



# The Department of Defense's Use of Private Security Contractors in Afghanistan and Iraq: Background, Analysis, and Options for Congress

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## Summary

The United States relies on contractors to provide a wide variety of services in Afghanistan and Iraq, including armed security. While DOD has previously contracted for security in Bosnia and elsewhere, it appears that in Afghanistan and Iraq DOD is for the first time relying so heavily on armed contractors to provide security during combat or stability operations. Much of the attention given to private security contractors (PSCs) by Congress and the media is a result of numerous high-profile incidents in which security contractors have been accused of shooting civilians, using excessive force, being insensitive to local customs or beliefs, or otherwise behaving inappropriately. Some analysts believe that the use of contractors, particularly private security contractors, may have undermined U.S. counterinsurgency efforts in Afghanistan and Iraq.

As of December 31, 2010, there were more than 27,000 private security contractor personnel in Afghanistan and Iraq, representing 17% of DOD's total contractor workforce in Afghanistan and Iraq. Since December 2009, the number of PSC personnel in Afghanistan has exceeded the number in Iraq.

In Afghanistan, as of December 2010, there were 18,919 private security contractor personnel working for DOD, the highest number since DOD started tracking the data in September 2007. The number of PSC personnel in Afghanistan has more than tripled since June 2009.

In Iraq, as of December 2010, there were 8,327 private security contractor personnel working for DOD, down from a high of 15,279 in June 2009. As a result of the transition of activities from DOD to the Department of State, State anticipates increasing its reliance on PSCs. However, the overall number of PSC personnel working in Iraq for the United States is not increasing. From June 2009 to December 2010, the number of PSC personnel working for DOD has declined by almost 7,000—more than offsetting the estimated addition 3,000 PSC personnel that the Department of State anticipates having to hire as a result of the transition.

This report examines current PSC trends in Afghanistan and Iraq, steps DOD has taken to improve oversight and management, and the impact using private security personnel can have on military operations. It also reviews steps Congress has taken to exercise oversight over the use of PSCs and includes options for Congress.

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## Background

The American military has often relied upon contractors to support military operations. During the Revolutionary War, the Continental Army relied on contractors to provide such goods and services as transportation and engineering services, clothing, and weapons.<sup>1</sup> Congress has generally accepted the concept of using unarmed contractors to carry out support functions in military operations.

But for the Department of Defense (DOD), Afghanistan and Iraq present new challenges. The United States is relying heavily, apparently for the first time during combat or stability operations, on private firms to supply a wide variety of security services.<sup>2</sup> Given current troop levels, PSCs are widely viewed as vital to U.S. efforts in the region.

The U.S. government is just one of many entities—including foreign governments, international organizations, and private industry—that employ private security contractors in Afghanistan and Iraq. In recent years, many other nations and organizations, including the United Nations, have increasingly turned to private contractors to provide security, as well as a variety of other functions, in support of stabilization and reconstruction efforts.<sup>3</sup> This increased reliance on contractors has fueled the growth of the private security industry worldwide.

## Services Provided by Private Security Contractors

There is some debate as to what constitutes a private security contractor. Some commentators define private security as any activity that a company undertakes that is directly related to protecting a person, place, or thing.<sup>4</sup> Others use a broader definition that includes such activities

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<sup>1</sup> Deborah C. Kidwell, "Public War, Private Fight? The United States and Private Military Companies," *Global War on Terrorism Occasional Paper 12*, Combat Studies Institute Press, Fort Leavenworth, Kansas, 2005, p. 9. See also James F. Nagle, *History of Government Contracting*, 2<sup>nd</sup> ed. (Washington, D.C.: The George Washington University Law School, 1999), pp. 16-19.

<sup>2</sup> Iraq and Afghanistan appear to be the first two instances where the U.S. government has used private contractors extensively for protecting persons and property in combat or stability operations where host country security forces are absent or deficient, but it is not the first time private contractors have been used for such purposes. The U.S. Government Accountability Office (GAO) reported that contractors have provided security guards in the Balkans and Southwest Asia. *Military Operations: Contractors Provide Vital Services to Deployed Forces but Are Not Adequately Addressed in DOD Plans*. GAO-03-695, June 2003, p 8. The United States also uses contractors (U.S. and foreign citizens) for guard duty at U.S. military installations and U.S. embassies and consulates in a number of countries where stability generally is not an issue.

<sup>3</sup> According to one report, "Not since the 17<sup>th</sup> century has there been such a reliance on private military actors to accomplish tasks directly affecting the success of military engagements." Fred Schreier and Marina Caparini. *Privatising Security: Law, Practice and Governance of Private Military and Security Companies*. Geneva, Switzerland: Geneva Centre for the Democratic Control of Armed Forces, March 2005. p. 1. For discussions on the growth of private companies providing security and other support to military efforts worldwide, see, for example: Deborah D. Avant. *The Market for Force: The Consequences of Privatizing Security*. Cambridge, UK; New York: Cambridge University Press, 2005; Simon Chesterman and Chia Lehnardt. *From Mercenaries to Market: The Rise and Regulation of Private Military Companies*. Oxford, UK; New York: Oxford University Press, 2007; and Singer, Peter W. *Corporate Warriors: The Rise of the Privatized Military Industry*. Ithaca, NY: Cornell University Press, 2003. For a discussion of United Nations use of such contractors, see William J. Durch and Tobias C. Berkman. *Who Should Keep the Peace? Providing Security for the Twenty-First-Century Peace Operations*. Washington, D.C.: The Henry L. Stimson Center, September 2006. pp. 83-84.

<sup>4</sup> Doug Brooks, President of the International Peace Operations Association, an industry trade group, defines private (continued...)

as providing intelligence analysis, operational coordination, and the training of military or law enforcement personnel. The National Defense Authorization Act for Fiscal Year 2008 (P.L. 110-181 Sec. 864) defined private security functions as the guarding of personnel, facilities, or property, and any other activity for which contractors are required to be armed.<sup>5</sup> Such a definition does not include unarmed personnel providing services directly related to security, such as coordinating the movements of PSCs throughout Afghanistan and Iraq. Many of the services provided by companies that consider themselves PSCs go beyond providing armed security. For the purposes of this report, the services provided by private security contractors can be divided into two major categories: armed services and unarmed services. Armed services include

- static (site) security—protecting fixed or static sites, such as housing areas, reconstruction work sites, or government buildings;
- convoy security—protecting convoys traveling through unsecured areas;
- security escorts—protecting individuals traveling in unsecured areas; and
- personal security details—providing full-time protective security to high-ranking individuals.

For some PSCs, unarmed services represent more than 50% of their total revenue. Unarmed security services include<sup>6</sup>

- operational coordination—establishing and managing command, control, and communications operations centers;
- intelligence analysis—gathering information and developing threat analysis;
- hostage negotiations; and
- security training—providing training to domestic or international security forces.

## **Number and Profile of PSCs Working in Afghanistan and Iraq**

How the term private security contractor is defined affects how one counts the number of contractors. For example, according to the Department of Defense (DOD), as of December 2009, there were 11,095 PSC employees in Iraq, of which 1,664 (15%) provided unarmed services. This figure does not include contractors, armed or unarmed, who trained security forces, analyzed intelligence, or conducted interrogations. In June 2010, DOD stopped providing data on armed versus unarmed personnel. As a result, PSC data in this report includes both armed and unarmed PSC personnel (previous CRS reports distinguished between armed and unarmed personnel). Historically, the percentage of armed PSC personnel working for DOD was 90% or greater.<sup>7</sup>

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(...continued)

security as any activity directly related to protecting a “noun.”

<sup>5</sup> This definition was reiterated by Congress in Section 833 of the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 (P.L. 11-383).

<sup>6</sup> Contractors providing weapons training may be armed. However, the use of weapons for training purposes is categorized here as an unarmed service because the weapons are used as training tools and not to provide armed security.

<sup>7</sup> Based on DOD data for June 2009 through March 2010, the last eight quarters where DOD distinguished between armed and unarmed PSC personnel. During this period, the average percentage of PSC personnel who were armed was (continued...)

Security contractors come from all over the world to work in Afghanistan and Iraq. Peter Singer of the Brookings Institution estimated that citizens of some 30 countries have worked as security contractors in Iraq.<sup>8</sup> PSC employees are generally divided by nationality into three groups:

1. U.S. nationals,
2. Third-country nationals, and
3. Local nationals.

U.S. and coalition nationals often have military or law enforcement experience and are generally the easiest to vet through a background check. Third-country nationals are generally cheaper than U.S. coalition contractors, even though some third-country nationals have extensive military training and experience. Local nationals are generally the least expensive to hire, in part because there are no large overhead costs related to transportation, housing, and sustenance. Using local nationals as security contractors can also provide a number of potential benefits, such as providing jobs, building relationships and developing contacts with the local population, and having a security force that has a better understanding of the region. However, local nationals are often more difficult to screen and can be more easily infiltrated by hostile forces.

