COMMITTEE ON ARMED SERVICES COMMITTEE ON **EDUCATION AND THE WORKFORCE**

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GUARD AND MARITIME TRANSPORTATION

CHAIRMAN, SUBCOMMITTEE ON THE COAST



Duncan Hunter H.S. House of Representatives

50th District, California

January 7, 2015

The Honorable John McHugh Secretary of the Army 101 Army Pentagon Washington, D.C. 20310

Dear Secretary McHugh:

The Army's Distributed Common Ground System (DCGS) continues to experience delays and overruns. And while I appreciate the Army's effort to audit this system, following my request upon learning of the misallocation of as much as \$90 million, the audit provides no assurances whatsoever that the core problems with DCGS are being addressed.

The audit appears to have examined only a sample of contracts. Nowhere is the violation of the Anti Deficiency Act properly cited nor the fact that such a significant error in judgment and accounting occurred. Even though this violation is still under investigation, its omission is confounding, especially when the Army concludes costs were "reasonably accurate and complete" and that "controls were in place to ensure the correct appropriations were used and obligations were captured." In fact, regardless of what steps are ultimately taken specific to funds within the scope of the investigation, an ADA violation is significant and raises broader concerns with the audit.

The audit goes on to state "the program deferred immature capabilities to a future release. Release 1 satisfied initial minimum capabilities for the program's two key performance parameters." This raises a red flag. In other words, the Army did not meet specific targets and costs have grown, as a result. All the while, DCGS has suffered incredible setbacks in development, demonstrated by successive failures—such as Red Disk.

In light of the inconclusive nature of the audit, I respectfully request that the Army provide cost estimates for future increments/releases and present in detail the basis and process for determining these costs. Presumably, such information is already available, and I look forward to a prompt response.

With the help of your leadership, I am confident we can advance a program that better reflects the interests of taxpayers and the warfighter.

Sincerely

Member of Congress

www.hunter.house.gov

WASHINGTON, DC OFFICE:

223 CANNON HOUSE OFFICE BUILDING WASHINGTON, DC 20515 TELEPHONE: (202) 225-5672

DISTRICT OFFICES:

ESCONDIDO TELEPHONE: (760) 743-3260 TEMECULA TELEPHONE: (951) 695-5108

EL CAJON TELEPHONE: (619) 448-5201