pay a firm-fixed price based on population was designed by the contractor rather than the PCO because it is not typical of BLS contracts at a contingency base.

³⁴ Report No. DODIG-2018-119, "DoD Oversight of Logistics Civil Augmentation Program in Afghanistan Invoice Review and Payment," May 11, 2018. Report No. DODIG-2017-062, "The Army Did Not Effectively Monitor Contractor Performance for the Kuwait Base Operations and Security Support Services Contract," March 7, 2017.

Report No. DODIG-2016-004, "Army Needs to Improve Contract Oversight for the Logistics Civil Augmentation Program's Task Orders," October 28, 2015. Report No. DODIG-2015-075, "Controls Over the Air Force Contract Augmentation Program Payment Process Need Improvement," January 28, 2015.

In addition, DoD guidance on contract types states that the contract type and negotiated pricing should result in a reasonable degree and balance of risk between the Government and the contractor while also providing the contractor with the greatest incentive for efficient and economical performance. However, the 408th CSB and ACC-RI did not include reduced pricing for personnel not present at Camp Taji in the BLS contracts, which would have reduced CJTF-OIR's risk of paying for BLS services not consumed. For example, the 408th CSB and ACC-RI could have included reduced pricing for personnel who maintained a room, but were absent from Camp Taji, and therefore not using all the BLS services available on the contract. The current Camp Taji PCO stated that he would have preferred to award the Camp Taji BLS contract as a cost-type contract. However, the contractor did not have an adequate accounting system, which is a factor in negotiating and selecting a contract type other than firm-fixed price.³⁵ An adequate accounting system would have given the PCO the option to award a cost-type contract, rather than a firm-fixed price contract, if he determined such a contract type was in the DoD's best interest.

Firm-fixed-price contracts seek to transfer contract cost risk to the contractor by providing maximum incentive for the contractor to control costs and perform in accordance with contract terms; however, it is incumbent upon the Government to ensure that the contract terms are clearly defined. In addition, firm-fixed-price contracts impose less of a contract administration burden for the contracting parties than they might experience on a cost-type contract. Although the Camp Taji BLS contract was awarded as firm-fixed price, the overall cost is contingent upon a daily changing, per-person price based on the daily population, and the PCO did not incorporate pricing for personnel not on base on a given day. Therefore, the DoD's perceived benefit to control costs by awarding a firm-fixed-price contract were lessened by the per-person price structure of the Camp Taji BLS contract and lack of clearly defined pricing for personnel assigned to but not present at Camp Taji. For example, extensive tracking of base population was necessary to ensure correct payment, which placed greater administrative burden and risk of overpayment on CJTF-OIR, rather than balancing the cost risk between the contracting parties, which is the opposite of the intent of firm-fixed price contracts. To ensure that CJTF-OIR pays only for the services it uses, the PCO should conduct a cost analysis of the Camp Taji BLS pricing in accordance with FAR Subpart 15.4, "Contract Pricing," and use the results of that cost analysis to include a reduced price for personnel not physically present on Camp Taji on a given day and ensure the award results in fair and reasonable prices at the best value to the Government.

³⁵ FAR Part 16, "Types of Contracts," Subpart 16.1, "Selecting Contract Types," Section 16.104, "Factors in Selecting Contract Types."

BOS-I Accepted Contractor's Method for Daily Population

The Camp Taji BOS-I, CJTF-OIR's personnel responsible for contract oversight, did not verify the accuracy of the contractor's invoices because, according to CJTF-OIR contract oversight officials, the contractor had the best method for determining daily population. When we asked the BOS-I's invoice inspector how he determined that the population reported on the invoices was accurate, he stated that he relied on the contractor to determine how many rooms were occupied because that was the best method. Specifically, he stated that CJTF-OIR paid for the Camp Taji BLS contract per the number of rooms that were occupied and that there was no better way to determine how many rooms were occupied than to use the contractor's database. However, the CJTF-OIR personnel office located at Camp Arifjan, Kuwait, compiled a daily personnel status report that tracked the location of all personnel under CJTF-OIR command. As of July 2019, the Camp Taji BOS-I invoice oversight personnel did not use the CJTF-OIR personnel status report to determine population.³⁶ Furthermore, according to multiple officials at ACC-RI and the BOS-I, CJTF-OIR did not have reliable methods in place at Camp Taji to accurately count Camp Taji's population. For example, CJTF-OIR does not require personnel who arrive or depart Camp Taji to scan their common access cards as a record of their movement. In addition, neither the initial nor the current Camp Taji BLS contract defined what groups should be included in the daily population. Furthermore, the contract did not establish billing instructions, such as a method for determining what personnel should be included in the daily population count, that the invoice inspector could have relied on to develop quality control checks. Finally, the BOS-I is a rotational Army Reserve unit, and the BOS-I Officer in Charge during our site visit to Camp Taji in July 2019 stated that when he arrived at Camp Taji, there were no standard operating procedures for his staff to follow. He stated that all he received for continuity purposes were three policy letters, none of which referred to best practices for services or financial oversight. Therefore, CJTF-OIR did not know whether it was paying for the correct number of personnel. To improve oversight of the Camp Taji BLS contract's invoices, the BOS-I should use the CJTF-OIR personnel status reports for its daily occupancy tracker to ensure that CJTF-OIR is paying for the correct number of personnel and use common access card readers to track personnel who enter or depart Camp Taji. Finally, the BOS-I should include steps in the QASP or standard operating procedures to ensure that staff members with responsibilities related to the contractor population are coordinating to determine whether CJTF-OIR is paying for the correct number of personnel before telling the PCO that the invoice is correct.

³⁶ We obtained a nonstatistical sample of the CJTF-OIR personnel status reports; however, they are classified, and we determined that the information they contained did not impact our findings; therefore, we are not including the results of our analysis in this report.

CJTF-OIR Paid \$116 Million More Than Necessary For BLS Services

As a result of poorly defined contract requirements, inadequate pricing structure, and lack of invoice oversight since July 2015, CJTF-OIR paid at least \$116 million more on the Camp Taji BLS contracts than was necessary and potentially contributed to the exposure of U.S. and Coalition personnel to dangerous toxins from burn pit smoke. We estimate that CJTF-OIR could realize approximately \$43 million in funds put to better use through the end of the contract in December 2023 by modifying the Camp Taji BLS contract to exclude payment for personnel who are assigned to Camp Taji but are not physically present. See Appendix A for how we calculated waste and Appendix B for more information on potential funds put to better use.

CJTF-OIR Paid For BLS Services It Did Not Receive

As a result of ACC-RI not establishing contract terms to prohibit payment for personnel absent from Camp Taji, we estimate CJTF-OIR paid \$36 million on BLS services for personnel on leave or temporary duty status and therefore not consuming services at Camp Taji between July 2015 and December 2018.³⁷ Table 5 summarizes the amount, per year, we estimate CJTF-OIR paid full price for personnel who were included in the population count, but were not present at Camp Taji.

~~(FOUO)~~ Table 5. Yearly Cost the CJTF-OIR Paid For Personnel Not Physically Present at Camp Taji

(FOUO) Year	Personnel on Leave or Temporary Duty From Camp Taji ¹	Negotiated Per Person Price ²	Yearly Cost of Paying Full Price for Personnel Not Present
2018			\$12.7 million
2017			\$10.8 million
2016			\$9.4 million
2015			\$3.5 million
Total			\$36.4 million (FOUO)

¹ This column includes our estimated number of personnel assigned to, but not physically present at Camp Taji on a billing day due to approved leave or temporary duty at another camp for whom CJTF-OIR paid full price, even though they were not consuming BLS services at Camp Taji on a billing day.

² Includes the negotiated rate for BLS services and food.

Source: The DoD OIG.

³⁷ We did not include estimates for 2019 in our calculation of payment for personnel not present at Camp Taji because the contract was not definitized.

The BOS-I knew the pricing structure included a daily population of personnel assigned housing but not present on base and continued to pay for additional contract services those personnel did not receive. For example, the PCO discussed establishing a pricing structure incorporating a reduced rate for personnel on leave or temporary duty status with the previous BOS-I. However, the previous BOS-I ultimately determined that it was not an issue that warranted further review for contract negotiation. This allowed the contractor to continually charge for services, such as food and utilities, for personnel absent from Camp Taji.

CJTF-OIR Wasted At Least \$80 Million for Camp Taji Food Supply

CJTF-OIR wasted at least \$80 million on food and water by not requiring the contractor to comply with Army requirements for using AFMIS. According to the generally accepted government auditing standards, waste is the act of using or expending resources carelessly, extravagantly, or ineffectively. Waste includes making procurement or vendor selections that do not comply with existing policies or are unnecessarily expensive.³⁸ We determined that CJTF-OIR carelessly used Government resources by not requiring the contractor to order food in accordance with existing Army requirements, which resulted in excessive costs for food and bottled water. We calculated the total cost for food and bottled water on the Camp Taji BLS contracts from July 2015 until May 2019, and then recreated the cost using historical basic daily food allowance prices. We found that CJTF-OIR paid the Camp Taji BLS contractor approximately \$126 million for food and bottled water during this time. However, had CJTF-OIR required the contractor to order its food and water supply using AFMIS, CJTF-OIR could have paid approximately \$45 million based on the basic daily food allowance prices.

Furthermore, according to CJTF-OIR's Command Inspector General, not requiring the contractor to use AFMIS resulted in poor food quality. Specifically, he stated that a February 2019 inspection by Veterinary Services found that:³⁹

- the contractor had 14 items that were not purchased from USCENTCOM-approved sources in its warehouse; and
- multiple items, such as ice cream, yogurt, sour cream, and mozzarella cheese were expired by 5 months to 1 year.

Moreover, according to the Veterinary Services officer in charge of food safety inspections, she did not conduct, and did not believe her predecessor conducted, inspections of food deliveries and food storage facilities because, according to the

³⁸ Government Accountability Office, "Government Auditing Standards," July 2018.

³⁹ The 719th Medical Detachment Veterinary Services performs surveillance inspections of food and food storage in dining facilities to verify whether food products are safe and meet quality standards.

contractor, the food belonged to them until it was prepared. Before our audit, the ACO and QAS initiated nonconformance reports to the contractor for multiple instances of not meeting contract requirements, including failing to purchase food from approved sources, providing sandwiches with mold on the bread at the “Grab & Go,” and serving improperly cooked chicken at the dining facility.⁴⁰ Figure 2 shows the raw chicken served at the dining facility which prompted one nonconformance report.



Figure 2. Nonconformance Report Photo of Raw Chicken Served at the Camp Taji Dining Facility
Source: The 408th CSB.

CJTF-OIR Personnel Exposed to Open Burn Pits

CJTF-OIR did not ensure that the PWS included a contract requirement for the contractor to dispose of solid waste in accordance with USCENTCOM environmental guidance. Instead, CJTF-OIR accepted the contractor’s commercial solid waste disposal method of dumping solid waste in the Camp Taji Amber Zone, which the Iraqi Army would later burn. According to a former BOS-I, the burning trash and waste site in the Amber Zone exposed Camp Taji to toxic smoke and diseased animals. Furthermore, the waste dumped included plastic containers, which are among items expressly prohibited from burning by DoD Instruction 4715.19.

According to the Department of Veterans Affairs website:

toxins in burn pit smoke may affect the skin, eyes, respiratory and cardiovascular systems, gastrointestinal tract and internal organs. Veterans who were closer to burn pit smoke or exposed for longer periods may be at greater risk. Health effects depend on a number

⁴⁰ The “Grab & Go” is a facility that operates during limited hours when the dining facility is closed; it provides items such as juice, coffee, soda, pre-made sandwiches, and snack items such as granola bars and cookies.

of other factors, such as the kind of waste being burned and wind direction. Most of the irritation is temporary and resolves once the exposure is gone. This includes eye irritation and burning, coughing and throat irritation, breathing difficulties, and skin itching and rashing.

Similarly, the Office of the Under Secretary of Defense for Acquisition and Sustainment acknowledged the dangers of burning solid waste in its April 2019 Open Burn Pit Report to Congress. In addition, the report affirms the DoD's policy to avoid burning solid waste unless there is no feasible alternative.⁴¹

By failing to require the contractor to comply with DoD and Army regulations related to food supply and solid waste disposal, CJTF-OIR wasted more than \$80 million in taxpayer funds and may have contributed to the exposure of U.S. and Coalition personnel to potential long-term health effects from burn pit smoke. Therefore, the CJTF-OIR Commander should review the actions and capabilities of the logistics officials responsible for Camp Taji BLS requirements development. Based on that review, the Commander should take appropriate action, if warranted, to hold the necessary officials accountable or to improve generation of future contract requirements.

Management Actions Taken

In May 2019, ACC-RI and CJTF-OIR initiated actions to address weaknesses in the Camp Taji BLS contract's requirements, pricing, and oversight. Specifically, CJTF-OIR and the ACO updated the PWS to include a requirement that the contractor begin to use AFMIS in accordance with Army Regulation 30-22, and the PCO modified the contract to include this new requirement and to remove the contract line item that paid the contractor a per-person price for food and bottled water. Based on the provisional prices CJTF-OIR was paying for food and water, this contract modification resulted in a savings of approximately \$7 million per month for CJTF-OIR. Furthermore, the Task Force Essayons Environmental Program manager stated that he identified several unused incinerators that were located at other CJTF-OIR bases throughout Iraq, and CJTF-OIR arranged to have the incinerators transferred to Camp Taji. In October 2019, CJTF-OIR approved funding to install and operate incinerators at Camp Taji and is coordinating with the contracting office to update the PWS to require the contractor to dispose of solid waste in the incinerators.