In Iraq there are 100 PSCs registered and licensed (or in the process of renewing their license) with the Ministry of Interior (72 Iraqi companies and 28 foreign companies).<sup>9</sup> These PSCs employ more than 30,000 armed employees working for a variety of government and private sector clients.<sup>10</sup> The number of Iraqi PSCs has increased over the past two years. According to some analysts, the primary clients for non-Iraqi PSCs have shifted dramatically over the past two years from working for the U.S. government to working for private industry (such as international oil companies) and non-governmental organizations.

In Afghanistan, there are currently 52 PSCs licensed to operate with some 30,000 registered security contractors. PSCs operating in Afghanistan are limited to 500 employees and can only exceed 500 with permission from the Cabinet.<sup>11</sup> Because of the legal restrictions placed on security companies in Afghanistan, a number of PSCs have operated without a license or have exceeded the legal limit, including security contractors working for NATO and the U.S. Government.<sup>12</sup> Many analysts believe that regulations governing PSCs are only enforced in Kabul; outside Kabul there is limited government reach at present and local governors, chiefs of police, and politicians run their own illegal PSCs. Estimates of the total number of security

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(...continued)

92% in Afghanistan and 90% in Iraq.

<sup>8</sup> Conversation with Peter Singer, Brookings Institution, June 13, 2007.

<sup>9</sup> Data as of December 2010, based on information provided by Lawrence Peter, Director, Private Security Company Association of Iraq, January 3, 2011. According to Mr. Peter, the Ministry of Interior began a licensing program in early 2005 and issued a total of 129 licenses. Approximately 30 PSCs have either had their license revoked, let their license lapse, or have gone out of business.

<sup>10</sup> Ibid.

<sup>11</sup> Based on discussions and emails with S. J. A. Brooking, Advisor to the Minister of Interior, Afghanistan, November 19, 2009. Some of the companies that had more than 500 employees prior to the cap taking effect were grandfathered in and permitted to maintain a larger force. Recent media reports have confirmed that the number of licensed PSCs has not changed. See also: Katharine Houreld, "Seeking possible deal on private guards, Afghan leader asks which aid projects need security," *Associated Press*, October 24, 2010, AP Newswire 11:21.

<sup>12</sup> Ibid.

contractor personnel in Afghanistan, including those that are not licensed, are as high as 70,000.<sup>13</sup> The majority of these PSCs do not work for the U.S. government. In recent months, the Karzai government has sought to decrease the number of PSCs working in Afghanistan, and has claimed to have shut down a number of unlicensed companies.<sup>14</sup>

## Congressional Focus on PSCs

Congress has generally focused more on PSCs than other specific contracting issues, even though such contractors represent a minority of all DOD and Department of State contractors in Afghanistan and Iraq. Much of the attention given to PSCs is a result of numerous high-profile incidents in which security contractors were accused of shooting civilians in Afghanistan and Iraq, using excessive force, being insensitive to local customs or beliefs, or otherwise behaving in a manner that has raised concerns (see below “Can the Use of PSCs Undermine US Efforts?”). Congress has also focused on whether DOD is effectively managing PSCs and whether improved oversight could have prevented or minimized the impact of these incidents.

Hearings have been held in the Senate Committee on Armed Services,<sup>15</sup> the Senate Committee on Homeland Security and Governmental Affairs,<sup>16</sup> the House Oversight and Government Reform Committee,<sup>17</sup> the House Committee on Armed Services,<sup>18</sup> and the House Judiciary Committee.<sup>19</sup> The National Security and Foreign Affairs Subcommittee of the House Committee on Oversight and Government Reform conducted a hearing *Investigation of Protection Payments for Safe Passage along the Afghan Supply Chain*, which focused on armed private security contractors providing convoy security along the Afghan supply chain.<sup>20</sup> More recently, a Senate Armed Services Committee report found evidence of U.S.-funded prime contractors supporting the Taliban and subcontracting to warlords.<sup>21</sup>

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<sup>13</sup> David Zucchino, “Private security forces unnerve Afghans,” *Chicago Tribune*, August 17, 2009.

<sup>14</sup> Katharine Houreld, “Seeking possible deal on private guards, Afghan leader asks which aid projects need security,” *Associated Press*, October 24, 2010, AP Newswire 11:21; “Afghan Leader Shelves Plan To Dissolve Private Security Firms - Ministry,” *Dow Jones Newswires*, December 8, 2010, at 06:20, Dow Jones International News.

<sup>15</sup> U.S. Congress, Senate Committee on Armed Services, *Inquiry into the Treatment of Detainees in U.S. Custody*, 110<sup>th</sup> Cong., 1<sup>st</sup> sess., August 3, 2007.

<sup>16</sup> U.S. Congress, Senate Committee on Homeland Security and Governmental Affairs, *An Uneasy Relationship: U.S. Reliance on Private Security Firms in Overseas Operations*, 110<sup>th</sup> Cong., 2<sup>nd</sup> sess., February 27, 2008.

<sup>17</sup> U.S. Congress, House Committee on Oversight and Government Reform, *Private Security Contracting in Iraq and Afghanistan*, 110<sup>th</sup> Cong., 1<sup>st</sup> sess., October 2, 2007; U.S. Congress, House Committee on Oversight and Government Reform, Subcommittee on National Security and Foreign Affairs, *Commission on Wartime Contracting: Interim Findings and Path Forward*, 111<sup>th</sup> Cong., 1<sup>st</sup> sess., June 9, 2009.

<sup>18</sup> U.S. Congress, House Committee on Armed Services, *Contingency Contracting: Implementing a Call for Urgent Reform*, 110<sup>th</sup> Cong., 2<sup>nd</sup> sess., April 9, 2008.

<sup>19</sup> U.S. Congress, House Committee on the Judiciary, Subcommittee on Crime, Terrorism, and Homeland Security, *Enforcement of Federal Criminal Law to Protect Americans Working for U.S. Contractors in Iraq*, 110<sup>th</sup> Cong., 1<sup>st</sup> sess., December 19, 2007.

<sup>20</sup> U.S. Congress, House Committee on Oversight and Government Reform, Subcommittee on National Security and Foreign Affairs, *Investigation of Protection Payments for Safe Passage along the Afghan Supply Chain*, 111<sup>th</sup> Cong., 2<sup>nd</sup> sess., June 22, 2010. The majority issued a report *Warlord, Inc.: Extortion and Corruption Along the U.S. Supply Chain in Afghanistan*, detailing the findings of their investigation.

<sup>21</sup> Senate Armed Services Committee, “Inquiry into the Role and Oversight of Private Security Contractors in Afghanistan,” October 7, 2010.



Congress has enacted legislation to address some of its concerns. In the FY2008 National Defense Authorization Act (NDAA), Congress required the Secretary of Defense, in coordination with the Secretary of State, to prescribe regulations and guidance relating to screening, equipping, and managing private security personnel in areas of combat operations. These regulations were to include tracking private security contractor (PSC) employees, authorizing and accounting for weapons used by PSCs, and reporting requirements whenever a security contractor discharges a weapon, kills or injures another person, or is killed or injured.<sup>22</sup> Included in the FY2009 NDAA is a “Sense of the Congress” provision that private security contractors should not perform inherently governmental functions, such as security protection of resources in high-threat operational environments.<sup>23</sup> The FY2011 NDAA contained three sections that deal specifically with PSCs.<sup>24</sup> Section 831 revised the regulations prescribed in the FY2008 NDAA; Section 832 required these regulation to also be applied to “other significant military operations.” Section 833 required the Secretary of Defense to determine whether the private sector developed a useful certification processes for determining if PSCs are adhering to industry standards, and if such a process exists, to incorporate the standards into DOD contracting procedures.

## **Private Security Companies Working For the U.S. Government**

### **Why the U.S. Government Uses PSCs**

Private security contractors can provide significant operational benefits to the U.S. government. Contractors can often be hired and deployed faster than a similarly skilled and sized military force. Because security contractors can be hired and fired quickly as needed, using contractors can allow federal agencies to adapt more easily to changing environments around the world. In contrast, adapting the military force structure or training significant numbers of Department of State civilian personnel can take months or years. Security contractors also serve as a force multiplier for the military, freeing up uniformed personnel to perform combat missions or providing the State Department with the necessary security capabilities when State’s civilian security force is stretched thin. In some cases, security contractors may possess unique skills that the government workforce lacks. For example, local nationals hired by U.S. government agencies working overseas may provide critical knowledge of the terrain, culture, and language of the region. Using PSCs can also save the government money. Contractors can be hired when a particular security need arises and be let go when their services are no longer needed. Hiring contractors only as needed can be cheaper in the long run than maintaining a permanent in-house capability. According to government officials, both DOD and the Department of State would be unable to execute their missions in Afghanistan and Iraq without the support of PSCs.<sup>25</sup>

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<sup>22</sup> P.L. 110-181, sec 862.

