

United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

CHRISTOPHER R. HIXON, STAFF DIRECTOR
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July 20, 2016

Lieutenant General Andrew E. Busch
Director
Defense Logistics Agency
U.S. Department of Defense
8725 John J. Kingman Road
Fort Belvoir, VA 22060-6221

Dear General Busch:

I am writing to request a staff briefing regarding allegations that employees of the Defense Logistics Agency (DLA) may have improperly provided non-public information to a contractor, Kuwait & Gulf Link Transport Company (KGL), in order to disadvantage another contractor, Agility.¹

I have expressed my concerns about KGL's conduct as government contractor to the Department of Defense numerous times. In 2009, I held a hearing about the circumstances that led to the death of American service member in Iraq after his vehicle was struck by a truck driven by a KGL employee.² As a foreign-owned contractor, KGL was able to avoid service of process and therefore avoid liability, and I requested that the Department of Defense consider these actions when evaluating future bids from KGL.³

In 2011, I received allegations that KGL was potentially involved in sanctionable activities with Iranian government-owned companies, and I requested that the Department provide information about its determination that KGL was in compliance with Iran sanctions laws.⁴ In response, I was told by then-Under Secretary of Defense for Acquisition, Technology

¹ Project On Government Oversight, *Pentagon Leaks to Persian Gulf Contractor Raise Questions* (July 6, 2016) (online at <http://www.pogo.org/blog/2016/07/pentagon-leaks-to-persian-gulf-contractor-raise-questions.html>).

² Subcommittee on Contracting Oversight, *Hearing: Accountability for Foreign Contractors: Lieutenant Colonel Dominic "Rocky" Baragona Justice for American Heroes Harmed by Contractors Act* S. Hrg. 111-747 (Nov. 18, 2009).

³ Letter from Chairman Claire McCaskill and Ranking Member Robert Bennett, Subcommittee on Contracting Oversight, to Secretary Robert Gates, Department of Defense (Sept. 10, 2009).

⁴ Letter from Chairman Claire McCaskill, Subcommittee on Contracting Oversight to Secretary Robert Gages, Department of Defense (Apr. 8, 2011).

Lieutenant General Andrew E. Busch
July 20, 2016
Page 2

and Logistics, Ashton Carter, that “[i]n coordination with the Department of State, we have found no substantiated information...that would preclude KGL from being awarded a DoD contract.”⁵

I recently learned of information which raises new concerns regarding DLA’s relationship with KGL. According court documents, employees within DLA’s General Counsel’s Office repeatedly provided non-public information to an attorney for KGL, including details regarding the government’s ongoing investigation into its relationship with Iran. It also appears that a key official at KGL has been arrested for allegedly violating Iran sanctions.⁶ This calls into question the Department’s previous assertions that KGL was not in violation of Iran sanctions and was eligible to receive major logistics contracts. It also raises very serious questions regarding the Department’s management and oversight of its contracts with KGL

For these reasons I request that you schedule a briefing with my staff as soon as possible, but no later than August 12, 2016. Please contact Sarah Garcia with my Subcommittee staff at (202) 224-5602 with any questions and to schedule the briefing. Please send any official correspondence relating to this request to Kelsey_Stroud@hsgac.senate.gov.

Sincerely,



Claire McCaskill
Ranking Member
Permanent Subcommittee on Investigations

cc: Rob Portman
Chairman
Permanent Subcommittee on Investigations

⁵ Letter from Under Secretary Ashton Carter, Department of Defense to Chairman Claire McCaskill, Subcommittee on Contracting Oversight (May 30, 2011).

⁶ Project On Government Oversight, *Pentagon Leaks to Persian Gulf Contractor Raise Questions* (July 6, 2016) (online at <http://www.pogo.org/blog/2016/07/pentagon-leaks-to-persian-gulf-contractor-raise-questions.html>).