⁴¹ Office of the Under Secretary of Defense for Acquisition and Sustainment, "Open Burn Pit Report To Congress," April 2019. This report does not include Camp Taji among nine contingency bases in the U.S. Central Command Area of Responsibility with open burn pits.

Furthermore, ACC-RI awarded the current Camp Taji contract as a non-commercial items contract in accordance with FAR Part 15, "Contracting by Negotiation." The 408th CSB awarded the initial Camp Taji BLS contract as a commercial contract, under which determining a fair and reasonable price can be challenging. The current contract award requires the contractor to submit certified cost or pricing data to the contracting officer so the contracting officer can determine that the negotiated contract price is fair and reasonable. Additionally, in accordance with the United States Code and the FAR, the contractor is required to submit a certificate, certifying that to the best of its knowledge, the cost or pricing data submitted is accurate, complete, and current as of the date of agreement.⁴² Therefore, ACC-RI improved its ability to negotiate a fair and reasonable price for services at Camp Taji. Furthermore, to increase oversight and ensure greater contractor compliance with PWS requirements, the Camp Taji BOS-I:

- increased the number of CORs the predecessor unit provided to oversee the Camp Taji BLS contract from 9 to 19, which allowed for more intensive scrutiny of individual contract requirements; and
- assigned an Army-trained food services specialist to oversee the dining facility PWS requirement, which was an improvement over the predecessor unit, which, according to the Camp Taji BOS-I, provided a COR who did not have experience in food services.

Finally, the CJTF-OIR Command Inspector General, after identifying concerns with oversight and contractor performance, contacted the DoD Office of Inspector General and requested that we audit the Camp Taji BLS contract, which resulted in this audit report.

Management Comments on the Finding and Our Response

Executive Deputy to the Army Materiel Command Commanding General Comments

The Executive Deputy to the AMC Commanding General, responding for the AMC Commanding General, provided comments on our finding, and endorsed comments on our finding provided by AMC subordinate commands—ACC and ACC-RI.

The Executive Deputy stated that AMC and its subordinate commands did not agree with our characterization of the use of burn pits at Camp Taji and that we failed to explain the limitations the contractor's exclusive work authorization to provide

⁴² Section 2306a, title 10, United States Code, "Cost or Pricing Data: Truth in Negotiations" (2019); Section 3502, Title 41, United States Code, "Required Cost or Pricing Data and Certification" (2019); and FAR Part 15, "Contracting by Negotiation," Subpart 15.4, "Contract Pricing," 15.403, "Obtaining Certified Cost or Pricing Data," 15.403-4, "Requiring Certified Cost or Pricing Data."

BLS services at Camp Taji imposed on the contracting office. Finally, the Executive Deputy expressed concern that our report, if not adjusted, may cause the public and Congress to draw inappropriate conclusions regarding the Army's share of responsibility of the conditions we describe in this report.

Army Contracting Command Commanding General Comments

The ACC Commanding General also stated that he was concerned that our report did not adequately address the negative impact the contractor's exclusive work authorization had on the outcome of the Camp Taji BLS contracts. He elaborated that our report, by stating that CJTF-OIR did not properly define its requirements for solid waste, exposed the DoD to a legal risk by strengthening a potential argument that the contractor is immune from liability against personnel pursuing legal action because of health effects caused by the burn pit smoke. Furthermore, the ACC Commanding General stated that our report would cause a political and unwarranted national security risk by suggesting that the DoD was at fault for exposing Iraqi citizens to burn pit smoke. The Commanding General stated that the exclusive work authorization placed the Army at a significant disadvantage in negotiating the BLS contract's terms and conditions and provided examples of how the contractor's exclusive work authorization limited CJTF-OIR from defining requirements. Specifically, he stated that CJTF-OIR was a tenant on Camp Taji and its solid waste removal was dictated by the contractor and Iraqi authorities. The Commanding General further stated that the contractor did not have a cost accounting system, which made the Army choose between awarding a contract under the contractor's commercial terms, or not awarding a contract at all. The Commanding General provided a list of suggested edits that he believed would more accurately describe the conditions we describe in this report.

Army Contracting Command-Rock Island Executive Director Comments

The ACC-RI Executive Director also provided comments on our findings. The Executive Director stated that we did not accurately describe the contract that ACC-RI awarded as a UCA and that our description of the current Camp Taji BLS contract as "undefinitized" did not precisely describe the UCA that was in place when we conducted our audit. Furthermore, the Executive Director did not agree with our characterization that ACC-RI accepted the contractor's commercial pricing structure. The Executive Director stated that the contracting officer did not agree to the contractor's pricing structure, and awarded the UCA only because there was not sufficient time to award a fully negotiated contract and that ACC-RI's efforts to improve the contract, specifically, to transition food purchasing to the DLA, occurred before we began our audit.

The Executive Director also provided comments regarding the solid waste disposal requirements. The Executive Director stated that the Government of Iraq had not yet approved a site for the incinerator. Furthermore, the Executive Director stated that multiple host nation organizations burn trash near Camp Taji and that updating the PWS to require the contractor to incinerate solid waste will likely not end the practice of burning trash. The Executive Director also stated that our reporting of the cost associated with paying the contractor for personnel who were not physically present at Camp Taji did not consider that there were costs to maintain a room whether not a person was present on base. Finally, the Executive Director was concerned that our reporting of the difference between data reported in the contractor's billeting database implied that the contractor was knowingly inflating costs and that this implication would inflame the contractor and the public.

Our Consolidated Response to the Army Materiel Command and its Subordinate Commands

We disagree with AMC and ACC concerns that our report puts the DoD at increased legal and political risk and that our report creates a risk to U.S. national security. Both the initial and current Camp Taji BLS contracts allow the contractor's commercially available method of dumping solid waste in the Amber Zone. Our report clearly states the Iraqi Army, not the DoD or the contractor, controls burning the trash in the Amber Zone. Also, we acknowledge that a PWS requirement for the contractor to dispose of solid waste in accordance with DoD and USCENTCOM regulations would not prevent the Iraqi Army from continuing to burn their own solid waste in the Amber Zone. However, DoD Instruction 4715.19 requires commanders to work with the stakeholders of burn pits not operated or controlled by the DoD to ensure that policy established in the Instruction to mitigate the use of burn pits is met. The ACC-RI Executive Director commented that the Government of Iraq had not approved of a location to install the incinerators; however, neither ACC nor CJTF-OIR provided evidence to support this statement. In fact, CJTF-OIR staff stated that in October 2019, CJTF-OIR approved funding to install and operate incinerators at Camp Taji and as of January 2020 CJTF-OIR staff is coordinating with the contracting office to update the PWS to require the contractor dispose of solid waste with incinerators.

In addition, we disagree with the ACC Commanding General's statement that the exclusive work authorization placed the Army at a significant disadvantage in negotiating the BLS contract's terms and conditions. The exclusive work authorization designated the contractor as the only contractor authorized to provide service support contracts at Camp Taji and did not define any restrictions on services the Camp Taji BLS contractor could provide. Furthermore, we disagree

that we did not adequately explain the limitations that using a sole source contractor imposed on the contracting officers of both the initial and current Camp Taji contracts. In the Management Actions Taken section of this report, we described multiple actions that ACC-RI and CJTF-OIR took to improve the Camp Taji BLS contracts, including actions that took place before we performed this audit. Those actions included, over the contractor's objections, transitioning to using the DLA for the Camp Taji food supply and awarding the UCA as a non-commercial contract in accordance with FAR Part 15. Furthermore, in response to a draft of this report, ACC-RI provided the final negotiated contract, which does not include a daily, per-person price. ACC-RI took these actions, improving the Camp Taji BLS contracts, despite the exclusive work authorization allowing only one contractor to provide services.

We also disagree with the ACC-RI Executive Director regarding our characterization of the current Camp Taji contract. Specifically, the Executive Director stated, relating to what he perceived as factual inaccuracies, "The common inaccuracy in the fifteen instances is that ACC-RI awarded a UCA, not a contract on [26 DEC 18.]" However, a UCA is a type of contract. According to the FAR:

Contract means a mutually binding legal relationship obligating the seller to furnish the supplies or services (including construction) and the buyer to pay for them. It includes all types of commitments that obligate the Government to an expenditure of appropriated funds and that, except as otherwise authorized, are in writing. In addition to bilateral instruments, contracts include (but are not limited to) awards and notices of awards; job orders or task letters issued under basic ordering agreements; letter contracts; orders, such as purchase orders, under which the contract becomes effective by written acceptance or performance; and bilateral contract modifications.⁴³

In addition, the Executive Director stated that the terms of a UCA do not change from UCA award to definitization. However, the Defense Federal Acquisition Regulation Supplement authorizes changes to the scope of a UCA after performance has begun under the award when the contracting officer can show that modification of the UCA is consistent with good business practices and is in the best interests of the United States.⁴⁴ We agree that we did not provide context of why ACC-RI awarded a UCA. Therefore, we have updated this report to include ACC-RI's assertion that the UCA was necessary to avoid a break in service while it continued negotiations of a final contract. In addition, we explain that the PCO continued a similar pricing structure and accepted the existing PWS in the UCA

⁴³ FAR Part 2, "Definitions of Words and Terms," Subpart 2.101, "Definitions."

⁴⁴ Defense Federal Acquisition Regulation 217, "Special Contracting Methods," 217.74, "Un definitized Contract Actions," 217.7404-1, "Authorization."

as contract negotiations continued. We also agree that there are some costs the contractor would have incurred regardless of whether or not a person assigned to Camp Taji was on base, which we explain in this report. However, our intent in reporting this condition was to demonstrate how quickly costs under this contract could escalate by allowing the contractor to determine the population counts when calculating the daily cost of services.

We did not accept ACC's suggestions for alternate report statements because we do not agree that the exclusive work authorization prevented CJTF-OIR from developing complete requirements. However, we did clarify statements regarding the burn pits where we did not clearly state that the burn pits were Iraqi approved and operated and not under DoD control.

Combined Joint Task Force Operation Inherent Resolve Consolidated Staff Comments

The CJTF-OIR Chief of Staff, responding for the CJTF-OIR Commander, stated that his staff and subordinate elements provided 13 comments and supporting documents to ensure that we accurately reported our findings related to the solid waste dumping site in the Amber Zone and the use of incinerators in the Green Zone of Camp Taji. Appendix C contains CJTF-OIR staff's Comment Resolution Matrix and our response to each comment detailing report revisions where appropriate. The CJTF OIR staff disagreed with our characterization of the solid waste dumping site and stated that we should delete Figure 1 along with the following passage from this report, "...that Iraqis would later burn, which exposed U.S., Coalition, and Iraqi personnel to toxins from the burn pit smoke." Furthermore, the CJTF-OIR staff stated that there are no open-air burn pits at Camp Taji and that the last open air burn pit was closed before U.S. and Coalition forces left Camp Taji in 2010. The CJTF-OIR staff provided an October 2, 2018, signed agreement between the Taji BLS contractor and the Iraqi Commander of the Camp Taji Amber Zone that directed the BLS contractor to dispose of solid waste at the landfill site in the Amber Zone. The CJTF-OIR staff stated that the landfill site is 5,755 and 9,825 feet from the closest U.S. or Coalition work and living locations, respectively. In addition, the CJTF-OIR staff stated that these distances are both in excess of the 2,000 feet from any living, dining, or work areas to prevent or minimize exposures to personnel, and the landfill is downwind of the prevailing wind direction, as required by DoD Instruction 4715.19. Therefore, the CJTF-OIR staff concluded that the landfill did not expose U.S. and Coalition forces to burn

pit toxins. Furthermore, the CJTF-OIR staff stated that the solid waste dumping accumulation site is a host nation landfill site located in the Iraqi-controlled Amber Zone of Camp Taji and therefore is not an open-air burn pit.

Lastly, the CJTF-OIR staff stated that the calculation presented in Table 5 of this report to illustrate the yearly cost CJTF-OIR paid for personnel not physically present at Camp Taji on a given day is overly simplistic. The CJTF-OIR staff explained that the BLS contracts incur costs even when personnel are on temporary duty or leave, such as the cost for the contractor to maintain containerized housing units, provide electricity, and maintain support services such as trash removal, based on the total number of personnel assigned to Camp Taji.

Our Response

CJTF-OIR staff stated that the solid waste dumping site is located within the host nation-controlled area of the base, and there have been no open-air burn pits at Camp Taji since 2010. However, we reviewed multiple BOS-I documents stating that the BOS-I viewed the solid waste dumping site as a burn pit. Furthermore, classification of the host nation landfill as merely a solid waste dumping site as opposed to a host nation-owned and operated open-air burn pit may be misleading, given the possible health risks that burn pits pose to U.S. and Coalition personnel. DoD Instruction 4715.19 defines an open-air burn pit as an area that is designated for disposing of solid waste by burning in the outdoor air at a contingency location and multiple BOS-I officials confirmed that the Iraqis burned the solid waste the Camp Taji BLS contractor dumped at the landfill site. The Instruction further states, “For all other owned or operated open-air burn pits over which DoD does not exercise primary control, Combatant Commands should strive to work with partners and interested parties to meet the purposes of this issuance.” As this report explains, CJTF-OIR officials accepted the Camp Taji BLS contractor’s commercial services already in place and did not further develop the PWS to meet the intent of DoD Instruction 4715.19 or USCENTCOM environmental guidance established to prevent or minimize health and safety concerns developed through prolonged exposure to open-air burn pit smoke. The Camp Taji BLS contractor’s exclusive work authorization agreement with the host nation did not prevent CJTF-OIR from establishing additional requirements for solid waste removal. As the requiring activity, CJTF-OIR is responsible for ensuring that applicable requirements are in the PWS. As explained in this report, CJTF-OIR did not ensure that the PWS included requirements for the contractor to dispose of solid waste

in accordance with DoD and USCENTCOM environmental guidance and instead the PWS required the contractor to dispose of solid waste in accordance with host nation rules and regulations.