<sup>23</sup> P.L. 110-417, sec 832. For a discussion on inherently governmental functions, see CRS Report R40641, *Inherently Governmental Functions and Department of Defense Operations: Background, Issues, and Options for Congress*, by John R. Luckey, Valerie Bailey Grasso, and Kate M. Manuel.

<sup>24</sup> The Ike Skelton National Defense Authorization Act for Fiscal Year 2011 (P.L. 111-383).

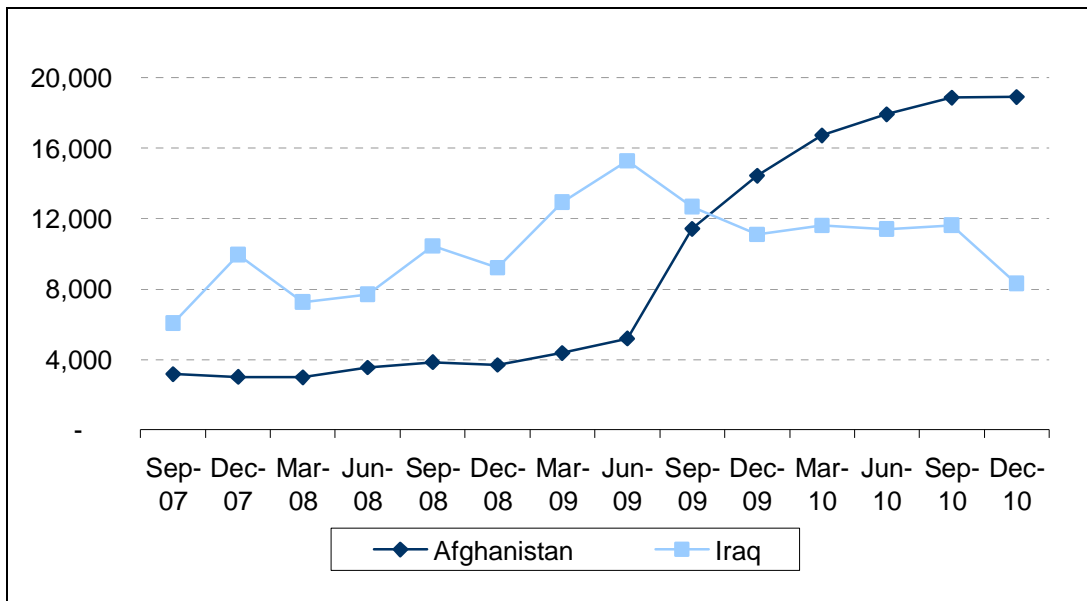
<sup>25</sup> CRS Report MM70119, *Private Security Contractors: Possible Legislative Approaches. Online Video. DVD.*, coordinated by Kennon H. Nakamura (archived).

## Department of Defense PSCs

DOD did not begin to gather data on private security contractors until the second half of 2007. As a result, the following CRS analysis includes the past two and a half years, ending December 30, 2010. In addition, a number of analysts have raised questions about the reliability of the data gathered. In October 2010, GAO reported that DOD's quarterly contractor reports represent only a rough approximation of the number of contractors and therefore should not be relied upon for precise analysis.<sup>26</sup> DOD officials have acknowledged these shortcomings; the census for the third quarter of FY2009 notes that the recorded 19% increase in armed security contractors over the previous quarter is partly a result of "continued improved ability to account for subcontractors who are providing security services."

As of December 31, 2010, there were more than 27,000 private security contractor personnel in Afghanistan and Iraq, representing 17% of DOD's total contractor workforce in Afghanistan and Iraq. Since December 2009, the number of PSC personnel in Afghanistan has exceeded the number in Iraq (see Figure 1).

**Figure 1. Trend of PSC Personnel in Afghanistan and Iraq**



Source: CENTCOM Quarter Contractor Census Reports, FY2008-Q1 FY2011.

<sup>26</sup> U.S. Government Accountability Office, *Iraq and Afghanistan: DOD, State and USAID Face Continued Challenges in Tracking Contracts, Assistance Instruments, and Associated Personnel*, GAO-11-1, October 1, 2010, p. 18; See also, U.S. Government Accountability Office, *Contingency Contracting: DOD, State, and USAID Contracts and Contractor Personnel in Iraq and Afghanistan*, GAO-09-19, October 1, 2008, p. 6.

## Afghanistan

### *Number of Contractors*

Since December 2009, the number of PSC personnel in Afghanistan has exceeded the number of PSC personnel in Iraq. According to DOD, as of December 2010, there were 18,919 private security contractor personnel in Afghanistan. This represents the highest recorded number of private security contractor personnel used by DOD in any conflict in the history of the United States. Local nationals made up 95% of all security personnel (see **Table 1**).

**Table 1. Number of Security Contractors in Afghanistan by Nationality**  
(December 31, 2010)

	<b>Number of Americans</b>	<b>Number of Afghans</b>	<b>Number of Third-Country Nationals</b>	<b>Total</b>
PSCs in Afghanistan	250	17,938	731	18,919
Percent of Total	1%	95%	4%	100%

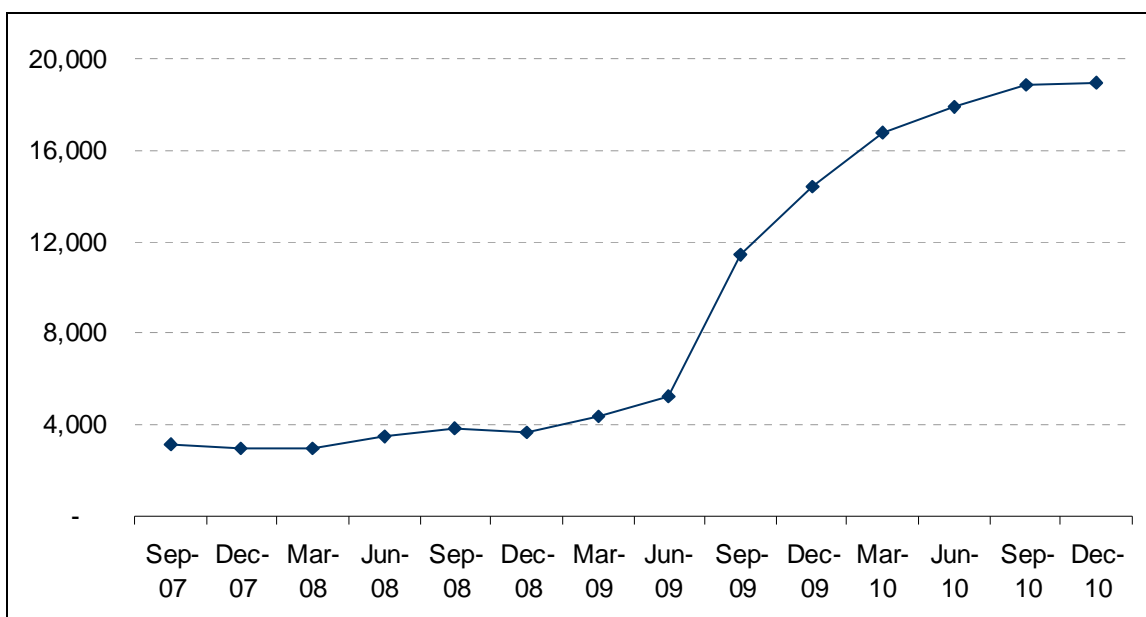
**Source:** CENTCOM FY2011 1<sup>st</sup> Quarter Contractor Census Report.

**Notes:** Actual numbers of employees working in Afghanistan vary widely on a daily basis due to personnel rotations, medical evacuations, and R&R travel.

According to DOD, for the 15 month period of September 2007 to December 2008, the number of security contractors increased by 16%, from 3,152 to 3,689. However, from December 2008 to December 2010, the number of security contractors increased from 3,689 to 18,919, an increase of over 400% (see **Figure 2**). DOD has attributed the increase in contractors to increased operational tempo and efforts to stabilize and develop new and existing forward operating bases.<sup>27</sup>

<sup>27</sup> CENTCOM Quarterly Contractor Census reports.

