



RECORD VERSION

**STATEMENT OF
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**BEFORE THE
COMMISSION ON WARTIME CONTRACTING
JULY 26, 2010 HEARING
“SUBCONTRACTING: WHO’S MINDING THE STORE?”**

Record Version
Statement of
Chris Taylor
Chief Executive Officer
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Before the
Commission on Wartime Contracting
July 26, 2010 Hearing
“Subcontracting: Who’s Minding the Store?”

Chairman Thibault, Chairman Shays, distinguished members of the Commission: I am honored to have the opportunity to represent Mission Essential Personnel, LLC (“MEP”) before you today. Our entire company appreciates the Commission’s hard work in reviewing U.S. Government contracting in Iraq and Afghanistan, and I look forward to today’s specific discussion of subcontracting oversight.

Unlike the relatively straightforward conflicts of the 20th Century, the global war on terror is a conflict where communication is a more important force multiplier than weaponry. Army Major Cory Schulz, who served in the Paktika province of Afghanistan, has stated that “your interpreter is way more important than your weapon.” As noted in *The New York Times*, Major Schulz went on to explain that with an interpreter, you can command hundreds of Afghan soldiers; with a gun, you can only defend yourself.¹

The United States needs reliable communication to share our message of goodwill with those we can help while deciphering the hidden messages of those who seek to do us harm. Mission Essential Personnel is honored to contribute to this effort and will continue to serve the U.S. Government in this capacity for as long as is our privilege. While MEP is best known for its language services, we also provide training support, intelligence services, and specialized human capital support. In addition, we are well positioned to provide program and policy management support for U.S. Armed Forces, other federal agencies, and commercial and emerging markets. Across all our services, our central goal remains this one: to deliver certainty to all of our customers.

¹ Joshua Foust, Op-Ed., *Maladies of Interpreters*, N.Y. Times, Sept. 21, 2009, at A31.

Our History and Achievements

Our founders, Greg Miller and Chad Monnin, U.S. Army Special Forces veterans, established MEP in 2004 knowing they could provide superior linguistic services to the U.S. Government. Over the past six years, the company has grown from a handful of employees to 6,000 professionals around the world who play a critical role in U.S. Government operational support. MEP successfully manages more than 57 delivery orders globally, under prime contracts for support in Afghanistan and Iraq. While MEP's growth has been exciting, we remain most proud of the fact that we have managed these delivery orders responsibly and efficiently.

Three primary forces have driven MEP's success. The first is our ability to recruit extremely difficult-to-find linguists; the second is the way we take care of our people; and the third is our commitment to providing the highest quality services to all our customers.

(1) Recruiting the Right People

One of the main reasons for MEP's success is that we recruit the right people. For instance, North American Pashtu speakers are extremely scarce. According to the 2000 Census, only 7,700 Pashtu-speaking U.S. citizens live in the U.S. Of those, only approximately 3,300 meet the health or security-clearance qualification requirements for contingency operations. MEP already employs 1,700 of them – more than half of the available population.

MEP also relies on more than 4,200 local nationals in Afghanistan. Local nationals play a critical role in overcoming Afghanistan's unique linguistic challenges. The country has no unifying language institutions like newspapers or television. There are 48 dialects spoken in Afghanistan with at least one living speaker. MEP provides linguists to the US government in 37 of those languages. Some Afghan dialects are spoken only in small villages and valleys, and MEP regularly works with the military to identify new requirements. For these reasons, local nationals are critical to helping MEP better support the U.S. Government's mission in Afghanistan.

Whether a linguist is a local national or a cleared U.S. citizen, MEP makes sure that he or she is properly vetted and appropriately trained. Regarding vetting, each U.S. hire linguist is required to complete security, medical, and language pre-screening questionnaires regarding assignments in support of the U.S. military. Once completed and determined to meet standards, U.S. candidates are administered an Oral Proficiency Interview (OPI) to evaluate

their ability to converse in English and a targeted, required language. If a candidate passes, he is brought to a pre-deployment processing site and re-screened for oral proficiency, as well as screened in reading and writing proficiencies in English and the target language(s). In addition, candidates receive medical and dental screenings. Once completed, U.S. candidates go through force protection and counterintelligence screenings. If successful, U.S. candidates deploy to Fort Benning where the military re-screens them for dental and medical acceptability. Prior to deployment, linguists receive training classes on topics ranging from working with the military to how to be an effective interpreter. Local National Linguists go through similar evaluations to include medical, oral proficiency, reading, and writing evaluations both in English and the required target language. Following such screening, Local National Linguists receive counterintelligence and biometric screening.