We also do not agree with CJTF-OIR's conclusions regarding the exposure of base personnel to burn pit smoke. A BOS-I memorandum from February 2018, addressed to the CJTF-OIR Chief of Staff, requested funding for purchase, installation, and use of incinerators to eliminate dumping of solid waste in the Amber Zone generated by Coalition forces. The memorandum also documented the operational impact if the request was denied:

If this project is not funded, solid waste will continue to be dumped in an area in the Amber Zone that is not designed to be a landfill; refuse will continue to be set on fire with fumes drifting over Taji Military Complex; and disease vectors will continue to thrive there and migrate to the camp green zone generated by coalition forces at Taji Military Complex is presently being dumped in the Amber zone.

In addition, two BOS-I memorandums addressed to the CJTF-OIR Commander in May and October 2019, respectively, included justification for the purchase, installation, and use of incinerators in the Camp Taji Green Zone. This justification stated that if incineration requirements are not approved:

- Camp Taji will continue to operate out of compliance with USCENTCOM Contingency Regulation 200-2 Chapters 8 and 12, which require that burn pits stop being used after 90 days and once over 100 U.S. personnel are on site; and
- solid waste will be dumped in the Amber Zone, and will continue to be disposed of in burn pits, with fumes drifting over Camp Taji. Disease vectors will continue to increase and migrate to the Green Zone.

Finally, we agree that our estimate of the cost of paying for personnel assigned to, but not present at, Camp Taji on a given day did not deduct all costs the contractor may have incurred, whether or not personnel were present. As we explain in Appendix A of this report, we used a lower contracted per-person price than the actual price CJTF-OIR was paying for Camp Taji BLS services. However, the contractor's costs are not the intended focus of our estimate. Our estimate focused on identifying CJTF-OIR's overpayment, which occurred because of flawed pricing structures and unclear requirements in the Camp Taji BLS contracts. The pricing structure and contract requirements allowed the contractor to receive full payment for personnel not present and dictate the Camp's daily population. As we explain in this report, the 408th CSB awarded a contract and ACC-RI awarded a UCA where the overall cost was contingent upon a daily changing, per-person price, and neither PCO incorporated stipulations for personnel not on base on a given day.

We found that between April 2018 and June 2019, CJTF-OIR paid for an average of 267 people per day who were not physically present on Camp Taji. Therefore, we are not adjusting our estimate in this report that CJTF-OIR paid \$36 million on BLS services for personnel on leave or temporary duty status and therefore not consuming services at Camp Taji between July 2015 and December 2018.

Recommendations, Management Comments, and Our Response

Revised Recommendation

As a result of management comments, we revised Recommendations 1.a and 1.b to clarify the nature of the actions needed to resolve the PWS deficiencies that resulted from CJTF-OIR's acceptance of the Camp Taji BLS contractor's commercial services.

Recommendation 1

We recommend that the Commander of Combined Joint Task Force Operation Inherent Resolve:

- a. **Direct his staff to review the performance work statement to determine whether additional DoD and Army requirements should be included. If, based on that review, the Combined Joint Task Force Operation Inherent Resolve staff determines that additional requirements should be added to the PWS, the Base Operations Support-Integrator should use the results of the review to coordinate with the procuring contracting officer to include any additional requirements in the performance work statement.**
- b. **Review the actions and capabilities of the logistics officials responsible for Camp Taji BLS requirements development. Based on that review, the Commander should take appropriate action, if warranted, to hold the necessary officials accountable or to improve the generation of future contract requirements.**

Combined Joint Task Force-Operation Inherent Resolve Chief of Staff Comments

The CJTF-OIR Chief of Staff, responding for the CJTF-OIR Commander, disagreed with Recommendations 1.a and 1.b. Specifically, the Chief of Staff stated that Recommendation 1.a did not align with FAR Part 1 principles requiring participants in the acquisition process to work as a team to make decisions within their area of responsibility and to maximize the use of commercial

products and services.⁴⁵ Furthermore, the Chief of Staff stated that adding all DoD and Army requirements may unnecessarily increase the cost of these types of contracts. Finally, the Chief of Staff suggested that we revise Recommendation 1.a to read, "CJTF-OIR shall review BLS Performance Work Statements to ensure that, at a minimum, commercial standards are utilized to measure contractor performance." The Chief of Staff stated that Recommendation 1.b failed to consider the external circumstances that likely shaped CJTF-OIR's and subordinate units' decisions. The Chief of Staff suggested that we revise Recommendation 1.b to read, "CJTF-OIR review Memorandums For Record and/or Determination and Findings in the contract file to determine circumstances surrounding negotiations and decision-making by the contracting officer and should take appropriate action, if necessary."

Our Response

Comments from the Chief of Staff did not address the specifics of Recommendation 1.a; therefore, this recommendation is unresolved. In our draft report, we did not intend to recommend that CJTF-OIR include all DoD and Army regulations without considering whether those regulations created cost-savings to the Government and enhanced the life, health, and safety of personnel assigned to Camp Taji. Therefore, we revised our recommendation to more specifically state that we are recommending CJTF-OIR update the PWS if it determines that there are DoD and Army regulations that are relevant to Camp Taji but which are not currently defined in the PWS. DoD instructions and Army regulations exist, among other reasons, to enhance the safety of personnel, reduce costs, and to ensure consistency of services. In addition, FAR Part 1 principles state that participants in the acquisition process should work together to satisfy the customer in terms of cost, quality, and timeliness which includes maximizing the use of commercial services where possible. However, we found that CJTF-OIR's reliance on the contractor's commercial services at Camp Taji led to increased cost and poor service. Furthermore, before our audit, CJTF-OIR took appropriate action to correct weaknesses in its commercial PWS requirement to provide dining service by modifying the PWS to require the contractor use AFMIS in accordance with Army Regulation 30-22. This modification resulted in a cost savings of approximately \$7 million per month for CJTF-OIR. We concluded, based on our analysis of the PWS, that there may be additional opportunities for CJTF-OIR to improve its PWS requirements. For example, the PWS requirement for pest management did not require the contractor to comply with Army Regulation 200-1, which includes procedures for the safe handling, application, and disposal of pesticides.

⁴⁵ FAR Part 1, "Federal Acquisition Regulations System," Subpart 1.1, "Purpose, Authority, Issuance," Section 1.102, "Statement of Guiding Principles for the Federal Acquisition System."

We request that the CJTF-OIR Commander reconsider his staff's review of the PWS to include review and revision of commercial practices that may not satisfy CJTF-OIR's need in terms of compliance with DoD and Army regulations designed to create cost savings to the Government and enhance the life, health, and safety of personnel. Therefore, we request the CJTF-OIR Commander provide comments on the final report to address the revised recommendation or propose alternative actions to address the PWS deficiencies that resulted from CJTF-OIR's acceptance of the Camp Taji BLS contractor's commercial services.

In addition, comments from the Chief of Staff did not address the specifics of Recommendation 1.b; therefore, this recommendation is unresolved. We found that weaknesses in the Camp Taji BLS contracts' PWS resulted in CJTF-OIR wasting more than \$80 million on its food supply and may have resulted in unnecessary burning of solid waste. CJTF-OIR is the requiring activity for services at Camp Taji and, according to Army Regulation 70-13, is responsible for identifying and defining its contractual requirements. While our audit identified contracting deficiencies, we did not identify that a specific CJTF-OIR staff member was responsible. Therefore, we revised our recommendation to clarify that, in order to ensure that requirements are fully developed in the future, the Commander should conduct a review to determine the root cause of the omission of pertinent contract requirements that led to an \$80 million waste of funds and unnecessarily subjecting Camp Taji personnel to poor quality food and burn pit smoke. We also recommend, that if the commander determines during his review that an individual is responsible for the contract weaknesses, consideration should be given to holding those individuals accountable. If he determines, based upon his review, that external circumstances prevented a more thoroughly developed PWS, and that his staff should not be held accountable, that is an acceptable outcome for this recommendation. Therefore, we request that the CJTF-OIR Commander provide comments on the final report to reconsider limiting the scope of his review to documents available only within the contract file.

Recommendation 2

We recommend that the Executive Director for Army Contracting Command–Rock Island direct the Camp Taji base life support procuring contracting officer to conduct a cost analysis of the Camp Taji base life support contract in accordance with Federal Acquisition Regulation Subpart 15.4, “Contract Pricing,” and use the results to ensure contract pricing is determined fair and reasonable and awarded at the best value to the Government.

Deputy Assistant Secretary of the Army (Procurement), Army Materiel Command Executive Deputy to the Commanding General, and Army Contracting Command Commanding General Consolidated Comments

The Deputy Assistant Secretary of the Army (Procurement), Executive Deputy to the AMC Commanding General, and the ACC Commanding General each endorsed their subordinate unit ACC-RI’s concurrence with Recommendation 2. The ACC-RI Executive Director stated that ACC-RI’s actions to definitize the Camp Taji BLS contract at a fair and reasonable price were not taken in response to this report. The Executive Director stated that ACC-RI began contract definitization immediately after UCA award with the goal of ensuring that the Camp Taji BLS contract pricing was fair and reasonable. He explained that in October 2019, ACC-RI notified the contractor of the Government’s intent to analyze the contractor’s actual incurred cost and of the Government’s concern with the contractor’s pricing structure. The Executive Director further stated that November 2019 negotiations between ACC-RI and the Camp Taji BLS contractor resulted in a change to the contract pricing structure. The Deputy Assistant Secretary of the Army (Procurement), responding for the Assistant Secretary of the Army (Acquisition, Logistics, and Technology), stated that the ACC-RI Executive Director verified that the PCO conducted a cost analysis in accordance with FAR 15.4 by reviewing the post-negotiation memorandum. Finally, the ACC-RI Executive Deputy stated that the Director, Pricing and Contracting Initiatives–Defense Pricing and Contracting, approved the negotiated pricing that resulted from ACC-RI’s cost analysis, and ACC-RI definitized the contract on December 20, 2019.

Our Response

The ACC-RI Executive Director’s comments did not explicitly state concurrence with our recommendation. However, documentation provided by the ACC-RI Executive Director addressed the specifics of Recommendation 2; therefore, this recommendation is closed. Specifically, ACC-RI implemented our recommendation

and performed a cost analysis in accordance with the FAR, the results of which ACC-RI was able to use in negotiating definitized contract pricing. We reviewed the definitized contract and concluded that it is an improvement from the UCA because the contractor can no longer charge a per-person price based on Camp Taji's total daily population. Finally, the definitized contract reduces the impact of an inaccurate headcount, as the price is determined by population bands, which allows for a change in up to 500 personnel before an increase in price.

Recommendation 3

We recommend that the Officer in Charge of the Base Operations Support-Integrator for Camp Taji:

- a. Use the Combined Joint Task Force-Operation Inherent Resolve personnel status reports for the daily occupancy tracker to ensure Combined Joint Task Force-Operation Inherent Resolve is paying for the correct number of personnel.**
- b. Implement and use common access card readers to track personnel who enter or depart Camp Taji.**
- c. Include steps in the quality assurance surveillance plan or standard operating procedures to ensure staff members with responsibilities related to the contractor population are coordinating to determine Combined Joint Task Force-Operation Inherent Resolve is paying for the correct number of personnel prior to telling the procuring contracting officer the invoice is accurate.**

Combined Joint Task Force Operation Inherent Resolve Chief of Staff Comments

The CJTF-OIR Chief of Staff, responding for the Camp Taji BOS-I, agreed with the recommendations and described several actions CJTF-OIR would take to improve personnel accountability at Camp Taji. Specifically, he stated that CJTF-OIR is providing the Camp Taji BOS-I with a Joint Personnel Status and Casualty Report for greater visibility of OIR personnel; the Camp Taji BOS-I was installing the Joint Asset Movement Management System personnel tracker and it will reach operational capability in February 2020; and CJTF-OIR now requires all BOS-Is in the combined joint operating area to provide their own personnel accountability report to ensure that they are tracking personnel on their respective base.

Our Response

Comments from the Chief of Staff addressed the specifics of Recommendations 3.a and 3.b; therefore, these recommendations are resolved. We will close Recommendations 3.a and 3.b when we verify that the Camp Taji BOS-I is receiving the Joint Personnel Status and Casualty Report and that the Joint Asset Movement Management System is operational at Camp Taji. The Chief of Staff did not address the specifics of Recommendation 3.c; therefore, this recommendation is unresolved. In response to the final report, for Recommendation 3.c, we request that the Camp Taji BOS-I provide the updated quality assurance surveillance plan or standard operating procedures that include steps to ensure assigned personnel with responsibilities related to the base population, such as the invoice reviewer, human resources officer, and billeting noncommissioned officer in charge, are coordinating their activities to help ensure that CJTF-OIR is paying for services for the correct number of personnel at Camp Taji.