**Figure 2. Trend of Security Contractors in Afghanistan**

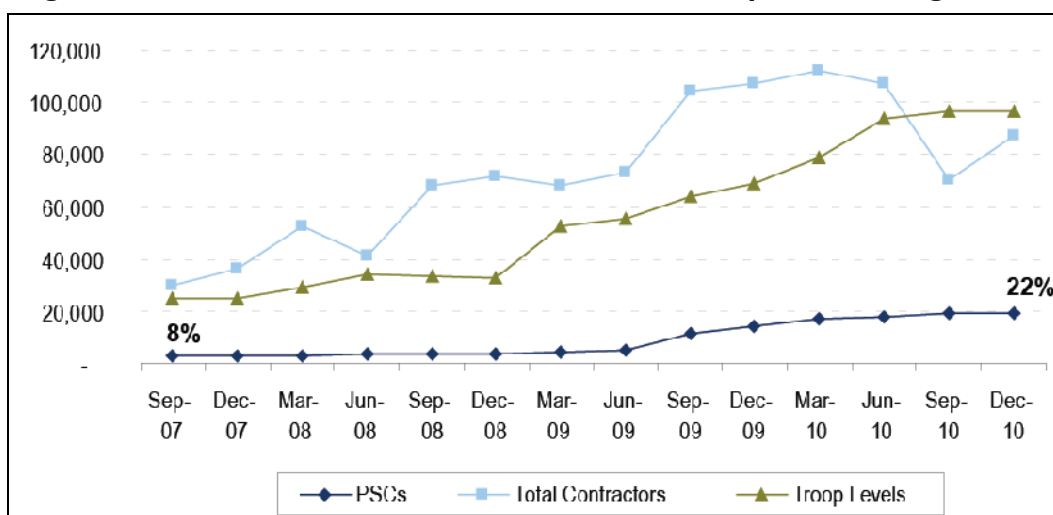


**Source:** CENTCOM Quarter Contractor Census Reports, FY2008-Q1 FY2011.

**Security Contractors Compared to Total Contractor and Troop Levels**

From December 2008 to December 2010, the number of U.S. troops and DOD contractor personnel in Afghanistan increased. However, the number of security contractors increased at a much faster rate (413%) than total contractors (22%) or troop levels (200%). As of December 2010, security contractor personnel made up 22% of all DOD contractors and was equal to 20% of the size of total U.S. troop presence in Afghanistan (see **Figure 3**).

**Figure 3. PSC Personnel vs. Total Contractor and Troop Levels in Afghanistan**



**Source:** Contractor data from CENTCOM Quarterly Census Reports; troop data from Joint Staff, Joint Chiefs of Staff, "Boots on the Ground" monthly reports to Congress.

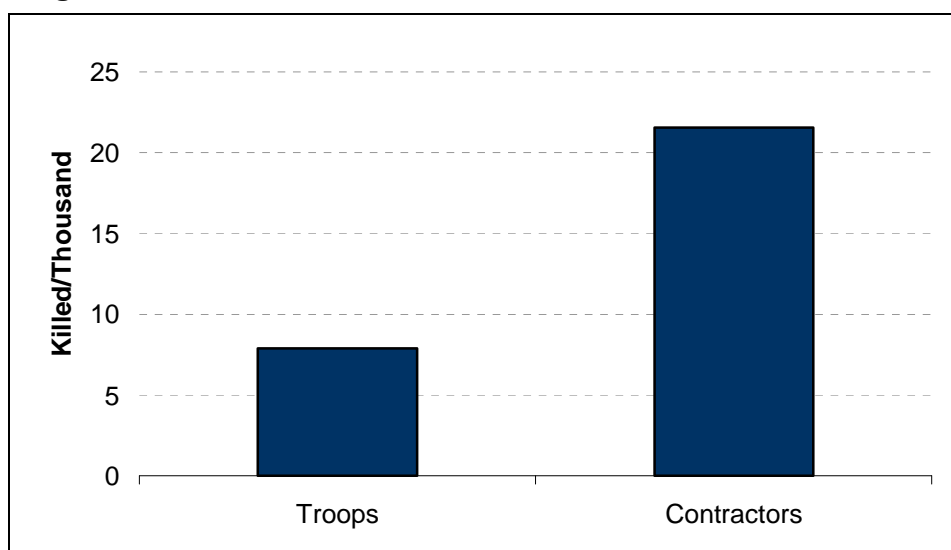
**Notes:** Percentages represent number of security contractor personnel relative to total number of contractors.

### *Casualty Rates of PSC Personnel vs. Uniformed Personnel*

According to DOD, from June 2009 to November 2010, 319 private security contractor personnel working for DOD have been killed in action in Afghanistan, compared to 626 U.S. troops killed in action over the same period.<sup>28</sup> Adjusting for the difference in the number of PSC personnel compared to troops, a PSC employee working for DOD in Afghanistan is 2.75 times more likely to be killed in action than uniformed personnel (see **Figure 4**).

More contractor security personnel were killed in action providing mobile security (233 people or 73% of fatalities) than static security, even though those providing mobile security are only 25%-30% of the total PSC workforce.<sup>29</sup>

**Figure 4. Number of PSC Personnel Killed vs. Uniformed Personnel**



**Source:** CRS Analysis of DOD data.

**Notes:** Killed/Thousand calculated by dividing the average number of personnel deployed in Afghanistan (79,208 troops and 14,788 contractors, based on quarterly data from June 2009 to December 2010) by the total killed (from June 2009 to November 2010).

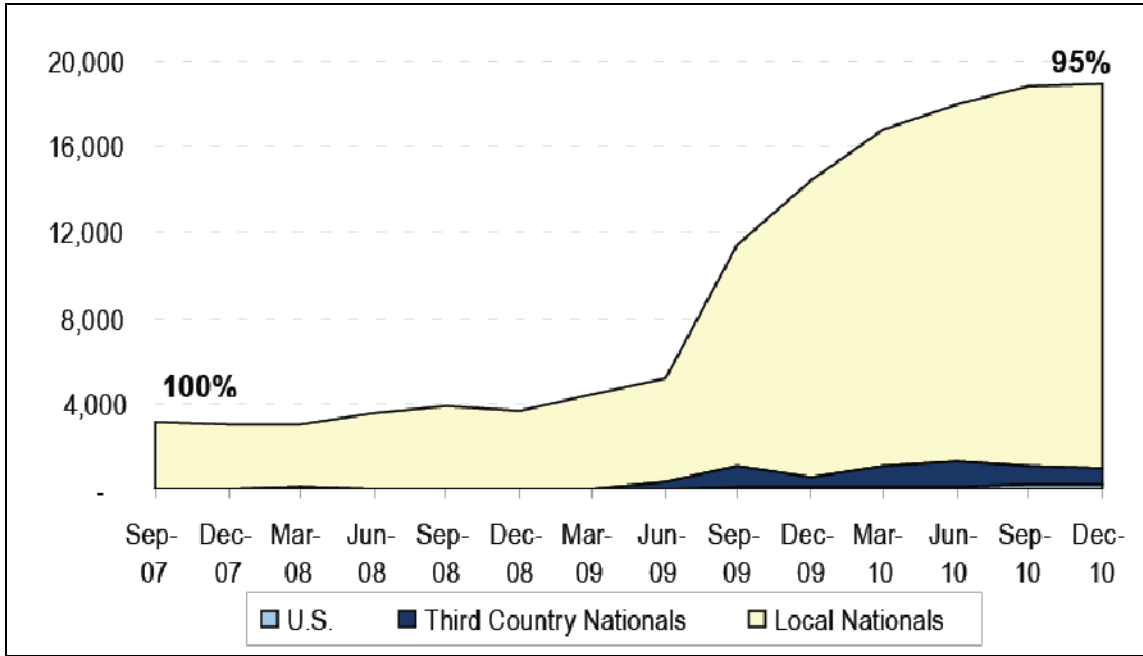
### *Nationality of Contractors*

According to DOD, since September 2007, local nationals have made up 90% or more of all security contractors in Afghanistan (see **Figure 5**).

<sup>28</sup> Excludes deaths resulting from road traffic accidents or other unrelated causes. PSC data provided by DOD to CRS in January, 2011. Troop data can be found at <http://siadapp.dmdc.osd.mil/personnel/CASUALTY/castop.htm>.

<sup>29</sup> Based on DOD documents and discussions with DOD officials. Assuming that mobile security represents 30% of all PSC employees, a PSC employee providing mobile security to services to DOD in Afghanistan is almost eight times more likely to be killed in action than uniformed personnel.

**Figure 5. Trend of Security Contractors in Afghanistan by Nationality**



**Source:** CRS analysis of DOD Data.

**Notes:** Percentages represent the number of security contractors who are local nationals.

## Iraq

### Number of Security Contractors

According to DOD, as of December 2010, there were 8,327 private security contractor personnel working for DOD in Iraq - the fewest number of such personnel since June, 2008. Local nationals made up just 1% of all security personnel, compared to 95% in Afghanistan (see **Table 2**).

