



PROJECT ON
GOVERNMENT OVERSIGHT

Exposing Corruption. Exploring Solutions.

March 14, 2013

Anham USA, Inc.
8075 Leesburg Pike, Suite 760
Vienna, VA 22182

Dear Sir or Madam:

The Project On Government Oversight (POGO) has updated its Federal Contractor Misconduct Database (<http://www.contractormisconduct.org/>), a compilation of information from public resources regarding government contractors, including Anham. I have enclosed the findings relevant to your company, and I am seeking verification of this data.

Any response would be greatly appreciated, as the accuracy of this information is in the best interest of all parties. Out of fairness to Anham, please be assured that any response received by POGO will be posted on the website along with the data. Please note that the database includes pending instances, but these are kept separate from resolved instances and are not included in the totals.

If you have any questions, I can be reached at (202) 347-1122. Thank you for your time and consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Neil Gordon', with a long horizontal flourish extending to the right.

Neil Gordon
Investigator

Enclosure

Instances

SIGIR Audit of Reconstruction and Logistics Contract

Date: 07/30/2011 (Date of SIGIR Report)

Misconduct Type: Cost/Labor Mischarge

Enforcement Agency: SIGIR

Contracting Party: Defense - General

Court Type: N/A

Amount: \$0

Disposition: Investigative Finding

Synopsis: The Special Inspector General for Iraq Reconstruction (SIGIR) examined subcontracts associated with a contract awarded to Anham in September 2007 to provide for the receipt, storage, and onward movement of supplies and equipment needed to reconstitute the Iraqi Security Forces and reconstruct the country's infrastructure. SIGIR found significant weaknesses in the government's oversight of Anham's business systems and other contract administration functions, which left the government at significant risk of paying unreasonable costs. SIGIR also conducted a limited incurred-cost review of Anham and questioned almost 39 percent of the costs (\$4.4 million) reviewed. SIGIR questioned whether these costs were fair or reasonable because of questionable competition practices, inappropriate bundling of subcontractor items, and close working relationships or possible ownership affiliations (i.e. "less-than-arm's-length" distance) between Anham and certain of its subcontractors. In some instances, Anham billed the government for plumbing and electrical items at prices that SIGIR determined were marked up by several thousand percent. As a result of its findings, SIGIR questioned all of the costs on this contract (\$113.4 million) and recommended the military initiate a systematic review of billing practices on all Anham contracts in Iraq and Afghanistan. Anham sharply disputed SIGIR's findings, calling them "false, without legal or factual justification," and "completely unfounded."