

Opening Statement of Chairman Thomas R. Carper
“The Intelligence Community: Keeping Watch Over Its Contractor Workforce”
June 18, 2014

As prepared for delivery:

The committee will come to order. My colleagues and I today will be examining some of the challenges agencies have in managing the large contractor workforce we rely on to do some of the most sensitive and important work the federal government does. It’s essential that the leadership of any organization should have good visibility over its workforce. They need to know who makes it up, what skills they have, what skills they lack, and what they do day in and day out. Nowhere is this more important than with the federal agencies in charge of protecting our nation and our nation’s sensitive information.

The men and women who work at our nation’s intelligence agencies are entrusted with obtaining, analyzing and protecting our most sensitive information. The people we entrust with leadership roles at these agencies need to be able to show the American people, and Congress, that they know who is working for them, and why. Contractors in the intelligence community perform key functions at the heart of intelligence collection, management and analysis. They work side by side with federal employees and are given access to our most sensitive information. This extensive reliance on contractors raises a number of risks:

First and foremost, an agency that turns over too much responsibility to contractors runs the risk of hollowing itself out and creating a weaker organization. The agency could also lose control over activities and decisions that should lie with the government, not with contractors. Second, the use of contractors for mission-critical work creates an additional layer of management between the contractor employees and the government. Adding layers makes it more difficult to conduct oversight and assign accountability. And third, when agencies turn to contractors as a “default” option without careful analysis, they run the risk of paying more to get work done than they would have paid if they had just relied on federal employees.

While the precise number of employees at each intelligence agency is classified, it is no secret that following 9/11, the intelligence community ramped up its workforce, including its use of contractors. In response to concerns that the intelligence community had become too reliant on contractors, the Office of the Director of National Intelligence began in 2006 to conduct an annual inventory of contractors performing “core” functions at the heart of intelligence operations. The goal of this inventory is to provide a snapshot of the size of the intelligence contractor workforce, its costs, the functions it performs, and the reasons cited by agencies for using the contractors.

This hearing will focus on a Government Accountability Office (GAO) report requested by our former colleague, Senator Daniel Akaka, with support from myself and Senators Coburn, Collins, McCaskill and Johnson. We asked GAO to look closely at the annual inventory of core contractors and find out how well it’s really working in helping agencies better know and manage their workforce.

GAO’s findings reveal that the numbers in the inventory simply aren’t reliable and that the intelligence agencies do not have the kind of information they need to assess the cost benefit of using contractors, to conduct strategic workforce planning, and to determine the role contractors should play in their organizations. In other words, we

don't have the full picture of who is working for the intelligence community as contractors, or why.

While the GAO's report shows a number of problems, I like to say that in adversity, lies opportunity. If the intelligence community can get past its initial learning curve in conducting these inventories, it will have what is potentially a very useful tool that can be used to help make better decisions about its entire workforce. These inventories could help the Office of the Director of National Intelligence and the individual intelligence agencies identify where their critical skill gaps are. The inventories could also help identify where the government is paying too much for contractors, or where agencies could save money through strategic sourcing.

I look forward to hearing from the witnesses today about the progress the Office of the Director of National Intelligence and the intelligence agencies have made in responding to GAO's findings and recommendations. And I note that the intelligence community has been ahead of the rest of the government in creating an inventory of contractors whose work raises special risks. So there are a lot of good lessons we will learn today that the rest of the government can use.

I welcome our witnesses and look forward to their testimony. I'll now turn to Dr. Coburn for any comments he would like to make.

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