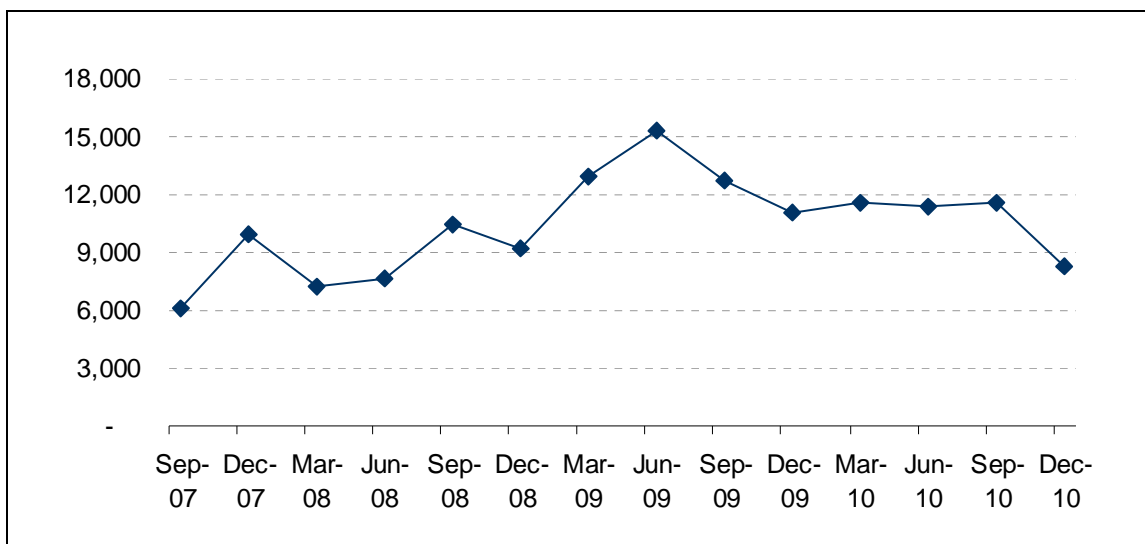
**Table 2. Number of Security Contractors in Iraq by Nationality**  
(December 31, 2010)

	Number of Americans	Number of Iraqis	Number of Third-Country Nationals	Total
PSCs in Iraq	791	112	7,424	8,327
Percent of Total	9%	1%	89%	100%

**Source:** CENTCOM 1<sup>st</sup> Quarter FY2011 Contractor Census Report.

**Notes:** Sum of percentages does not equal 100% due to rounding. Actual numbers of employees working in Iraq vary widely on a daily basis due to personnel rotations, medical evacuations, and R&R travel.

According to DOD, from September 2007 to June 2009, the number of security contractors increased from 6,068 to a high of 15,279, an increase of 152%. However, from June 2009 to December 2010, the number of security contractors has decreased by 6,952, or 46% (see **Figure 6**). DOD officials anticipate that the number of security contractors in Iraq will continue to decrease, much as the overall number of contractors and troops in Iraq is decreasing.

**Figure 6. Trend of Security Contractors in Iraq**

**Source:** CENTCOM Quarter Contractor Census Reports, FY2008-Q1 FY2010.

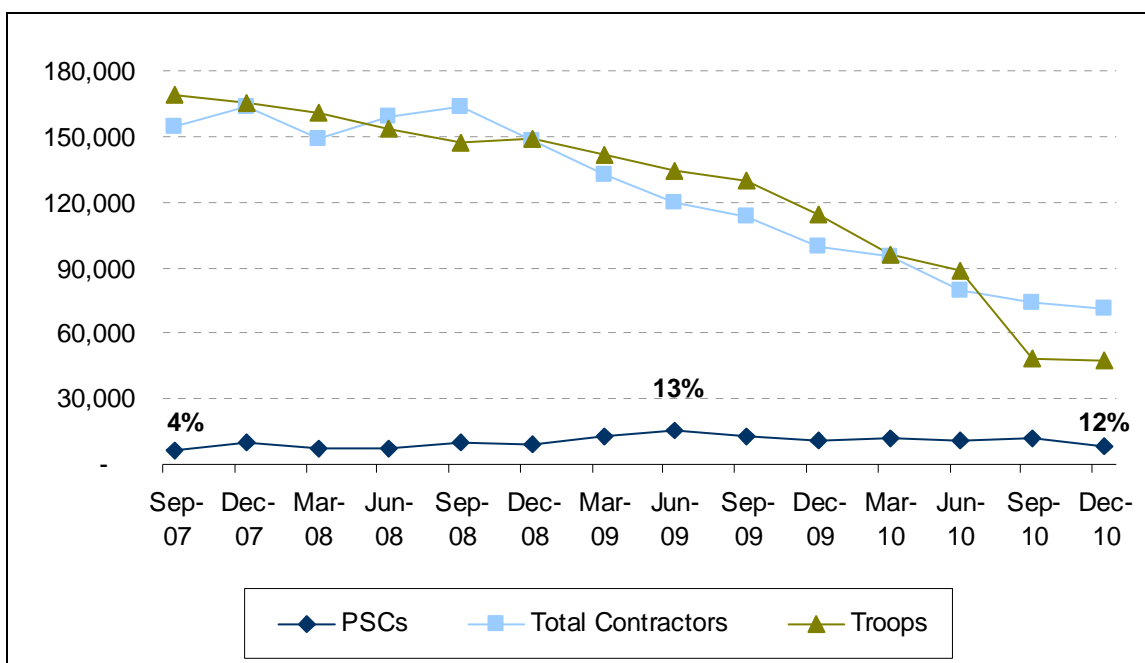
As the military continues to withdraw from Iraq, the Department of State will assume greater responsibility for providing security and will have to hire more PSC personnel. It is estimated that the number of security contractors working for State will increase to approximately 5,500, with some 1,500 providing personal security for diplomatic movements and an additional 4,000 providing perimeter security.<sup>30</sup>

Despite the Department of State's increasing reliance on PSCs, the overall number of PSC personnel working in Iraq for the United States is not increasing. As stated above, the number of PSC personnel working for DOD has declined by almost 7,000—more than offsetting the estimated additional 3,000 PSC personnel that the Department of State anticipates having to hire as a result of the transition from DOD to State.

### *Security Contractors Compared to Total Contractor and Troop Levels*

From December 2007 to December 2010, the number of troops in Iraq dropped from 165,700 to 47,300, a decrease of 72%. The total number of contractors dropped from a high of 163,000 in September 2008 to 71,142 in December 2010, a decrease of 56%. The number of PSCs peaked at 15,279 in June 2009. As reflected in **Figure 7**, even as overall contractor and troop levels were generally falling, the number of PSCs was increasing. This trend was reversed in June 2009 and as discussed above, the number of PSC personnel working for DOD in Iraq has since dropped by 46%. PSC personnel represent approximately 12% of all DOD contractors in Iraq.

<sup>30</sup> Based on estimates provided by the Department of State to CRS.

**Figure 7. Number of PSCs vs. Total Contractor and Troop Levels in Iraq**

**Source:** Contractor data from CENTCOM Quarterly Census Reports; troop data from Joint Staff, Joint Chiefs of Staff, “Boots on the Ground” monthly reports to Congress.

**Notes:** Percentages represent number of security contractors relative to total number of contractors.

### *Casualty Rates of PSC Personnel vs. Uniformed Personnel*

According to DOD, from September 2009 to November 2010, four private security contractor personnel working for DOD were killed in action in Iraq, compared to 26 U.S. troops killed over the same period.<sup>31</sup> Adjusting for the difference in the number of PSC personnel compared to troops, a PSC employee working for DOD in Iraq was 1.2 times more likely to be killed in action than uniformed personnel. However, the relatively fewer number of deaths in Iraq makes this analysis less mathematically significant than in Afghanistan.

### *Nationality of Contractors*

Contracting local nationals is an important element in DOD’s counterinsurgency strategy. In January 2009, General Raymond Odierno issued a memorandum stating “employment of Iraqis not only saves money but it also strengthens the Iraqi economy and helps eliminate the root causes of the insurgency—poverty and lack of economic opportunity.”<sup>32</sup> The memorandum set forth a goal of increasing the percentage of local national contractors. From January 2009 to December 2010, the percentage of local nationals serving as security contractors has decreased