Appendix A

Scope and Methodology

We conducted this performance audit from May 2019 through December 2019 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.

We reviewed criteria to determine whether CJTF-OIR and the U.S. Army ensured that the contractor provided Camp Taji, Iraq BLS services in accordance with contract requirements. During the audit, we expanded our review to include contract award and requirements development. Specifically, we reviewed the FAR, Defense Federal Acquisition Regulation Supplement, and DoD Guidance on Using Incentive and Other Contract Types to determine contract award and requirements. We also reviewed contract requirements, the QASP, PWS, and surveillance records to identify roles and responsibilities for the oversight of Camp Taji BLS services and invoicing based on Camp Taji's daily population, including tracking of base personnel.

In addition, we reviewed the following Army criteria.

- Army Regulation 70-13, "Management and Oversight of Service Acquisitions"
- Army Regulation 420-1, "Army Facilities Management"
- Army Regulation 30-22, "Army Food Service Program"
- Army Regulation 200-1, "Environmental Protection and Enhancement"
- Army Techniques Publication 4-41, "Army Field Feeding and Class I Operations"

Finally, we reviewed DoD, USCENTCOM, and Army criteria in order to determine requirements for the purchase of food and water from the DLA, disposal of solid waste, and establishment of contracting terms.

We conducted site visits to Camp Taji, Iraq, and Camp Arifjan, Kuwait, in July 2019, and ACC-RI in August 2019. While onsite in Iraq, we observed contractor performance and COR oversight for the ammunition supply point, fire department, security guard towers, dining facility, and food storage warehouse. We interviewed the ACO, CORs, 719th Medical Detachment Veterinary Services food safety officers, 898th Preventive Medicine inspector, and the Task Force Essayons Chief

of Environmental Programs to understand the role of each in the oversight of the Camp Taji BLS contract. While onsite in Camp Arifjan, Kuwait, we interviewed CJTF-OIR Logistics representatives to understand their role in development of contract requirements. Furthermore, while onsite at ACC-RI, we interviewed the ACO of the initial Camp Taji BLS contract, PCO team, and competition advocate to understand the role of all parties in the contract award, contract requirements development, contract pricing structure, and invoicing oversight.

We obtained and evaluated contract requirements noted in the PWS for contracts W52P1J-19-C-0010 and W56KGZ-15-C-4005 related to Camp Taji BLS services and identified examples where CJTF-OIR did not establish complete requirements within the PWS. We also identified examples where CJTF-OIR accepted terms for services the contractor was already providing to commercial customers. Based on our evaluation, we determined that the contract requirements were not specific enough to hold the contractor accountable for compliance with existing DoD and Army requirements for BLS services.

To estimate the amount CJTF-OIR paid for personnel assigned to, but not physically present on, Camp Taji, we obtained and reviewed 100 percent of the Camp Taji invoices from July 2015 through May 2019. We used the BOS-I's available daily occupancy tracker to compile the average percent of personnel on temporary duty status each month from April 2018 through June 2019. Next, we calculated the median average percentage (9 percent) of the complied BOS-I population data and used this to estimate the number of personnel on temporary duty status from July 2015 through December 2018. Finally, we multiplied the number of estimated personnel on temporary duty status each month by the lowest possible price CJTF-OIR could have paid at the time. Because the current contract was not definitized at the time of our audit, we did not include this contract's period of performance in our estimate.

Finally, to estimate the amount CJTF-OIR wasted by not requiring the contractor to purchase food from the DLA, we identified contract line item numbers with a description of "DFAC Meals and Water" and calculated the total for the billing periods of:

- July through December 2015,
- January through December 2016,
- January through December 2017,
- January through December 2018, and
- January through May 2019.

We used the current and historical values for basic daily food allowance from the U.S. Army Quartermaster Corps, Joint Culinary Center of Excellence, and identified the Iraq basic daily food allowance rate to calculate the total for the billing periods. We multiplied the monthly population (Units) by the basic daily food allowance rate per person to calculate the difference between the contractor's billed invoices and estimated amounts of basic daily food allowance for the same periods.

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 Office of Inspector General (DoD OIG) issued eight reports discussing contingency contracting or contract oversight.

Unrestricted DoD OIG reports can be accessed at <http://www.dodig.mil/reports.html/>.

DoD OIG

Report No. DODIG-2019-069, "Audit of the Army's Oversight of National Afghan Trucking Services 3.0 Contracts," April 1, 2019

The DoD OIG determined that the Army did not fully monitor contractor costs or provide continuous oversight of contractor performance for the National Afghan Trucking Services 3.0 contracts. Specifically, the CORs did not review or verify all transportation movement request data submitted by the contractors before the contracting officer approved invoices or complete monthly surveillance checklists or monthly status reports.

Report No. DODIG-2018-139, "DoD Management of the Enhanced Army Global Logistics Enterprise Maintenance Contract in Afghanistan," July 23, 2018

The DoD OIG determined that ACC-Afghanistan did not monitor contractor performance of certain critical requirements or monitor contractor costs for the Enhanced Army Global Logistics Enterprise-Afghanistan task order to ensure that vehicles and weapons were maintained in accordance with contract requirements. Specifically, CORs did not determine actual contractor performance for specific critical requirements, conduct consistent sampling of contractor documentation, and review and validate contractor invoices.

Report No. DODIG-2018-119, "DoD Oversight of Logistics Civil Augmentation Program in Afghanistan Invoice Review and Payment," May 11, 2018

The DoD OIG determined that the DoD officials did not conduct sufficient voucher reviews for services provided under the Logistics Civil Augmentation Program IV contract in Afghanistan. Specifically, ACC and Defense Contract Audit Agency officials did not adequately monitor all 128 Logistics Civil Augmentation Program IV vouchers submitted from 2015 to 2017 for potentially unallowable costs. In addition, CORs did not conduct surveillance of all contract requirements.

Report No. DODIG-2018-074, "The U.S. Navy's Oversight and Administration of the Base Support Contracts in Bahrain," February 13, 2018

The DoD OIG determined that the Naval Facilities Engineering Command did not provide effective oversight of the base support contracts in Bahrain. Specifically, the CORs relied on performance assessment representatives to execute all quality assurance of the contractors. In addition, Naval Facilities Engineering Command personnel did not effectively administer the base support contracts in Bahrain. Specifically, Naval Facilities Engineering Command did not maintain complete contract files, account for any of the \$1.6 million in Government-furnished property provided to the Isa Air Base contractors, or ensure the contractors complied with the contracts' Combatting Trafficking in Persons requirements.

Report No. DODIG-2018-040, "Army Oversight of Logistics Civil Augmentation Program Government-Furnished Property in Afghanistan," December 11, 2017

The DoD OIG determined that the Army did not perform effective oversight of Logistics Civil Augmentation Program Government-furnished property in Afghanistan. Specifically, Army Sustainment Command did not include at least 26,993 items provided to the Logistics Civil Augmentation Program IV contractors in the Army's accountable records as of May 2017.

Report No. DODIG-2017-062, "The Army Did Not Effectively Monitor Contractor Performance for the Kuwait Base Operations and Security Support Services Contract," March 7, 2017

The DoD OIG determined that the Army did not effectively monitor contractor performance for the Kuwait Base Operations and Security Support Services contract. Specifically, the Area Support Group-Kuwait, ACC-RI, and 408th CSB did not ensure the QASP and the surveillance checklists were updated to reflect current contract requirements, CORs provided consistent surveillance of the contractor, and contracting ratings were accurate.

Report No. DODIG-2016-004, "Army Needs to Improve Contract Oversight for the Logistics Civil Augmentation Program's Task Orders," October 28, 2015

The DoD OIG determined that, although the Army appointed an adequate number of CORs to oversee the Operation United Assistance Logistics Civil Augmentation Program task order, contracting officials did not ensure the CORs provided sufficient oversight of the \$33.8 million in Operation United Assistance services. Specifically, contracting officials appointed four of the six CORs without requiring them to complete all mandatory COR training before they initiated their COR duties.

Report No. DODIG-2015-075, "Controls Over the Air Force Contract Augmentation Program Payment Process Needs Improvement," January 28, 2015

The DoD OIG determined that 379th Expeditionary Contracting Squadron officials generally administered the three Air Force Contract Augmentation Program task orders reviewed in accordance with Federal and DoD guidance. However, contracting officers did not verify that contractor performance was satisfactory before certifying and paying 20 of 40 contractor invoices submitted between October 2012 and June 2014. In addition, contracting officials did not incorporate costs into equitable adjustment agreements with the contractor for unsatisfactory contractor performance.

Appendix B

Potential Monetary Benefits

Table 6 identifies the total amount of future Camp Taji BLS contract costs that CJTF-OIR could put to better use. This amount consists of \$43,372,911 that CJTF-OIR could avoid for the remainder of the Camp Taji BLS contract, through December 2023, by modifying the contract to prohibit payment for personnel not consuming BLS services.⁴⁶

In addition, Table 6 identifies the total amount of questioned costs that CJTF-OIR spent on the initial Camp Taji BLS contract. We estimate CJTF-OIR paid \$36,433,245 on BLS services for personnel on leave or temporary duty status and therefore not present at Camp Taji.

Table 6. Potential Monetary Benefits

Recommendations	Type of Benefit	Amount of Benefit	Accounts
All	Funds put to better use	\$43,372,911	Multiple accounts will be impacted
All	Questioned costs	\$36,433,245	Multiple accounts will be impacted

Source: The DoD OIG.

⁴⁶ The actual amount of reduced contract cost will depend on the terms and date of contract modification. For example, our estimate of future contract cost that CJTF-OIR can avoid is based on modifying the contract to fully exclude payment for personnel not present at Camp Taji on a given day and does not consider establishing a reduced price per person for personnel not present.

Appendix C

Our Response Combined Joint Task Force-Operation Inherent Resolve Comment Resolution Matrix

(FOUO) CJTF-OIR Comment No.	Final Report Page	Paragraph	Comment Code	Recommendation	Rationale	DoD OIG Response
1	3 – Main Body	Background, Table 1, Award Amount, 2nd Column	Substantive	Add: "Base Period" column Change: [REDACTED] to [REDACTED]	Award amount (e.g. [REDACTED] only covers the base period of the contract. It does not cover the whole "Period of Performance." As is, the award amount of [REDACTED] looks like it covers the entire 5 year period. Contract W52PI J-19-C-00 IO was definitized on 20 DEC 2019. Award amount for the base period needs to be updated from [REDACTED] to [REDACTED]	Updated table note 2 to identify that ACC-RI definitized the UCA after completion of this audit.
2	9 – Finding	Finding, last paragraph, sentences 1 through 4	Critical	"Delete bold portion and add highlighted portion: "In addition, poorly defined contract requirements allowed the contractor to dispose of solid waste at a sites in the Camp Taji Amber Zone that the Iraqis would later burn, which exposed U.S., Coalition, and Iraqi personnel to toxins from the burn pit smoke." End State: "In addition, contract requirements allowed the contractor to dispose of solid waste at a site in the Camp Taji Amber Zone."	The contractor has a signed agreement with the Iraqi Camp Taji Site Commander, Brigadier General Kathern Abed Al Zahra Hazool, which authorizes the contractor to dispose of waste in one landfill site in the Amber Zone (see Enclosure I). This landfill is located on the eastern side of the Amber Zone and is labeled as Area I on the attached map (see Enclosure 2). This landfill is 5,755 feet from the closest U.S. or Coalition work location, and 9,825 feet from the eastern perimeter of the green zone where U.S. and Coalition forces reside. The Area I landfill is located well in excess of the 2,000 feet standoff distance from open-air burn pits as required by DODI 4715.19 (see Enclosure 3). Additionally, the inset graphic on Enclosure Two shows that the landfill was located downwind of the prevailing wind direction. This landfill did not exposure U.S. and Coalition forces to toxins.	Did not accept requested deletion; however, revised language to state that the contractor's approved solid waste disposal method may have contributed to exposure to burn pit smoke. (FOUO)

Our Response Combined Joint Task Force-Operation Inherent Resolve Comment Resolution Matrix (cont'd)

(FOUO) CJTF-OIR Comment No.	Final Report Page	Paragraph	Comment Code	Recommendation	Rationale	DoD OIG Response
3	11 – Main Body	CJTF-OIR Did Not Incorporate DoD and Army Regulations, 1st two paragraphs on page 11	Critical	Delete: "DoD Instruction 4715.19 prohibits the disposal of waste in open-air burn pits during contingency operations, except when no alternative disposal method is possible. Similarly ... "	According to DODI 4715.19 open-air burn pits must be "sited at least 2,000 feet from any living, dining, or work areas to prevent or minimize exposures to personnel, and be downwind of the prevailing wind direction" (see Enclosure 3). Enclosure Two, indicated the standoff from the host nation landfill is 5,755 feet to the closest work location, and 9,825 feet from the eastern perimeter of the green zone where U.S. and coalition forces reside. Additionally, the inset graphic on enclosure two shows the landfill was downwind of the prevailing wind direction. U.S. and Coalition forces were exposed were not exposed to toxins from this landfill. Furthermore, there are no open air-burn pits open at Camp Taji. The last open air burn pit at Camp Taji was closed prior to U.S. and Coalition forces leaving Camp Taji, Iraq in 2010. The only solid waste accumulation site at Camp Taji, Iraq is a host nation landfill site located in the Iraqi controlled Amber Zone of the Camp Taji Military Complex.	No change. The text is derived from DoD Instruction 4715.19. (FOUO)

