

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