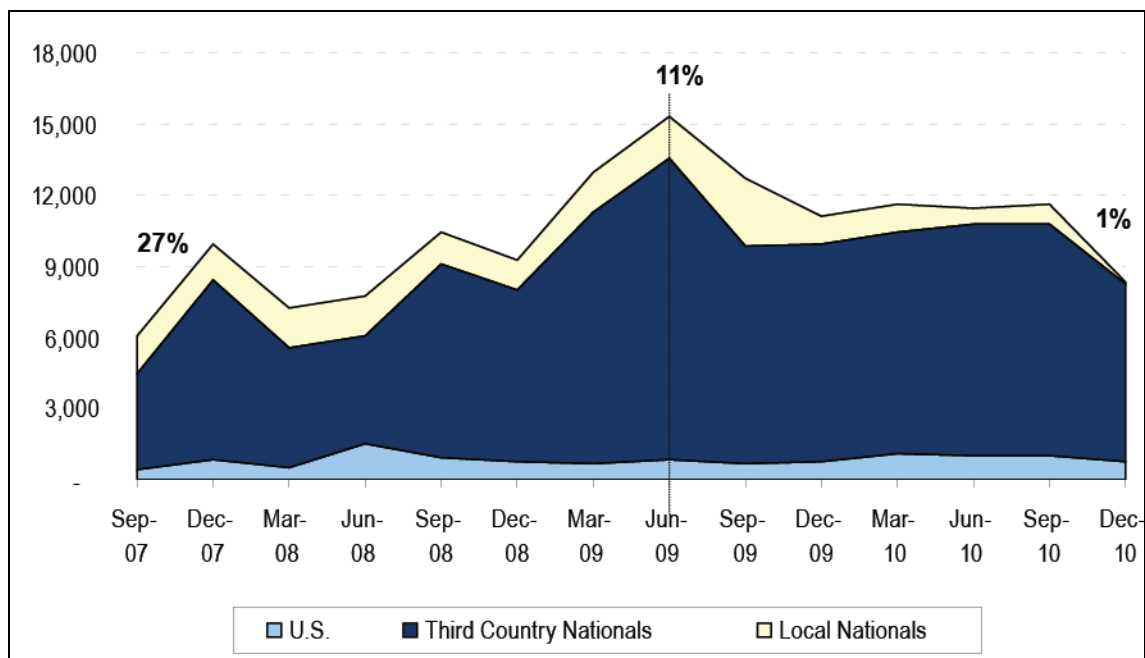
<sup>31</sup> Excludes deaths resulting from road traffic accidents or other unrelated causes. PSC data provided by DOD to CRS in January, 2011. Troop data can be found at <http://siadapp.dmdc.osd.mil/personnel/CASUALTY/castop.htm>.

<sup>32</sup> General Raymond T. Odierno, Memorandum, *Increased Employment of Iraq Citizens Through Command Contracts*, Multi-National Force-Iraq, January 31, 2009.



from 13% to 1% (see **Figure 8**). As of December 2010, there were 113 local national PSC personnel compared to more than 7,400 third-country nationals personnel. In contrast to Iraq, where 1% of security contractor personnel are local nationals, in Afghanistan, 95% are local nationals (see **Table 1** and **Figure 2**).

**Figure 8. Trend of Security Contractors in Iraq by Nationality**  
(December 31, 2010)



**Source:** CENTCOM Quarter Contractor Census Reports, FY2008-Q1 FY2011.

**Notes:** Percentages represent number of security contractor personnel who are local nationals.

## Can the Use of PSCs Undermine US Efforts?

According to the Army Field Manual on counterinsurgency, one of the fundamental tenets of counterinsurgency operations—such as those undertaken in Afghanistan and Iraq—is to establish and maintain security while simultaneously winning the hearts and minds of the local population. Abuses by security forces, according to the manual, can be a major escalating factor in insurgencies.<sup>33</sup>

Abuses committed by contractors, including contractors working for other U.S. agencies, can also strengthen anti-American insurgents.<sup>34</sup> There have been published reports of local nationals being abused and mistreated by DOD contractors in such incidents as the summary shooting by a private security contractor of an Afghan who was handcuffed,<sup>35</sup> the shooting of Iraqi civilians,<sup>36</sup>

<sup>33</sup> Department of Defense, *Counterinsurgency*, FM 3-24, December 2006, p. 1-9.

<sup>34</sup> Chairman of the Joint Chiefs of Staff, *Operational Contract Support*, Joint Publication 4-10, October 17, 2008, pp. IV-20; See also *Counterinsurgency*, p. 1-9. *Operational Contract Support* recognizes that local nationals may not always draw a distinction between government contractors and the U.S. military.

<sup>35</sup> Bruce Alpert, "Killing in Afghanistan hits very close to home; N.O. man is accused of cold-blooded crime," *Times*-(continued...)

and the abuse of prisoners at Abu Ghraib prison in Iraq.<sup>37</sup> (It should be noted that there have also been reports of military personnel abusing and otherwise mistreating local nationals, including the abuses that took place at Abu Ghraib prison.<sup>38</sup> CRS has not conducted an analysis to determine whether the incidence of abuses is higher among contractors than it is among military personnel.)

Many of the high-profile reports of PSCs shooting local nationals or otherwise acting irresponsibly were committed by contractors working for the Department of State. Some of these incidents include the reported shooting of Iraqi civilians by Triple Canopy employees,<sup>39</sup> the shooting of 17 Iraqi civilians at a Baghdad traffic circle in Nisoor Square by Blackwater employees,<sup>40</sup> and the recent controversy over the behavior of security contractors from Armour Group who were hired to protect the U.S. embassy in Afghanistan.<sup>41</sup> Of the six incidents listed above, five were committed by U.S. companies and U.S. nationals.

Incidents of abuse still occur in Afghanistan. From 2006 to 2009, private security contractors escorting supply convoys to coalition bases have been blamed for killing and wounding more than 30 innocent civilians in Afghanistan's Maywand district alone, leading to at least one confrontation with U.S. forces.<sup>42</sup> And in May 2010, U.S. and Afghan officials reportedly stated that local Afghan security contractors protecting NATO supply convoys in Kandahar "regularly fire wildly into villages they pass, hindering coalition efforts to build local support."<sup>43</sup> One officer from a Stryker brigade deployed in Afghanistan was quoted as saying that these contractors "tend to squeeze the trigger first and ask questions later."<sup>44</sup> And unlike in Iraq, where a series of high-profile incidents involved U.S. security personnel, in Afghanistan, many of the guards causing the problems are Afghans.

Recent U.S. government investigations have also found that U.S. money for contracts in Afghanistan have been used to pay the Taliban in exchange for security. The Office of the Inspector General for the U.S. Agency for International Development found that "millions of dollars in American taxpayer funds may have been paid to Taliban fighters in southern Afghanistan to provide security for a U.S. development project."<sup>45</sup> The Majority report issued by

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(...continued)

*Picayune*, December 17, 2008, p. 1.

<sup>36</sup> Mark Townsend, "National: Iraq victims sue UK security firm: Guards employed by Hampshire-based company are," *The Observer*, January 11, 2009, p. 14.

<sup>37</sup> Department of Defense, Investigation of Intelligence Activities at Abu Ghraib, August 23, 2004. See <http://oai.dtic.mil/oai/oai?verb=getRecord&metadataPrefix=html&identifier=ADA429125>. The contractors involved in the Abu Ghraib incident are generally considered not to have been private security contractors.

<sup>38</sup> Department of Defense, Investigation of Intelligence Activities at Abu Ghraib, August 23, 2004. See <http://oai.dtic.mil/oai/oai?verb=getRecord&metadataPrefix=html&identifier=ADA429125>.

<sup>39</sup> Tom Jackman, "Security Contractor Cleared in Two Firings," *Washington Post*, August 2, 2007, p. A-15.

<sup>40</sup> Blackwater has since changed its name to Xe.

<sup>41</sup> Tony Harris, Jill Dougherty, and Chris Lawrence, et al., "U.S. Embassy Hazing & Humiliation," *CNN: CNN Newsroom*, September 2009. See also, Letter from Project on Government Oversight to The Honorable Hillary Clinton, Secretary of State, September 1, 2009, <http://www.pogo.org/pogo-files/letters/contract-oversight/co-gp-20090901.html>.

<sup>42</sup> Sean Taylor, "Trigger-Happy Security Complicates Convoys," *Army Times*, December 1, 2009.

<sup>43</sup> Sebastian Abbot, "Private Guards Anger U.S., Afghans," *Associated Press*, May 1, 2010.