Our Response Combined Joint Task Force-Operation Inherent Resolve Comment Resolution Matrix (cont'd)

(FOUO) CJTF-OIR Comment No.	Final Report Page	Paragraph	Comment Code	Recommendation	Rationale	DoD OIG Response
4	11 – Main Body	CJTF-OIR Did Not Incorporate DoD and Army Regulations, last sentence of 2nd full paragraph on page	Critical	Delete: "However, CJTF-OIR did not provide these requirements to the 408th CSB and ACC-RI to include under the Camp Taji BLS contracts."	CJTF-OTR provided the necessary documentation to the 408th CSB Contracting Officer and ACC-RI on two occasions: 15 July 2018 and 08 February 2019. The 15 July 2018 e-mail exchange (Enclosure 5) included an updated performance work statement (PWS) (see Enclosure Seven) from CJ-ENG to Camp Taji, BOS-I, as well as, the Camp Taji Regional Contracting Office. Also, included within this email exchange were the required environmental reports to comply with both U.S. Central Command 200-series Regulations (see Enclosure 8). The 08 February 2019 email exchange (Enclosure 6) with the 8th CSB and ACC-RI included an updated PWS for the BLS and Security contract (Enclosure 9). The revised PWS from 08 February 2019 referenced the CJTF-OIR Ash Management Plan, as well as, the latest version of CCR 200-2 (Enclosures 10 and 11).	Report updated to more accurately reflect that CJTF-OIR provided documentation showing CJTF-OIR staff considered adding incineration requirements to the Camp Taji BLS contracts but ultimately did not ensure the incineration requirements identified were included in the Camp Taji BLS contracts. (FOUO)

Our Response Combined Joint Task Force-Operation Inherent Resolve Comment Resolution Matrix (cont'd)

(FOUO) CJTF-OIR Comment No.	Final Report Page	Paragraph	Comment Code	Recommendation	Rationale	DoD OIG Response
4	11/12 – Main Body	CJTF-OIR Did Not Incorporate DoD and Army Regulations, last full paragraph, on page 11 into page 12	Critical	Delete: "However, during our site visit in July 2019, the Task Force Essayons Environmental Program manager stated that incinerators have been on the base since February 2019 but were not being used. Therefore, since February 2019, CJTF-OTR had incinerators available at Camp Taji that allowed for disposal of solid waste in a safer manner, but did not ensure the contract required the contractor to do so."	According to historical documentation there have been several attempts to purchase and install incinerators at Camp Taji, Iraq. The first attempt to purchase incinerators was in August 2017 under the Combined Joint Forces Land Component Command with an estimated cost projected at \$546,825.90 (Enclosure 12). A second attempt to purchase incinerators was presented in February 2018. The request in February 2018 was being processed as a valid requirement, but it is unclear why the project was ultimately cancelled (Enclosure 13, file was too large to embed - it is an attachment to support this CRM). Finally, the incinerators were approved at the 28 October 2019 Joint Facilities Utilization Board in order to fund the Taji Incinerator project (Enclosure 14). Since the incinerators arrived at Camp Taji, CJTF OIR has been doing due diligence to place these systems into operation and establish requirements for the contractor to dispose of solid waste through incineration.	Report updated to more accurately reflect that CJTF-OIR provided documentation showing CJTF-OIR staff considered adding incineration requirements to the Camp Taji BLS contracts but ultimately did not ensure the incineration requirements identified were included in the Camp Taji BLS contracts.
5	12 – Main Body	CJTF-OIR Did Not Incorporate DoD and Army Regulations, Figure 1. Camp Taji Amber Zone Solid Waste Dumping Site and sentence prior to Figure 1	Critical	Delete: "Figure 1 shows burning trash at multiple areas of the Camp Taji Amber Zone where the contractor dumped solid waste." And Delete: Photographs on the top of page 13.	These photographs depict the host nation landfill located in the Amber Zone of Camp Taji. As illustrated by Enclosure Two, this landfill was located well outside of the standoff distance required by DODI 4715.19 and downwind from the prevailing wind direction. Smoke from this site had no impact on U.S. or coalition forces at Camp Taji.	Sentence updated to more accurately reflect that Figure 1 depicts a single dump site located in the Camp Taji Amber Zone. (FOUO)

Our Response Combined Joint Task Force-Operation Inherent Resolve Comment Resolution Matrix (cont'd)

(FOUO) CJTF-OIR Comment No.	Final Report Page	Paragraph	Comment Code	Recommendation	Rationale	DoD OIG Response
6	22 – Main Body	CJTF-OIR Paid \$116 Million More Than Necessary For BLS Services	Critical	Delete: "and exposed thousands of CJTF-OTR, Coalition, and Iraqi personnel to dangerous toxins from the burn pit smoke."	According to DODI 4715.19, open-air burn pits must be "sited at least 2,000 feet from any living, dining, or work areas to prevent or minimize exposures to personnel, and be downwind of the prevailing wind direction". Enclosure Two, indicates the standoff from the host nation landfill is 5,755 feet to the closest work location and 9,825 feet to the eastern edge of the life support area which houses U.S. and Coalition forces. Additionally, the inset graphic on Enclosure Two shows the prevailing wind directions were away from the Green Zone. This landfill did not exposure U.S. and Coalition forces to toxins.	Sentence changed to "potentially contributed to the exposure of U.S. and Coalition personnel to dangerous toxins from burn pit smoke."
7	20 – Main Body	CJTF-OIR Paid For BLS Services It Did Not Receive	Critical	Delete: "As a result of ACC-RI not establishing contract terms to prohibit payment for personnel absent from Camp Taji, CJTF-OIR paid at least \$36 million on BLS services for personnel on leave or temporary duty status and therefore not consuming services at Camp Taji between July 2015 and December 2018."	It is over simplistic to utilize the full per person price to calculate the claimed \$36M wasted. The BLS contracts incur costs even when personnel are TDY or on leave. As an example, if a soldier is TDY, the BLS service contractor must still maintain the soldiers' Containerized Housing Unit (CHU), provide electricity and maintain support services based on total number assigned to the camp (i.e. trash removal, etc.). If a reduced rate was established, the per-person "reduced" priced would be lower as the vast majority of services provided on contract are fixed in nature.	No change. The report acknowledges cost may have been incurred even when personnel were TDY or on leave and thoroughly explains how the \$36 million estimate was derived. (FOUO)

Our Response Combined Joint Task Force-Operation Inherent Resolve Comment Resolution Matrix (cont'd)

(FOUO) CJTF-OIR Comment No.	Final Report Page	Paragraph	Comment Code	Recommendation	Rationale	DoD OIG Response
8	23 – Main Body	CJTF-OIR Personnel Exposed to Open Burn Pits	Critical	Delete: "Because CJTF-OIR did not define contract requirements for solid waste disposal."	<p>According to historical documentation there have been several attempts to purchase and install incinerators at Camp Taji, Iraq. The first attempt to purchase incinerators was in August 2017 under the Combined Joint Forces Land Component Command with an estimated cost projected at \$546,825.90 (Enclosure 12). A second attempt to purchase incinerators was presented in February 2018. The request in February 2018 was being processed as a valid requirement, but it is unclear why the project was ultimately cancelled (Enclosure 13, file was too large to embed - it is an attachment to support this CRM). Finally, the incinerators were approved at the 28 October 2019 Joint Facilities Utilization Board in order to fund the Taji Incinerator project (Enclosure 14). Since the incinerators arrived at Camp Taji, CJTF OIR has been doing due diligence to place these systems into operation and establish requirements for the contractor to dispose of solid waste through incineration.</p>	<p>Report updated to more accurately reflect that CJTF-OIR did not ensure requirements for solid waste disposal were included in the contract.</p> <p>(FOUO)</p>

Our Response Combined Joint Task Force-Operation Inherent Resolve Comment Resolution Matrix (cont'd)

(FOUO) CJTF-OIR Comment No.	Final Report Page	Paragraph	Comment Code	Recommendation	Rationale	DoD OIG Response
9	23 – Main Body	CJTF-OIR Personnel Exposed to Open Burn Pits	Critical	Delete: "solid waste disposal,"	<p>According to historical documentation there have been several attempts to purchase and install incinerators at Camp Taji, Iraq. The first attempt to purchase incinerators was in August 2017 under the Combined Joint Forces Land Component Command with an estimated cost projected at \$546,825.90 (Enclosure 12). A second attempt to purchase incinerators was presented in February 2018. The request in February 2018 was being processed as a valid requirement, but it is unclear why the project was ultimately cancelled (Enclosure 13, file was too large to embed - it is an attachment to support this CRM). Finally, the incinerators were approved at the 28 October 2019 Joint Facilities Utilization Board in order to fund the Taji Incinerator project (Enclosure 14). Since the incinerators arrived at Camp Taji, CJTF OIR has been doing due diligence to place these systems into operation and establish requirements for the contractor to dispose of solid waste through incineration.</p>	<p>Did not make requested deletion. However, updated report to more accurately reflect that CJTF-OIR provided documentation showing CJTF-OIR staff considered adding incineration requirements to the Camp Taji BLS contracts but ultimately did not ensure the incineration requirements identified were included in the Camp Taji BLS contracts.</p> <p>(FOUO)</p>

Our Response Combined Joint Task Force-Operation Inherent Resolve Comment Resolution Matrix (cont'd)

(FOUO) CJTF-OIR Comment No.	Final Report Page	Paragraph	Comment Code	Recommendation	Rationale	DoD OIG Response
10	34 – Recommendations, Management Comments, and Our Response	Revised Recommendation 1a	Critical	Final Report should contain 408th CSB comment on if Recommendation 1.A is allowable under the FAR	All DoD and Army requirements for BLS services may not be allowable under the FAR. Recommend 408th CSB confirm what is allowable under the FAR.	Report contains all comments received. Revised Recommendation 1.a. to more specifically state that we are recommending CJTF-OIR update the PWS if it determines that there are DoD and Army regulations that are relevant to Camp Taji but which are not currently defined in the PWS.
11	13 – Main Body	408th CSB and ACC-RI Contracting Officials Awarded Contracts With a Commercial Pricing Structure	Substantive	Replacing or reword: "the 408th CSB and ACC-RI each awarded contracts that caused CJTF-OIR to pay for services that it did not use" Recommend: the 408th CSB and ACC-RI each awarded contracts that required CJTF-OIR to pay for services not needed	Rationale: The contract provided services that were not needed or required but, if invoices were reviewed, overpayment may have been caught. As stated implied in the finding, accuracy of the contractors invoices was not verified and caused the overpayment.	No change. The text is clear as written. (FOUO)

Our Response Combined Joint Task Force-Operation Inherent Resolve Comment Resolution Matrix (cont'd)

(FOUO) CJTF-OIR Comment No.	Final Report Page	Paragraph	Comment Code	Recommendation	Rationale	DoD OIG Response
12	15 – Main Body	408th CSB and ACC-RI Contracting Officials Awarded Contracts With a Commercial Pricing Structure, last paragraph on page 15	Substantive	Delete: "However, Camp Taji is not a hotel..." Replace with: "However, the Camp Taji BLS contract is not priced per bed,"	Stating, "Camp Taji is not a hotel" is a ' rhetorical statement.' Recommended new statement sticks to the facts and does not try to add additional meaning or attempt persuasion of the reader.	No change. The text is clear as written.
13	21 – Main Body	Table 5, Column 2	Substantive	Change: "Personnel Not Present At Camp Taji" TO: "Number of personnel overcharged on Camp Taji"	Current column header implies personnel are AWOL. This is not the case.	Text changed to "Personnel on Leave or Temporary Duty From Camp Taji" (FOUO)

Management Comments

Secretary of the Army (Procurement)



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
ACQUISITION LOGISTICS AND TECHNOLOGY
103 ARMY PENTAGON
WASHINGTON DC 20310-0103

SAAL-ZP

MEMORANDUM FOR INSPECTOR GENERAL DEPARTMENT OF DEFENSE, [REDACTED]

SUBJECT: Audit of the Army's Base Life Support Contract for Camp Taji, Iraq

1. On behalf of the Assistant Secretary of the Army (Acquisition, Logistics and Technology), I am providing the official Army position for the subject audit. I concur with the attached response provided by the Executive Director, Army Contracting Command-Rock Island to Recommendation 2.
2. The Executive Director, Army Contracting Command-Rock Island verified that the Procuring Contracting Officer conducted cost analysis in accordance with Federal Acquisition Regulation 15.4 by reviewing the Post-Negotiation Memorandum. The Director, Pricing and Contracting on 17 December 2019, approved the Memorandum.
3. Based upon the above, the Army considers Recommendation 2 to the subject report closed. If there are any questions, please contact [REDACTED]

Enclosure

HAZLETT.STUAR [REDACTED]

Stuart A. Hazlett
Deputy Assistant Secretary
of the Army (Procurement)

Army Materiel Command



DEPARTMENT OF THE ARMY
HEADQUARTERS, U.S. ARMY MATERIEL COMMAND
4400 MARTIN ROAD
REDSTONE ARSENAL, AL 35898-5000

AMIR

07 FEB 2020

MEMORANDUM FOR Department of Defense Inspector General [REDACTED]

SUBJECT: Command Comments on DoDIG Draft Report – Audit of the Army's Base Life Support Contract for Camp Taji, Iraq, Project: D2019-D000RJ-0161.000

1. The U.S. Army Materiel Command (AMC) has reviewed and endorses the attached responses from the U.S. Army Contracting Command (ACC) and its subordinate unit at ACC-Rock Island (ACC-RI). As we previously discussed, HQ AMC has several issues with the DODIG Draft Report that we would like to see addressed before the report goes final. Specifically, those issues are the conclusory statements concerning the use of burn pits at Camp Taji, the failure of the report to address the effect of the SoS International LLC's (SOSi) exclusive land use agreement with the host nation, and the necessity for a Freedom of Information Act (FOIA) redaction of the Price Negotiation Memorandum (PNM). Accordingly, HQ AMC respectfully requests that the DODIG not finalize/publish the Report without fully considering the information in the attached responses and the proposed redactions and comments. We firmly believe that the proposed changes are appropriate and necessary to correct identified inaccuracies in the report and minimize litigation and political risk to the United States Army.
2. HQ ACC's response indicates its concurrence with Recommendation 2 of the report and has noted its corrective actions in conducting the requested cost analysis and follow-on actions that definitized the action. We endorse this response and these actions as well as their additional comments on the burn pit, SOSi land use agreement, and redaction of the PNM under Exemption 5 of the FOIA.
3. ACC-RI's attached response provides further information on the SOSi issue and further explains its effect on both the burn pit and pricing issues detailed in the Draft Report. It also provides further context in its discussion of the Undefined Contract Action and the actions taken during 2019 to put the Base Life Support contract at Camp Taji on firmer regulatory and policy ground. Taken as a whole, the ACC-RI response demonstrates the Army's recognition of the seriousness of the issues outlined in the Draft Report and its significant and tenacious efforts, even before the Draft Report was finished, to effectively address them.

