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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

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July 25, 2019

VIA ELECTRONIC TRANSMISSION

The Honorable Mark Esper
Secretary of Defense
3010 Defense Pentagon
Washington, DC 20301-3

Dear Secretary Esper:

I first want to congratulate you on your confirmation on becoming Secretary of Defense for the United States of America. It is now your great honor and responsibility to lead the greatest military in the world, as well as manage one of the United States of America's largest financial commitments.

When we met last week, I was impressed with your commitment to rein in wasteful spending and get the Pentagon's financial problems in order. I mentioned to you that I thought highly of former Secretary of Defense James Mattis's July 2017 memorandum in which he committed to rooting out waste at the Department of Defense, citing the necessity for budgetary discipline, a culture of cost awareness, accountability of Department employees, and the importance of earning the trust and confidence of the Congress and the American people.¹ As you begin your tenure as Secretary of Defense, I respectfully encourage you to adopt the same policies by reissuing the memorandum under your signature. By doing so, I believe you would do much to encourage the cultural changes you are trying to affect and would cement these policies as standard operating procedure at the Department of Defense. This is a leadership opportunity not to be missed. And it will do much to set the tone for what I hope will be an extraordinarily successful time as the leader of the greatest military in the world.

Should you have questions, please contact Quinton Brady of my Committee staff at (202) 224-4515. Thank you for your attention to this important matter.

¹ See Memorandum from James Mattis, Sec'y, Dep't of Def., to Under Sec'ys of Def. (July 21, 2017), http://www.pogoarchives.org/m/ga/mattis_sigar_memo_20170721.pdf.

Sincerely,

Chuck

Charles E. Grassley
Chairman
Senate Committee on Finance

PS: I appreciate your commitment to changing the culture at DOD. Safeguarding taxpayers money and reining in waste is crucial to military readiness and supporting our Americans in arms. Please fight to accomplish our mutual goals.

If you decide to resume the Mattis policy on waste, please put some teeth in it. Those who violate the rules should be fired.

Please energize the IG to help you fight the war on waste. He hardly ever uses the word "waste" in his report!!

I stand ready to help you.



SECRETARY OF DEFENSE
1000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000

7/21/2017

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE FOR ACQUISITION,
TECHNOLOGY, AND LOGISTICS
UNDER SECRETARY OF DEFENSE FOR POLICY
UNDER SECRETARY OF DEFENSE (COMPTROLLER)/CHIEF
FINANCIAL OFFICER

SUBJECT: Our Mission and Stewardship Responsibilities

In June 2017, the Special Inspector General for Afghanistan Reconstruction released a report titled, "Afghan National Army: DoD May Have Spent Up to \$28 Million More Than Needed to Procure Camouflage Uniforms That May be Inappropriate for the Afghan Environment."

I highlight this report because it reveals two truths about our line of work: (1) our every action contributes to our larger mission of defending the country; and (2) our procurement decisions have a lasting impact on the larger defense budget. As chairs of the Afghanistan Resource Oversight Council, you have a statutory responsibility to oversee procurements funded with Afghanistan Security Forces Fund; I expect you to perform your responsibility with rigor — just as I expect leaders at all levels in the Department to exercise the utmost degree of stewardship over every penny we spend.

Buying uniforms for our Afghan partners, and doing so in a way that may have wasted tens of millions of taxpayer dollars over a ten-year period, must not be seen as inconsequential in the grand scheme of the Department's responsibilities and budget. To the contrary, these actions connect directly to our mission and budget situation. The purpose of equipping the Afghan National Army is to bolster the Afghan Government's capacity to provide for its own security, and ultimately, to help defend our country from terrorist attack.

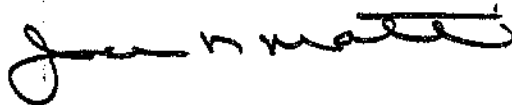
In my view, the key finding of the SIGAR report is not just that it exposes waste, or that it captures how funds were diverted away from other mission priorities, but rather that it serves as an example of a complacent mode of thinking. The report is an indication of a frame of mind — an attitude that can affect any of us at the Pentagon or across the Department of defense — showing how those of us entrusted with supporting and equipping troops on the battlefield, if we let down our guard, can lose focus on ensuring their safety and lethality against the enemy.

On my first day as Secretary of Defense, I wrote, "Every action we take will be designed to ensure our military is ready to fight today and in the future." It is imperative we align our actions to our larger mission and that we disaggregate priorities that increase the lethality of our forces from functions that are wasteful and unnecessary. Only by instilling budget discipline, by establishing a culture of cost awareness, and by holding ourselves accountable, can we earn the



trust and confidence of the Congress and the American people that we are the best possible stewards of taxpayer dollars.

Cavalier or casually acquiescent decisions to spend taxpayer dollars in an ineffective and wasteful manner are not to recur. This principle applies equally from the smallest procurement to the Department's largest programs. Rather than minimize this report or excuse wasteful decisions, I expect all DoD organizations to use this error as a catalyst to bring to light wasteful practices -- and take aggressive steps to end waste in our Department. I'm counting on all hands to take effective action.



cc:

Deputy Secretary of Defense
Secretaries of the Military Departments
Chairman of the Joint Chiefs of Staff
Under Secretary of Defense for Personnel and Readiness
Under Secretary of Defense for Intelligence
Commander, U.S. Central Command
Commander, U.S. Forces - Afghanistan
Director of Cost Assessment and Program Evaluation
Director, Defense Security Cooperation Agency
Director, Defense Logistics Agency