<sup>44</sup> *Ibid.*

<sup>45</sup> Paul Richter, "Audit: U.S. Funds Went to Taliban, Subcontractors on an Afghan project may have paid more than \$5 million for security," *Los Angeles Times*, October 1, 2010.

the House Committee on Oversight and Government Reform's Subcommittee on National Security and Foreign Affairs found similar evidence that U.S. contractors made protection payments to local warlords to secure safe passage of supply convoys. The investigation further found that protection payments may even have gone to the Taliban.<sup>46</sup> And the Senate Armed Services Committee issued a report that found evidence of U.S.-funded prime contractors supporting the Taliban and subcontracting to warlords.<sup>47</sup>

According to many analysts, these events have in fact undermined the U.S. mission in Afghanistan and Iraq.<sup>48</sup> An Iraqi Interior Ministry official, discussing the behavior of private security contractors, said "Iraqis do not know them as Blackwater or other PSCs but only as Americans."<sup>49</sup> One senior military officer reportedly stated that the actions of armed PSCs "can turn an entire district against us."<sup>50</sup> Some analysts also contend that PSCs can be a direct threat to the legitimacy of the local government. These analysts argue that if counterinsurgency operations are a competition for legitimacy but the government is allowing armed contractors to operate in the country without the contractors being held accountable for their actions, then the government itself can be viewed as not legitimate in the eyes of the local population. These analysts point to the recent court decision dismissing the case against former Blackwater employees as a case in point where the legitimacy of the U.S. and local government is being undermined by the actions of PSCs.<sup>51</sup>

The extent to which the behavior of private security contractors in Afghanistan has hurt coalition efforts in Afghanistan was discussed by Major General Nick Carter (United Kingdom), International Security Assistance Force (ISAF) Afghanistan Regional Command South, who stated that the "culture of impunity" that exists around PSCs are a serious problem that needs to be dealt with and that this culture is to some degree "our own doing."<sup>52</sup>

The perception that DOD and other government agencies are deploying PSCs who abuse and mistreat people can fan anti-American sentiment and strengthen insurgents, even when no abuses are taking place. There have been reports of an anti-American campaign in Pakistan, where stories are circulating of U.S. private security contractors running amok and armed Americans harassing and terrifying residents.<sup>53</sup> U.S. efforts can also be undermined when DOD has ties with groups that kill civilians or government officials, even if the perpetrators were not working for

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<sup>46</sup> Subcommittee on National Security and Foreign Affairs of the House Committee on Oversight and Government Reform, "Warlord Inc.: Extortion and Corruption Along the U.S. Supply Chain in Afghanistan," June 22, 2010.

<sup>47</sup> Senate Armed Services Committee, "Inquiry into the Role and Oversight of Private Security Contractors in Afghanistan," October 7, 2010.

<sup>48</sup> See David Zuchino, "Private security forces unnerve Afghans," *Chicago Tribune*, August 17, 2009.

<sup>49</sup> Steve Fainaru, "Where Military Rules Don't Apply; Blackwater's Security Force in Iraq Given Wide Latitude by State Department," *Washington Post*, September 20, 2007, Pg. A1.

<sup>50</sup> Anna Mulrine and Keith Whitelaw, "Private Security Contractors Face Incoming Political Fire," *U.S. News & World Report*, October 15, 2007.

<sup>51</sup> Charlie Savage, "U.S. Judge throws out case against Blackwater; Indictment for shootings in Iraq tainted by misuse of defendants' statements," *International Herald Tribune*, January 2, 2010, p. 1; Editorial, "Stain on US justice," *Arab news*, January 2, 2010.

<sup>52</sup> "Major General Nick Carter (U.K. Royal Army) Holds a Defense Department News Briefing Via Teleconference From Afghanistan," CQ Transcript, May 26, 2010.

<sup>53</sup> Saeed Shah, "Anti-Americanism rises in Pakistan over U.S. motives," *McClatchy Newspapers*, September 7, 2009. See also "Article flays Pakistan for not taking 'serious note' of US firm's activities," *The British Broadcasting Corporation*, September 25, 2009, 03:25, BBC Monitoring South Asia.

DOD when the killings took place. In June 2009, the provincial police chief of Kandahar, Afghanistan, was killed by a group that worked as a private security contractor for DOD.<sup>54</sup>

Pointing to the example of the killing of the police chief in Kandahar, some analysts have also argued that the large-scale use of armed contractors in certain countries can undermine the stability of fragile governments. In a paper for the U.S. Army War College, Colonel Bobby A. Towery wrote

After our departure, the potential exists for us to leave Iraq with paramilitary organizations that are well organized, financed, trained and equipped. These organizations are primarily motivated by profit and only answer to an Iraqi government official with limited to no control over their actions. These factors potentially make private security contractors a destabilizing influence in the future of Iraq.

These and other considerations have led a number of analysts, government officials, and military officers to call for limiting the use of PSCs in combat and stability operations. Some analysts have called for completely barring the use of PSCs during such operations. The executive summary for the U.S. Naval Academy's 9<sup>th</sup> Annual McCain Conference on Ethics and Military Leadership takes this position:

We therefore conclude that contractors should not be deployed as security guards, sentries, or even prison guards within combat areas. PSCs should be restricted to appropriate support functions and those geographic areas where the rule of law prevails. In irregular warfare (IW) environments, where civilian cooperation is crucial, this restriction is both ethically and strategically necessary.<sup>55</sup>

Others have suggested a more targeted approach, such as limiting DOD's use of PSCs to providing only static security in combat areas, leaving all convoy and personal security details to the military.<sup>56</sup>

Analysts calling for restrictions on the use of PSCs generally believe that contractors are more likely to commit abuses or other atrocities than military personnel. Some analysts believe that the culture of the military, which is focused on mission success and not on profit or contractual considerations, makes it less likely that uniformed personnel will behave inappropriately. Some analysts and DOD officials believe that lax contractor oversight has significantly contributed to contractor abuses.<sup>57</sup> This sentiment was echoed by then Senator Barack Obama, who stated "we cannot win a fight for hearts and minds when we outsource critical missions to unaccountable

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<sup>54</sup> Noor Khan, "Afghan minister calls for disbanding of private security forces after killing of police chief," *Associated Press*, June 30, 2009, AP Newswire.

<sup>55</sup> Vice Admiral Jeff Fowler, Superintendent, U.S. Naval Academy, Executive Summary for the U.S. Naval Academy's 9<sup>th</sup> Annual McCain Conference on Ethics and Military Leadership, Annapolis, MD, April 23, 2009, <http://www.usna.edu/Ethics/Seminars/mccain.htm> Last visited August 21, 2009. See also Colonel Bobby A. Towery, "Phasing Out Private Security Contractors in Iraq", (master's thesis, U.S. Army War College, 2006), p. 12.

<sup>56</sup> Col. David A. Wallace, "The Future Use of Corporate Warriors With the U.S. Armed Forces: Legal, Policy, and Practical Considerations and Concerns," *Defense Acquisition Review Journal*, vol. 16, no. 2 (July 2009), p. 136.

<sup>57</sup> According to an Army investigative report, a lack of good contractor oversight at Abu Ghraib prison contributed to fostering a permissive environment in which prisoner abuses took place at the hands of contractors. Department of Defense, Investigation of Intelligence Activities at Abu Ghraib, August 23, 2004, p. 52. The report found "Proper oversight did not occur at Abu Ghraib due to a lack of training and inadequate contract management ... [T]his lack of monitoring was a contributing factor to the problems that were experienced with the performance of the contractors at Abu Ghraib." See <http://oai.dtic.mil/oai/oai?verb=getRecord&metadataPrefix=html&identifier=ADA429125>.

contractors.”<sup>58</sup> According to these analysts, improved oversight and accountability could mitigate the negative effects that the use of PSCs and other contractors has had on U.S. efforts in Afghanistan and Iraq, and could potentially bring the standard of behavior of PSCs on par with that of uniformed personnel.

## DOD Management and Oversight of PSCs

DOD officials have stated that the military's experience in Afghanistan and Iraq, coupled with Congressional attention and legislation, has focused DOD's attention on the importance of contractors to operational success. DOD has taken steps to improve how it manages and oversees all contractors in Afghanistan and Iraq. These steps include tracking contracting data, implementing contracting training for uniformed personnel, increasing the size of the acquisition workforce to manage contractors in Afghanistan and Iraq, implementing rules and regulations for managing and coordinating PSCs, and updating DOD doctrine as it relates to contractors generally. To the extent that DOD improves the management and oversight of contractors broadly, management and oversight of security contractors should also be improved.

DOD has also taken a number of steps to specifically improve management and oversight of PSCs. In July 2009, DOD issued an Instruction, *Private Security Contractors (PSCs) Operating in Contingency Operations*, establishing policy and procedures for managing private security contractors during contingency operations.<sup>59</sup> DOD also released an interim rule modifying the Code of Federal Regulations that lays out policy regarding the use of private security contractors in war zones. The interim rule includes policies and procedures for selecting, training, equipping and overseeing private security contractors. DOD established Contractor Operations Cells in Iraq and in Afghanistan to coordinate the movement of PSCs,<sup>60</sup> and it established the Armed Contractor Oversight Division to receive serious incident reports involving PSCs and to ensure that all of the incidents are reported, tracked, and investigated.<sup>61</sup>

DOD's efforts have improved the management, oversight, and coordination of PSCs in Iraq. These and other improvements have been discussed at length and noted by the Special Inspector General for Iraq Reconstruction, the Government Accountability Office, and the Commission on Wartime Contracting, which called DOD's improved management of PSCs a success story.<sup>62</sup> Many analysts believe that such improvements can help rein in contractor behavior that undermines U.S. efforts. However, according to a number of analysts, substantial gaps still

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<sup>58</sup> Hauser, C., *New Rules for Contractors are Urged by 2 Democrats*, the New York Times, October 4, 2007.

<sup>59</sup> Ashton Carter, Under Secretary of Defense for Acquisition, Technology, and Logistics, *Private Security Contractors (PSCs) Operating in Contingency Operations*, Department of Defense, DODI 3020.50, July 22, 2009. DODI 3020.50 was concurrently published as an interim final rule in the Federal Register.