Army Material Command (cont'd)

SUBJECT: Command Comments on DoDIG Draft Report – Audit of the Army's Base Life Support Contract for Camp Taji, Iraq, Project: D2019-D000RJ-0161.000

4. HQ AMC appreciates the cooperation of the DODIG in this matter and particularly the additional time we were provided to prepare a more detailed response to the Draft. We sincerely hope that the supplementary information provided will be useful in developing the final version of the report. Finally, we note again our deep concern that the Draft Report, if published without adjustments, may provoke members of the public and Congress to draw inappropriate conclusions as to the Army's share of responsibility for some of the deficiencies detailed in the report. We hope that you will consider the information and concerns provided and, where appropriate, reflect them in the final version of the report.

5. The U.S. Army Materiel Command point of contact is [REDACTED]

3 Encls

1. ACC Comments
2. ACC Support Documents
3. DoDIG Report


LISHA H. ADAMS
Executive Deputy to the
Commanding General

Army Contracting Command



DEPARTMENT OF THE ARMY
HEADQUARTERS, U.S. ARMY CONTRACTING COMMAND
4505 MARTIN ROAD
REDSTONE ARSENAL, AL 35898-5000

AMCC-IR

05 FEB 2020

MEMORANDUM FOR Department of Defense Inspector General [REDACTED]

SUBJECT: Response to DoDIG Audit Report, Project D2019-D000RJ-0161.000
(FOUO), Army's Base Life Support Contract for Camp Taji, Iraq

1. I have reviewed the above mentioned report and endorse U.S. Army Contracting Command—Rock Island's (ACC-RI) concurrence to Recommendation #2. However, I have serious concerns with the draft report in its present form. Particularly, I am concerned about conclusory statements within the report concerning the use of burn pits at Camp Taji. I am also concerned about the draft report not adequately addressing the impact of SoS International LLC's (SOSI's) exclusive land use agreement on the negative contracting outcomes alluded to in the draft report. Accordingly, I request that DoDIG incorporate ACC's recommended edits, found within Enclosure 1, to the final report. Furthermore, I request that the DoDIG redact the Price Negotiation Memorandum (PNM) provided by ACC-RI from the published report, pursuant to FOIA Exemption 5.

2. Concerning the use of burn pits at Camp Taji.

a. The draft report contains several concerning and conclusory statements regarding the use of burn pits at Camp Taji. For example, Page ii of the draft report states, "... poorly defined contract requirements allowed the contractor to dispose of solid waste that the Iraqis would later burn exposing U.S., Coalition, and Iraqi personnel to toxins from burn pit smoke." This statement suggests that Combined Joint Task Force-Operation Inherent Resolve (CJTF-OIR) failed to properly define its garbage removal requirement and, thereby, directly caused U.S. and Iraqi personnel to inhale potentially toxic burn pit smoke. Such a statement unnecessarily exposes the Government to significant legal and political risk.

b. The key legal risk with the burn pit statements is that, by suggesting the Government endorsed the contractor's garbage removal practices, the draft report lends credence to the argument that SOSI possesses immunity from liability for claims arising

Army Contracting Command (cont'd)

AMCC-IR

SUBJECT: Response to DoDIG Audit Report, Project D2019-D000RJ-0161.000
(FOUO), Army's Base Life Support Contract for Camp Taji, Iraq

from its use of burn pits. This concern is supported by recent burn pit cases from Iraq. In these cases, contractors were granted immunity from liability because the military directed and controlled the contractors' use of burn pits. In other words, the level of direction and control the Government has over a contractor's use of burn pits directly impacts whether that contractor can be held liable for illnesses caused by toxic burn pit smoke. For this reason, it is critical that the draft report accurately describe the extent of the Government's control over SOSi's garbage removal practices.

c. The key political risk concern with the statements concerning burn pits is that, by suggesting the Government endorsed the contractor's garbage removal practices, the statements raise the appearance that the Government negligently or recklessly exposed Iraqi citizens to potentially toxic burn pit smoke. This unwarranted suggestion risks damaging the delicate political relationship between the United States and the Iraqi government and, in doing so, creates an unwarranted risk to national security.

d. To mitigate against the legal and political risks of the draft report's statements concerning burn pits, ACC requests that DoDIG adopt its recommended edits at Enclosure 1. ACC's recommended edits are primarily intended to clarify the causal relationship between the Government's requirements definition process and the contractor's practice of dumping Camp Taji garbage into burn pits.

3. Concerning SOSi's exclusive land use agreement.

a. As drafted, the report does not adequately address the impact that SOSi's exclusive land use agreement had on negative contracting outcomes. As the draft report briefly mentions, the contractor negotiated an exclusive land use agreement with the Iraqi government to provide Base Life Support (BLS) services at Camp Taji. Because of SOSi's exclusive land use agreement, the Army was at a significant disadvantage in negotiating the BLS contract's terms and conditions.

b. For example, when the 408th Contracting Support Brigade awarded the BLS contract at Camp Taji, the contractor did not have a cost accounting system. This forced the Army to choose between either awarding a BLS contract under SOSi's commercial terms, or not awarding a BLS contract at all. With respect to the garbage removal requirement, because CJTF-OIR was a tenant on Camp Taji, its garbage removal specifications were essentially dictated by SOSi and Iraqi base authorities.

Army Contracting Command (cont'd)

Final Report Reference

AMCC-IR

SUBJECT: Response to DoDIG Audit Report, Project D2019-D000RJ-0161.000
(FOUO), Army's Base Life Support Contract for Camp Taji, Iraq

c. To clarify the impact that the contractor's exclusive land use agreement had on the BLS contract's formation and administration, ACC requests that DoDIG adopt ACC's recommended edits at Enclosure 1.

4. Concerning redacting the PNM pursuant to FOIA Exemption 5.

a. Pursuant to DoDIG's request for the Army to provide FOIA redaction recommendations, ACC requests that DoDIG redact, in its entirety, the PNM provided to it by ACC-RI. This request is supported by FOIA Exemption 5 (i.e., Deliberative Process Privilege).

b. FOIA Exemption 5 permits agencies to withhold "inter-agency or intra-agency memorandums or letters that would not be available by law to a party other than an agency in litigation with the agency." With respect to deliberative process privilege, Exemption 5 protects advice, recommendations, and opinions which are part of the deliberative, consultative, decision-making processes of government.

c. Here, the PNM contains the Army's pre-decisional, price negotiation strategy. The confidentiality of the PNM is critical to protect the Government's interests in an on-going Request for Equitable Adjustment settlement negotiation with SOSi and, if the negotiation is unsuccessful, to protect the Government's interests in anticipated litigation.

5. The ACC point of contact for this memorandum is [REDACTED] Internal Review and Audit and Compliance Office, at [REDACTED] or [REDACTED]

Encl
1. Recommended Edits Matrix



PAUL H. PARDEW
Major General, USA
Commanding

**Omitted enclosure
because report was
not revised to reflect
requested changes.**

Army Contracting Command-Rock Island



REPLY TO
ATTENTION OF:

DEPARTMENT OF THE ARMY
ARMY CONTRACTING COMMAND – ROCK ISLAND
3055 RODMAN AVENUE
ROCK ISLAND, IL 61299-8000

ACC-RI

30 January 2020

MEMORANDUM FOR Headquarters, US Army Contracting Command, Internal Review and Audit Compliance Office (IRACO), [REDACTED]
[REDACTED]

SUBJECT: Response to draft audit report of the Army's Base Life Support (BLS) Contract for Camp Taji, Iraq (Project No. D2019-D000RJ-0161.000)

1. The purpose of this memorandum is to provide a background of actions that Army Contracting Command-Rock Island's (ACC-RI) have taken to provide Base Life Support (BLS) at Camp Taji, Iraq with vendor SOS International LLC (SOSi). This memorandum is provided to address the findings and recommendations of the Department of Defense's Inspector General (DODIG's) "Draft Report," which was issued on 20 DEC 19.

2. **Executive Summary.** On 20 DEC 19, DODIG provided a draft report pertaining to BLS contract support at Camp Taji. ACC-RI provided a memo addressing remaining factual inaccuracies in the report, as well as a response to one of the DODIG's draft recommendations to the ACC Internal Review & Audit Compliance Office (ACC-IRACO) on 10 JAN 20. ACC-RI's concerns have primarily focused on DODIG's assertion that ACC-RI awarded a contract with a pricing structure that is disadvantageous to the Government. In actuality, ACC-RI inherited the SOSi contract from the 408th Contract Support Brigade (CSB), issued an Unfinalized Contract Action (UCA) and then immediately began to negotiate more acceptable terms than the prior contract. The finalization process took much longer than normal, however, as the Contractor actively fought against any changes in contract pricing and ACC-RI had limited leverage in negotiations due to SOSi's exclusive agreement with the Government of Iraq (GoI). Additionally, ACC and Army Materiel Command (AMC) IRACOs remain concerned with DODIG's findings regarding burn pits. ACC-RI has not addressed these matters because ACC-RI personnel are not included in the findings or recommendations and burn pits are not being used based upon the contract or direction from ACC-RI. Rather, the findings pertain to documents and actions within the purview of the Combined Joint Task Force- Operation Inherent Resolve's (CJTF-OIR) or the 408th CSB. ACC-RI recommends additional coordination with the appropriate commands and a request for postponement of the issuance of the DODIG report until all responses/concerns have been addressed.

3. **Timeline of events.** A timeline of events relevant to this contract is provided as enclosure 1. Immediately relevant is that ACC-RI received a "status update to the discussion draft" of the DODIG's findings on 23 OCT 19. On 03 DEC 19, ACC-RI

Army Contracting Command-Rock Island (cont'd)

ACC-RI

SUBJECT: Response to draft audit report of the Army's Base Life Support (BLS)
Contract for Camp Taji, Iraq (Project No. D2019-D000RJ-0161.000)

received a full discussion draft report from the DODIG and provided comments on 18 DEC 19. On 19 DEC 19, the DODIG provided a response to ACC-RI's comments (see enclosure 2), and the Draft Report was issued on 20 DEC 19.

4. Findings/ Recommendations immediately applicable to ACC-RI. ACC-RI's review of the Draft Report found fifteen remaining instances where DODIG states or implies that ACC-RI awarded a contract with the pricing structure that SOSi originally proposed. The common inaccuracy in the fifteen instances is that ACC-RI awarded a UCA, not a contract on 26 DEC 18. In DODIG's response on 19 DEC 19, they state that "[w]e explain in our draft report under the heading, 'Camp Taji Base Life Support Contracts,' that ACC-RI contract award W52P1J-19-C-0010 is a UCA. We added language to Table 1, Note 2 to clarify that when definitization occurs the contract terms and amount may change." This statement is not entirely accurate; the terms of a contract do not change from UCA award to definitization. Rather IAW DFARS 271.7401(d), a UCA is a contract action in which the contract terms and price are not agreed upon before performance commences. ACC-RI entered a UCA, instead of a regular contract award, because the timeline to execute a contract after receipt of the procurement package was extremely aggressive. A major ACC-RI concern is that DODIG is faulting the ACC-RI Contracting Officer with entering an agreement by which SOSi benefitted from specific terms (i.e. SOSi's pricing model). In fact, ACC-RI never agreed to SOSi's pricing model and began the definitization process immediately after UCA award with the goal of ensuring SOSi's price was fair and reasonable. In addition, the actions of ACC-RI were not simply a mitigation based on the findings of the DODIG; the change in pricing structure was determined through the regular course of analyzing SOSi's proposal for definitization negotiations, as discussed in detail in enclosure 3. Further, ACC-RI began the definitization process immediately after issuing the UCA and had already directed the transition of food purchasing to DLA before the DODIG began its audit in May 2019. After a rolling transition, DLA became the sole food provider on 15 May 2019. Other minor inaccuracies are also addressed in enclosure 3.

