

United States Senate
WASHINGTON, DC 20510-4504

COMMITTEES:
BUDGET
ENERGY AND NATURAL RESOURCES
ENVIRONMENT AND PUBLIC WORKS
HEALTH, EDUCATION, LABOR,
AND PENSIONS
VETERANS' AFFAIRS

May 6, 2009

The Honorable Gordon S. Heddell
Inspector General
Department of Defense
400 Army Navy Drive
Arlington, VA 22202-4704

Dear Mr. Heddell:

I am writing to request an investigation into the very costly and damaging problems that resulted from the inadequate oversight of billions of dollars paid in workers compensation to overseas military contractors by the last administration. It is imperative that the U.S. government greatly improve its management and oversight of this program, as there are many unanswered questions regarding some of the most basic aspects of this issue.

As you know, the Defense Base Act requires U.S. military overseas contractors to provide workers' compensation insurance for their employees and the Wartime Hazards Compensation Act has authority over payments for war related deaths and injuries. The large number of contract employees in Iraq has resulted in a huge increase in the overall workers' compensation insurance costs — costs that are incurred by the Department of Defense and ultimately the taxpayers. The U.S. Army's and the Government Accountability Office's audits have called into question the annual price tag of this insurance, as well as the oversight of these payments.

As with many Iraq and Afghanistan war contracts, the DOD has not adequately supervised or administered these wartime insurance premiums. An investigation into potential irregularities and possible overcharges would bring much needed clarity to the challenges of the Defense Base Act and the War Hazards Compensation Act.

Thank you and I look forward to working with you on this important issue.

Sincerely,



Bernard Sanders
United States Senator