<sup>60</sup> The Armed Contractor Oversight Division in Iraq was renamed the Armed Contractor Oversight Bureau. For a detailed discussion on DOD efforts to improve the coordination of PSC movements throughout Iraq, see Government Accountability Office, *REBUILDING IRAQ: DOD and State Department Have Improved Oversight and Coordination of Private Security Contractors in Iraq, but Further Actions Are Needed to Sustain Improvements*, GAO-08-966, July 31, 2008; Special Inspector General for Iraq Reconstruction, *Field Commanders See Improvements in Controlling and Coordinating Private Security Contractor Missions in Iraq*, SIGIR 09-022, July 28, 2009.

<sup>61</sup> Special Inspector General for Iraq Reconstruction, *Investigation and Remediation Records Concerning Incidents of Weapons Discharges by Private Security Contractors Can Be Improved*, SIGIR 09-023, July 28, 2009.

<sup>62</sup> Ibid. See also, U.S. Congress, House Committee on Oversight and Government Reform, Subcommittee on National Security and Foreign Affairs, *Commission on Wartime Contracting: Interim Findings and Path Forward*, 111<sup>th</sup> Cong., 1<sup>st</sup> sess., June 10, 2009.

remain in DOD's management of PSCs, particularly in Afghanistan.<sup>63</sup> DOD officials stated that improving the management of PSCs is a work in progress that could take some time to fully implement.

DOD has actively participated in international efforts to develop a code of conduct for PSCs. On November 9, 2010, 58 companies recently signed the International Code of Conduct for Private Security Service Providers to limit the use of force, respect human rights of local nationals, vet and train personnel, and report any violations.<sup>64</sup> The U.S. government continues to actively participate in developing a governance and oversight mechanism for the code of conduct.

According to DOD, of the 29 PSCs working for DOD in Iraq and Afghanistan, 17 (59%) have signed onto the international code of conduct.<sup>65</sup> Of the 11 companies that did not sign the code, seven were Afghan and two were Iraqi companies.<sup>66</sup>

## **Options for Congress**

In assessing whether legislative action could help minimize the harm that armed private security contractors could have on U.S. efforts in Iraq, Afghanistan, and future operations, Congress may consider the options discussed below.

### **Define the Role that Private Security Contractors Can Play in Support of Military Operations Taking Place in Unsecured Environments**

Many analysts believe that the use of armed private security contractors in combat or stability operations poses significant risks to U.S. government interests, including undermining efforts to win hearts and minds during counterinsurgency and other contingency operations. Defining the role that PSCs can—and should not—play in supporting military operations could help minimize the risk that contractors will be placed in situations where their actions will undermine U.S. efforts. Below are three different options for defining the role of PSCs.

#### **Prohibit armed security contractors from being deployed in combat zones**

Proponents of this approach argue that in combat zones, the mechanisms for oversight and accountability of contractors are likely to deteriorate and that, therefore, the use of deadly force should be restricted only to the military. The military possesses a more robust chain of command and is focused on achieving the mission, without consideration for profit motives or contractual

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<sup>63</sup> U.S. Government Accountability Office, *Contingency Contract Management: DOD Needs to Develop and Finalize Background and Other Standards for Private Security Contractors*, GAO-09-351, July 31, 2009. See also: Commission on Wartime Contracting in Iraq and Afghanistan, *Private Security Contractors in Iraq: Where are we going?*, June 21, 2010, at <http://www.wartimecontracting.gov/index.php/hearings/commission/hearing2010-06-21>.

<sup>64</sup> Additional companies have subsequently signed the code but the names of the companies have not yet been released.

<sup>65</sup> Data as of January 7, 2011, based on data provided by DOD to CRS on January 14, 2011.

<sup>66</sup> Of the three remaining companies that did not sign the code, two are U.S. companies and the nationality of the other company was unknown.

requirements. Opponents of this approach argue that DOD simply does not have the forces to accomplish its mission in Afghanistan and Iraq, and that restricting the use of armed security contractors deprives the military of the flexibility to hire and dismiss defensive security contractors that can be tailored for specific situations in a highly fluid environment.

### **Restrict armed security contractors to performing static security**

Such an approach would permit DOD to use armed security contractors in and around the perimeter of a static location and would bar contractors from performing convoy and some personal security. Contractors would also be barred from serving as quick reaction forces that move to the site of an engagement to extract or protect an individual or convoy. Proponents of this approach argue that most of the high-profile incidents involving armed contractors shooting at local nationals have occurred during convoy or personal security movements outside of the perimeter of a secure location. Accordingly, this approach specifically restricts the use of armed contractors only in those situations where there is likely to be a shooting incident that involves civilians. Opponents of this approach argue that such a restriction leaves DOD with insufficient forces to accomplish its mission in Afghanistan and Iraq. They also argue that this approach limits the flexibility that allows DOD to mobilize and demobilize defensive security forces that can be tailored for specific situations in a highly fluid environment.

### **Restrict armed security contractors to static security, with an exception for local nationals**

Allowing local national contractors to participate in convoy and personal security would minimize the impact of such a restriction on military forces. Proponents argue that reserving an exception for local nationals gives the military more flexibility in using PSCs without adding significant risk. As discussed above, using local national contractors is an important element in DOD's counterinsurgency strategy. Local nationals understand the language and are subject to local jurisdiction. Few of the high-profile incidents between PSCs and local citizens involved local national security contractors who were working for the U.S. government. Opponents of this approach will still argue that such a restriction leaves DOD with insufficient forces to accomplish its mission in Afghanistan and Iraq, and that it limits the flexibility that allows DOD to mobilize and demobilize defensive security forces that can be tailored for specific situations in a highly fluid environment. Such a restriction could also hamper DOD in future military operations, particularly in the early days of a conflict when events are particularly fluid and the need to rapidly deploy security personnel could be acute. To address this last issue, Congress could empower a Combatant Commander to waive this restriction in initial phases of an operation, for a period not to exceed one year.

### **Use armed security contractors only in a supporting role for mobile security**

Using primarily uniformed personnel (51% or more of total personnel) on each convoy security movement promotes a workforce mix that could give DOD actual command and control of security operations and contractor behavior. Alternatively, a minimal troop presence could be required, sufficient to maintain substantial command and control of contractor personnel. Such an approach appears to be in line with the Office of Management and Budget policy letter on inherently governmental which states that agencies should "ensure that federal employees

perform critical functions to the extent necessary to operate effectively and maintain control of its mission and operations.”<sup>67</sup>

Proponents of this approach maintain that using contractors in this way could still give DOD the benefits of using armed security contractors, including serving as a force multiplier, employing local nationals, and leveraging particular expertise and knowledge of contractors. Opponents of this approach could argue that such a restriction leaves DOD with insufficient forces to accomplish its mission in Afghanistan and Iraq, and that it limits the flexibility of DOD to mobilize and demobilize defensive security forces that can be tailored for specific situations in a highly fluid environment.

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<sup>67</sup> 75 *Federal Register* at 16194.



## Appendix. PSC Personnel Data

**Table A-1. PSC Personnel Data for Afghanistan**

Quarter Ending	Total Contractors	U.S. Citizens	Third Country Nationals	Local Nationals
Sep. 2007	3,152	6	4	3,142
Dec. 2007	2,998	19	30	2,949
Mar. 2008	2,986	32	72	2,882
June 2008	3,537	5	15	3,517
Sep. 2008	3,847	9	32	3,806
Dec. 2008	3,689	15	23	3,651
Mar. 2009	4,373	17	29	4,327
June 2009	5,198	19	264	4,915
Sep. 2009	11,423	76	1,017	10,330
Dec. 2009	14,439	114	409	13,916
Mar. 2010	16,733	140	980	15,613
June 2010	17,983	152	4,915	16,687
Sep. 2010	18,869	197	858	17,814
Dec. 2010	18,919	250	731	17,938

**Table A-2. PSC Personnel Data for Iraq**

Quarter Ending	Total Contractors	U.S. Citizens	Third Country Nationals	Local Nationals
Sep. 2007	6,068	456	3,987	1,625
Dec. 2007	9,952	830	7,590	1,532
Mar. 2008	7,259	515	5,061	1,683
June 2008	7,704	1,540	4,481	1,683
Sep. 2008	10,446	886	8,188	1,372
Dec. 2008	9,218	782	7,226	1,210
Mar. 2009	12,942	681	10,596	1,665
June 2009	15,279	802	12,735	1,742
Sep. 2009	12,684	670	9,212	2,802
Dec. 2009	11,095	776	9,127	1,192
Mar. 2010	11,610	1,081	9,376	1,153
June 2010	11,413	1,030	9,699	684
Sep. 2010	11,628	1,017	9,713	898
Dec. 2010	8,327	791	7,424	112

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