5. Other Findings/ Recommendations in the Draft Report. The DODIG report also addresses matters that ACC-RI responded to on 18 DEC 19 but cannot fully comment on, including (a) the modification of the requirements documents; (b) the "key counting" method of determining population size; and (c) the increased oversight of the population. These matters ultimately are not within the control of ACC-RI, but the following comments are provided to provide ACC-RI's knowledge of these matters.

a. Modification of Requirements Documents. This matter pertains to the use of Burn Pits and their potential impact on Soldiers. Currently, the Performance Work Statement (PWS) includes the requirement at section 4.1.13. that "[t]he Contractor shall remove and dispose of [s]olid waste collected on base and meet the compliance requirements of the host nation rules and regulations." ACC-RI is aware that CJTF-OIR has attempted to increase the requirements of the PWS by having an incinerator installed and requiring the vendor to incinerate all solid waste. The process for

Army Contracting Command-Rock Island (cont'd)

ACC-RI

SUBJECT: Response to draft audit report of the Army's Base Life Support (BLS)
Contract for Camp Taji, Iraq (Project No. D2019-D000RJ-0161.000)

authorization to utilize additional GoI-controlled property at Taji is ongoing, but the GoI has not yet approved a site for the incinerator. The Draft Report states that "[DODI] 4715.19 prohibits the disposal of waste in open-air burn pits except during contingency operations, except when no alternative disposal method is possible." It is possible that there is not an alternative, which the draft report acknowledges in footnote 22. Based on input provided by CJTF-OIR, it appears there are multiple host nation entities that burn trash near the Taji military complex. Even if the PWS requirements increased the distance that the USG shipped waste, the matter would likely still not be completely resolved. These are ongoing matters that CJTF-OIR makes ACC-RI aware of, but this and any additional information regarding the burn-pits and solid waste disposal would be best addressed firsthand by CJTF-OIR.

b. Key Counting Method. To the best of ACC-RI's current understanding, CJTF-OIR has chosen this method as the most accurate/economical way to determine the number of rooms currently being used. This takes into consideration that when a Soldier occupies a room, but is not present, the room must still be maintained. The daily rate for food consumption that DODIG references in the report has not been an applicable concern since 15 MAY 19. ACC-RI provided comment that accuracy in "room counting" has become less of a concern since definitization, as the monthly price is now determined by "population bands," which allow for a change in up to 500 Soldiers before an increase in price.

c. Increased Oversight. ACC-RI addressed DODIG's statement that "we compared a non-statistical sample of occupied beds from the contractor's database for five days in July 2019 to the invoices for the same day and in all 5 days the contractor charged for more personnel than were reported in the lodging database." This statement, combined with the DODIG's finding that the "pricing structure paid the contractor based on the daily population," implies both a problematic incentive and a subsequently problematic finding of fact. Stated differently, this is an observation that potentially implies SOSi is knowingly overcharging the Government—this is a serious matter and has potential consequences beyond simply tasking oversight officials to provide better Contracting Officer Representative oversight. For a report that will be released publicly, this statement may cause significant consternation on the part of both SOSi and the general public. ACC-RI recommends removal of the statement regarding the "non-statistical sample of occupied beds," and instead recommends additional investigation, if that is appropriate.

Army Contracting Command-Rock Island (cont'd)

**Final
Report Reference**

ACC-RI
SUBJECT: Response to draft audit report of the Army's Base Life Support (BLS)
Contract for Camp Taji, Iraq (Project No. D2019-D000RJ-0161.000)

6. Point of Contact for this memorandum is [REDACTED]
[REDACTED]

CARR.JAY.THOM [REDACTED]
[REDACTED]

3 Encls
1. Timeline of ACC-RI Taji BLS Contract
2. DODIG response to ACC-RI comments
3. ACC-RI response to Discussion Draft

JAY T. CARR
SES
Executive Director

**Omitted enclosures
because of length.**

Army Contracting Command-Rock Island (cont'd)

ACC-RI

SUBJECT: Response to draft audit report of the Army's Base Life Support (BLS)
Contract for Camp Taji, Iraq (Project No. D2019-D000RJ-0161.000)

Enclosure 1- Timeline of Taji Definitization Negotiations relevant to DODIG report

- 13 SEP 18- ACC-RI receive complete requirements package for Taji BLS
- 20 NOV 18- ACC-RI SCO approves D&F for non-commerciality.
- 26 DEC 18- ACC-RI issues UCA W52P1J-19-C-0010.
- 31 DEC 18- 408th CSB contract W56KGZ-15-C-4005, POP ends.
- 01 JAN 19- POP for UCA W52P1J-19-C-0010 begins.
- 01 MAY 19- SOSi provides a revised proposal for BLS at Taji after AFMIS implementation.
- 15 MAY 19- DLA starts providing all food and water to Taji dining facilities.
- 11 SEP- ACC-RI participates in a DASA(P) peer review of the POM, based on revised requirement (i.e. no longer requiring food/ water delivery)
- 20 SEP 19- Acting Principal Director, Defense Pricing and Contracting, OSD approves ACC-RI for negotiations with SOSi.
- 24-25 SEP 19- ACC-RI and SOSi met face-to-face at RIA and discuss definitization. The meeting focuses primarily on fact finding. SOSi departs RIA after stating frustration that meeting would not result in a final negotiated agreement. The meeting was scheduled to continue until 26 SEP.
- 16 OCT 19- SOSi submits a FOIA request to DCMA and ACC-RI for documents relating to the 20 NOV 18 commerciality determination.
- 16-23 OCT 19- ACC-RI provides seven "Evaluation Notices" to advise SOSi's of the Government's position and to serve as a roadmap for upcoming face-to-face negotiations. These ENs detail the Government's intent to shift to an analysis of SOSi's actual costs incurred to evaluate a reasonable position and discuss Government concerns with SOSi's pricing model.
- 23 OCT 19- Government team receives a "Status Update to the Discussion Draft Report" of the Office of the Inspector General's audit of Taji BLS contracts, including the current UCA.
- 24 OCT 19- SOSi provides a letter to DCMA to explain why they believe their services are commercial (contrary to ACC-RI position).
- 4 NOV 19- PCO issues notice to SOSi of intent to unilaterally definitize on 15 NOV if no bi-lateral agreement is reached before that date.
- 12-13 NOV 19- SOSi and Government team conduct face-to-face negotiations and come to verbal tentative agreement on fixed rates for the Base and all Option Years. SOSi representative and PCO together draft an initial written tentative agreement. SOSi agrees that bi-lateral modification will outline how SOSi will pay the Government back for funds expended in excess of the agreed to amount for the Base Year. Agreement also includes change in SOSi's pricing model.
- 3 DEC 19- The Government team receives a copy of the OIG's "Discussion Draft Report" of their audit of Taji BLS contracts.
- 6 DEC 19- After multiple iterations, SOSi signs a written tentative agreement. There were no significant changes to the verbal tentative agreement and written tentative agreement.

Army Contracting Command-Rock Island (cont'd)

ACC-RI

SUBJECT: Response to draft audit report of the Army's Base Life Support (BLS)
Contract for Camp Taji, Iraq (Project No. D2019-D000RJ-0161.000)

- 9 DEC 19- SOSi submits a revised proposal consistent with the tentative agreement reached during face-to-face negotiations.
- 17 DEC 19- [REDACTED], Pricing and Contracting Initiatives-Defense Pricing and Contracting (DPC) reviews and approves the Post Negotiation Memorandum, with cost analysis.
- 18 DEC 19- ACC-RI provides response to OIG's "Discussion Draft Report" directly to [REDACTED], DODIG. The response also addresses the Status Update provided on 23 OCT 19 and describes what ACC-RI believes are factual inaccuracies in the report.
- 19 DEC 19- DODIG provides a response to ACC-RI's stated concerns.
- 20 DEC 19- DODIG issues its "Draft Report," with minor changes to partially address ACC-RI's concerns.
- 20 DEC 19- Contract is Definitized and SOSi acknowledges that it must pay back the Government \$22,681,231.91 for money invoiced under the UCA framework that is in excess of the agreed to amount for the Base Year of performance.
- 23 DEC 19- Bi-lateral modification is issued requiring SOSi to remit \$11,681,231.91 NLT 31 DEC 19. Government agrees that SOSi may retain \$11M, due to this being the estimated value of SOSi's REA for AFMIS implementation, provided that the REA is submitted within a yet to be agreed upon timeframe.
- 10 JAN 20- Based on feedback from the ACC Internal Review and Audit Compliance Office (IRACO), ACC-RI provides [REDACTED] ACC-RI's concurrence on recommendation 2 in the Draft Report. ACC-RI also provides a MFR detailing 15 remaining instances where ACC-RI believes that factual inaccuracies remain in the Draft Report.
- 14 JAN 20- ACC-RI confirms that payment of \$11,681,231.91 has been received from SOSi and posted to MOCAS.
- 16 JAN 20- ACC-RI PCO provides guidance that SOSi must submit their REA NLT 31 JAN, or the remaining \$11M will be recovered via a demand letter/ bill of collection.
- 27 JAN 20- ACC-RI receives SOSi's REA in amount of \$10,887,887.49.
- 28 JAN 20- Current Date of Writing.

Combined Joint Task Force-Operation Inherent Resolve



UNCLASSIFIED

DEPARTMENT OF DEFENSE
COMBINED JOINT TASK FORCE - OPERATION INHERENT RESOLVE
CAMP ARIFJAN, KUWAIT
APO AE 09306

IRCS-DCS

22 Jan 20

MEMORANDUM FOR Inspector General, United States Central Command (CENTCOM),
[REDACTED]

SUBJECT: Combined Joint Task Force-Operation Inherent Resolve (CJTF-OIR) Responses to CENTCOM Taskers USCC1935472695: DODIG D2019-D000RJ-0161.000 Draft Report - "Audit of the Army's Oversight of the Base Operations Life Support (BLS) Contract for Camp Taji, Iraq"

1. Reference CENTCOM Tasker USCC1935472695, DODIG conducted an audit of the Army's Oversight of the Base Operations Support Services (BOSS) Contract for Camp Taji.
2. CJTF-OIR and subordinate elements reviewed the DODIG Camp Taji BLS Audit Revised Draft and drafted 13 total comments. The vast majority of CJTF-OIR's critical comments provide supporting documentation to ensure DODIG's narrative on incinerators and the use of burn pits is as accurate as possible. CJTF-OIR's comment resolution matrix (CRM) is attached in Enclosure 1.
3. CJTF-OIR disagrees with DODIG's recommendation 1 and agrees with recommendation 3.
4. Recommendation 1.a. calls for CJTF-OIR to, add all DoD and Army requirements to base life support (BLS) contracts at Camp Taji. CJTF-OIR believes this is not in line with Federal Acquisition Regulation (FAR) principles (FAR Part 1.102(b)(1)(i)), which states, "Participants in the acquisition process should work together as a team and should be empowered to make decisions within their area of responsibility...to maximize the use of commercial products and services." Hence, including all DoD and Army requirements may unnecessarily increase the cost of these types of contracts. CJTF-OIR recommends, DODIG Recommendation 1.a read as follows: "CJTF-OIR shall review BLS Performance Work Statements to ensure that, at a minimum, commercial standards are utilized to measure contractor performance."
5. Recommendation 1.b calls for CJTF-OIR to review the actions of the logistics officials and hold necessary officials accountable. CJTF-OIR believes this action fails to take into consideration external circumstances that likely shaped CJTF-OIR's, and subordinate units', decision-making processes. The recommendation should read as follows, "CJTF-OIR review Memorandums For Records and/or Determination and Findings in the contract file to determine circumstances surrounding negotiations and decision-making by the contracting officer and should take appropriate action, if necessary."
6. Recommendation 3 calls for the use of personal status reports for daily occupancy tracking, use common access card readers to track personnel and to include steps in the quality assurance surveillance plan. CJTF-OIR plans to implement the following actions:

**Revised
Recommendations
1.a and 1.b**

Combined Joint Task Force-Operation Inherent Resolve (cont'd)

- a) CJTF-OIR is providing the BOS-Is with a copy of the Joint Personnel Status and Casualty Report (JPERSTAT) for visibility purposes.
- b) The Joint Asset Movement Management System (JAMMS) personnel tracker is scheduled to reach Full Operational Capability at Camp Taji on 15 February 2020.
- c) In addition to providing the JPERSTATE to the BOS-Is, CJTF-OIR recently implemented a requirement for all BOS-I's in the combined joint operation area (CJOA) to provide their own personnel accountability report to ensure they are tracking personnel counts on their respective base.

7. The point of contact for this memo is [REDACTED], CJTF-OIR Deputy Chief of Internal Review & External Oversight at [REDACTED] or [REDACTED]

JOST.STEPHEN [REDACTED]

STEPHEN F. JOST
Brigadier General, USAF
Chief of Staff

Encls

- 1. CJTF-OIR Comments on
Camp Taji Audit Revised Draft (U//FOUO)

UNCLASSIFIED

Combined Joint Task Force-Operation Inherent Resolve (cont'd)

Formal Draft Audit of Camp Taji BLS Contracts (D2019-D000RJ-0161.000)

Comment Resolution Matrix

#	Org/ Reviewer	Page	Para	Line	Type (C/S/A)	Comment	Disposition (A/R/P)
1	CJTF-OIR OCSIC	3	Table 1		S	<p>ADD: "Base Period" Column</p> <p>Rationale: Award amount (e.g. [REDACTED] only covers the base period of the contract. It does not cover the whole "Period of Performance." As is, the award amount of [REDACTED] looks like it covers the entire 5 year period.</p> <p>Change: [REDACTED] to [REDACTED]</p> <p>Rationale: Contract W52P1J-19-C-0010 was definitized on 20 DEC 2019. Award amount for the base period needs to be updated from [REDACTED] to [REDACTED]</p> <p>Attachment: Enclosure PZ0011 Final</p>	

Combined Joint Task Force-Operation Inherent Resolve (cont'd)

Formal Draft Audit of Camp Taji BLS Contracts (D2019-D000RJ-0161.000)

Comment Resolution Matrix

#	Org/ Reviewer	Page	Para	Line	Type (C/S/A)	Comment	Disposition (A/R/P)
2	CJTF-OIR/ CJ-ENG	9	2	1-4	C	<p>Delete bold portion and add highlighted portion: "In addition, poorly defined contract requirements allowed the contractor to dispose of solid waste at a sites in the Camp Taji Amber Zone that the Iraqis would later burn, which exposed U.S., Coalition, and Iraqi personnel to toxins from the burn pit smoke."</p> <p><u>End State:</u> "In addition, contract requirements allowed the contractor to dispose of solid waste at a site in the Camp Taji Amber Zone."</p> <p>Rationale: The contractor has a signed agreement with the Iraqi Camp Taji Site Commander, Brigadier General Kathem Abed Al-Zahra Hazool, which authorizes the contractor to dispose of waste in one landfill site in the Amber Zone (see Enclosure 1). This landfill is located on the eastern side of the Amber Zone and is labeled as Area 1 on the attached map (see Enclosure 2). This landfill is 5,755 feet from the closest U.S. or Coalition work location, and 9,825 feet from the eastern perimeter of the green zone where U.S. and Coalition forces reside. The Area 1 landfill is located well in excess of the 2,000 feet standoff distance from open-air burn pits as required by DODI 4715.19 (see Enclosure 3). Additionally, the inset graphic on Enclosure Two shows that the landfill was located downwind of the prevailing wind direction. This landfill did not exposure U.S. and Coalition forces to toxins.</p> <p>Attachments: Enclosure 1 Enclosure 2 Enclosure 3</p>	

Combined Joint Task Force-Operation Inherent Resolve (cont'd)

Formal Draft Audit of Camp Taji BLS Contracts (D2019-D000RJ-0161.000)

Comment Resolution Matrix

#	Org/ Reviewer	Page	Para	Line	Type (C/S/A)	Comment	Disposition (A/R/P)
3	CJTF-OIR/ CJ-ENG	11-12	1	3-4/1	C	<p>Delete: “DoD Instruction 4715.19 prohibits the disposal of waste in open-air burn pits during contingency operations, except when no alternative disposal method is possible. Similarly...”</p> <p>Rationale: According to DODI 4715.19 open-air burn pits must be “sited at least 2,000 feet from any living, dining, or work areas to prevent or minimize exposures to personnel, and be downwind of the prevailing wind direction” (see Enclosure 3). Enclosure Two, indicated the standoff from the host nation landfill is 5,755 feet to the closest work location, and 9,825 feet from the eastern perimeter of the green zone where U.S. and coalition forces reside. Additionally, the inset graphic on enclosure two shows the landfill was downwind of the prevailing wind direction. U.S. and Coalition forces were exposed were not exposed to toxins from this landfill.</p> <p>Furthermore, there are no open air-burn pits open at Camp Taji. The last open air burn pit at Camp Taji was closed prior to U.S. and Coalition forces leaving Camp Taji, Iraq in 2010. The only solid waste accumulation site at Camp Taji, Iraq is a host nation landfill site located in the Iraqi controlled Amber Zone of the Camp Taji Military Complex.</p> <p>Attachment: Enclosure 3</p>	

Combined Joint Task Force-Operation Inherent Resolve (cont'd)

Formal Draft Audit of Camp Taji BLS Contracts (D2019-D000RJ-0161.000)

Comment Resolution Matrix

#	Org/ Reviewer	Page	Para	Line	Type (C/S/A)	Comment	Disposition (A/R/P)
4	CJTF-OIR/ CJ-ENG	12	1	5-7	C	<p>Delete: “However, CJTF-OIR did not provide these requirements to the 408th CSB and ACC-RI to include under the Camp Taji BLS contracts.”</p> <p>Rationale: CJTF-OIR provided the necessary documentation to the 408th CSB Contracting Officer and ACC-RI on two occasions: 15 July 2018 and 08 February 2019.</p> <p>The 15 July 2018 e-mail exchange (Enclosure 5) included an updated performance work statement (PWS) (see Enclosure Seven) from CJ-ENG to Camp Taji, BOS-I, as well as, the Camp Taji Regional Contracting Office. Also, included within this email exchange were the required environmental reports to comply with both U.S. Central Command 200-series Regulations (see Enclosure 8).</p> <p>The 08 February 2019 email exchange (Enclosure 6) with the 408th CSB and ACC-RI included an updated PWS for the BLS and Security contract (Enclosure 9). The revised PWS from 08 February 2019 referenced the CJTF-OIR Ash Management Plan, as well as, the latest version of CCR 200-2 (Enclosures 10 and 11).</p> <p>Attachment: Enclosure 5 Enclosure 6 Enclosure 7 Enclosure 8 Enclosure 9 Enclosure 10 Enclosure 11</p>	

Combined Joint Task Force-Operation Inherent Resolve (cont'd)

Formal Draft Audit of Camp Taji BLS Contracts (D2019-D000RJ-0161.000)

Comment Resolution Matrix

#	Org/ Reviewer	Page	Para	Line	Type (C/S/A)	Comment	Disposition (A/R/P)
4	CJTF-OIR/ CJ-ENG	12	2	11-15	C	<p>Delete: “However, during our site visit in July 2019, the Task Force Essayons Environmental Program manager stated that incinerators have been on the base since February 2019 but were not being used. Therefore, since February 2019, CJTF-OIR had incinerators available at Camp Taji that allowed for disposal of solid waste in a safer manner, but did not ensure the contract required the contractor to do so.”</p> <p>Rationale: According to historical documentation there have been several attempts to purchase and install incinerators at Camp Taji, Iraq. The first attempt to purchase incinerators was in August 2017 under the Combined Joint Forces Land Component Command with an estimated cost projected at \$546,825.90 (Enclosure 12). A second attempt to purchase incinerators was presented in February 2018. The request in February 2018 was being processed as a valid requirement, but it is unclear why the project was ultimately cancelled (Enclosure 13, file was too large to embed – it is an attachment to support this CRM). Finally, the incinerators were approved at the 28 October 2019 Joint Facilities Utilization Board in order to fund the Taji Incinerator project (Enclosure 14). Since the incinerators arrived at Camp Taji, CJTF-OIR has been doing due diligence to place these systems into operation and establish requirements for the contractor to dispose of solid waste through incineration.</p> <p>Attachment: Enclosure 12 Enclosure 13 Enclosure 14</p>	

Combined Joint Task Force-Operation Inherent Resolve (cont'd)

Formal Draft Audit of Camp Taji BLS Contracts (D2019-D000RJ-0161.000)

Comment Resolution Matrix

#	Org/ Reviewer	Page	Para	Line	Type (C/S/A)	Comment	Disposition (A/R/P)
5	CJTF-OIR/ CJ-ENG	12-13	2	15-17	C	<p>Delete: "Figure 1 shows burning trash at multiple areas of the Camp Taji Amber Zone where the contractor dumped solid waste."</p> <p>And Delete: Photographs on the top of page 13.</p> <p>Rationale: These photographs depict the host nation landfill located in the Amber Zone of Camp Taji. As illustrated by Enclosure Two, this landfill was located well outside of the standoff distance required by DODI 4715.19 and downwind from the prevailing wind direction. Smoke from this site had no impact on U.S. or coalition forces at Camp Taji.</p>	
6	CJTF-OIR/ CJ-ENG	20	2	3-4	C	<p>Delete: "and exposed thousands of CJTF-OIR, Coalition, and Iraqi personnel to dangerous toxins from the burn pit smoke."</p> <p>Rationale: According to DODI 4715.19, open-air burn pits must be "sited at least 2,000 feet from any living, dining, or work areas to prevent or minimize exposures to personnel, and be downwind of the prevailing wind direction". Enclosure Two, indicates the standoff from the host nation landfill is 5,755 feet to the closest work location and 9,825 feet to the eastern edge of the life support area which houses U.S. and Coalition forces. Additionally, the inset graphic on Enclosure Two shows the prevailing wind directions were away from the Green Zone. This landfill did not exposure U.S. and Coalition forces to toxins.</p>	

Combined Joint Task Force-Operation Inherent Resolve (cont'd)

Formal Draft Audit of Camp Taji BLS Contracts (D2019-D000RJ-0161.000)

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#	Org/ Reviewer	Page	Para	Line	Type (C/S/A)	Comment	Disposition (A/R/P)
7	CJTF-OIR OCSIC	20	Table 5		C	<p>Line Reads: “As a result of ACC-RI not establishing contract terms to prohibit payment for personnel absent from Camp Taji, CJTF-OIR paid at least \$36 million on BLS services for personnel on leave or temporary duty status and therefore not consuming services at Camp Taji between July 2015 and December 2018.”</p> <p>Recommendation: Delete: “As a result of ACC-RI not establishing contract terms to prohibit payment for personnel absent from Camp Taji, CJTF-OIR paid at least \$36 million on BLS services for personnel on leave or temporary duty status and therefore not consuming services at Camp Taji between July 2015 and December 2018.”</p> <p>Rationale: It is over simplistic to utilize the full per person price to calculate the claimed \$36M wasted. The BLS contracts incur costs even when personnel are TDY or on leave. As an example, if a soldier is TDY, the BLS service contractor must still maintain the soldiers’ Containerized Housing Unit (CHU), provide electricity and maintain support services based on total number assigned to the camp (i.e. trash removal, etc).</p> <p>If a reduced rate was established, the per person “reduced” priced would be lower as the vast majority of services provided on contract are fixed in nature.</p>	
8	CJTF-OIR/ CJ-ENG	23	1	1	C	<p>Delete: “Because CJTF-OIR did not define contract requirements for solid waste disposal.”</p> <p>Rationale: See rationale for comment #4.</p>	

Combined Joint Task Force-Operation Inherent Resolve (cont'd)

Formal Draft Audit of Camp Taji BLS Contracts (D2019-D000RJ-0161.000)

Comment Resolution Matrix

#	Org/ Reviewer	Page	Para	Line	Type (C/S/A)	Comment	Disposition (A/R/P)
9	CJTF-OIR/ CJ-ENG	24	2	2	C	Recommendation Delete: "solid waste disposal," Rationale: See rationale for comment #4.	
10	CJTF-OIR/ CJ-SJA	25	Recommendation: 1a	28	C	Recommendation: Final Report should contain 408th CSB comment on if recommendation 1.A is allowable under the FAR. Rationale: All DoD and Army requirements for BLS services may not be allowable under the FAR. Recommend 408 th CSB confirm what is allowable under the FAR.	
11	DCOS (AJ)	Results in Brief & p.8	Finding Para 1	4 / 3	S	Replacing or reword: "the 408th CSB and ACC-RI each awarded contracts that caused CJTF-OIR to pay for services that it did not use" Recommend: the 408th CSB and ACC-RI each awarded contracts that required CJTF-OIR to pay for services not needed Rationale: The contract provided services that were not needed or required but, if invoices were reviewed, overpayment may have been caught. As stated implied in the finding, accuracy of the contractors invoices was not verified and caused the overpayment.	
12	CJTF-OIR/IR	15	1	2	S	Delete: "However, Camp Taji is not a hotel..." Replace with: "However, the Camp Taji BLS contract is not priced per bed," Rationale: Stating, "Camp Taji is not a hotel" is a 'rhetorical statement.' Recommended new statement sticks to the facts and does not try to add additional meaning or attempt persuasion of the reader.	
13	CJTF-OIR/IR	21	Table 5	Column 2	S	Change: "Personnel Not Present At Camp Taji" TO: "Number of personnel overcharged on Camp Taji" Rationale: Current column header implies personnel are AWOL. This is not the case.	

Combined Joint Task Force-Operation Inherent Resolve (cont'd)

Formal Draft Audit of Camp Taji BLS Contracts (D2019-D000RJ-0161.000) Comment Resolution Matrix

Importance of Comments:

C - CRITICAL: Comments of a very serious nature; these are “show-stoppers” from the reviewer’s perspective. Convincing rationale for critical comments must be provided.

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Acronyms and Abbreviations

ACC	Army Contracting Command
ACC-RI	Army Contracting Command-Rock Island
ACO	Administrative Contracting Officer
AFMIS	Army Food Management Information System
BLS	Base Life Support
BOS-I	Base Operations Support-Integrator
CJTF-OIR	Combined Joint Task Force-Operation Inherent Resolve
COR	Contracting Officer's Representative
CSB	Contracting Support Brigade
DLA	Defense Logistics Agency
FAR	Federal Acquisition Regulation
ISIS	Islamic State of Iraq and Syria
PCO	Procuring Contracting Officer
PWS	Performance Work Statement
QAS	Quality Assurance Specialist
QASP	Quality Assurance Surveillance Plan
SOSi	SOS International, LLC
UCA	Undefinitized Contract Action
USCENTCOM	U.S. Central Command



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