For training, MEP completes an oral proficiency interview with each potential hire and then completes a more rigorous written test for each linguist before he or she is offered employment. The standards for these language tests are set by the U.S. Government and are based on the Department of Defense's Inter-Agency Language Roundtable (ILR) standards. Understanding the importance of cooperation between MEP and the U.S. Government to ensure effective oversight, MEP maintains all testing data for the U.S. Government's review at any time.

(2) Taking Care of Our People

MEP's ability to identify and retain the right individuals is critical. Properly taking care of people is essential to accomplishing that goal. As you have probably seen in local metro stations and on local buses, MEP doesn't build ships, UAVs or satellites – our assets are our people. Not simply an ad campaign, it is our ethos. Providing all available mission essential, health, and MWR support to our professionals enhances MEP's ability to recruit and retain great people. In large part, MEP's owners created our company because of the poor experience they had with other firms providing similar services. We operate with the express intention of providing the best possible working and living environments under the most challenging conditions. Fair treatment of all of our professionals is in our corporate DNA.

In addition to the benefits MEP provides to its linguists, MEP seeks to be a responsible corporate citizen and leader of this industry. To that end, MEP is committed to the highest standards of ethics, transparency and accountability. MEP is a signatory to the UN Global Compact, and is actively involved in Imagine Asia, which helps children in rural Asian

communities. Also, as a recently elected member of the board of trustees of the American University in Afghanistan, I am very proud to announce that MEP will soon offer full scholarships for Afghans to attend the university.

(3) Providing Quality Service

The third reason behind MEP's success is that MEP has consistently delivered superior service to the United States and outperformed its competitors. MEP is very conscious of our reputation as a flexible, reactive provider of reliable, vital services to the warfighter. We have organized and equipped ourselves with a focus toward effective, efficient and high quality delivery of those vital services. Because of our dedication to continuous improvement and meeting all mission requirements, MEP has received ratings of "ourstanding" from the US Government for the last eight quarters.

In November 2007, MEP was awarded the Operation Enduring Freedom – Afghanistan (OEF-A) contract and reached unprecedented performance levels. In just 12 months, MEP was able to achieve 97 percent of the Government's requirement for linguists in theater. Previous contractors never exceeded 43 percent of their contract requirements. MEP provides quality service to its customers on the ground, in the air, on the sea, and underwater. Our professionals are on every FOB, every COP, and every base, in every province in Afghanistan and in other military and humanitarian missions around the globe. Because of the nature of their work, most of our linguists serve side-by-side with Marines and Soldiers patrolling villages, exposed to the same risks and, tragically, in too many cases making the ultimate sacrifice in the service of that mission. To date, 200 MEP professionals have been injured, and 50 have been killed. Just last week, five members of the MEP family were lost in a violent mortar attack in Kandahar, Afghanistan where a number of U.S. soldiers were also killed.

Our linguists have been repeatedly commended for their work and their heroism. This includes commendations for linguists who have provided instrumental translation services in the tracking and locating of top al Qaida operatives, and linguists who have literally sacrificed themselves, stepping in front of bullets to protect the servicemen and women with whom they serve. And, it isn't just Afghanistan where our brave professionals are adding tremendous value and performing above and beyond the call of duty. For example, when Somali pirates hijacked the Maersk vessel, Alabama last April and took the ship's Captain and crew hostage, it was an MEP interpreter, Mohamed Mohamoud Abdi, who was serving alongside the U.S. Navy SEAL team and he was absolutely integral to the process that led to that successful rescue mission. Abdi

was the prime negotiator with the pirates during the entire crisis, and he demonstrated incredible composure throughout, easing tensions and earning the pirates' trust. On the fourth and final day of negotiations, Abdi convinced the pirates to allow their boat to be towed behind the USS Bainbridge, and then continued to translate negotiations with them, shouting from the fantail of the Bainbridge, placing himself at risk but maintaining the rapport he had built with the pirates, until the SEAL snipers were able to bring that crisis to an end. Abdi, like many of our linguists do every day, contributed to that mission in an immeasurable and unheralded way. It is not an overstatement to say that the mission could not have been accomplished successfully without him. That is true every day of an MEP linguist somewhere around the world.

Subcontracting: Responsibilities, Challenges and Recommendations for Reform

MEP's first goal is to support the U.S. Government's mission to the best of our ability. A critical element of achieving that goal is understanding our capabilities and how we can leverage them for mission success. U.S. Government mission requirements for contingency operations are complex. Therefore, when necessary to fully satisfy contract requirements, MEP partners with subcontractors to augment its own resources.

While subcontractors often comprise only a small percentage of the work on a given contract, effectively identifying, vetting, managing and overseeing them to ensure they meet both MEP's and the U.S. Government's expectations are critical components of effective contract management.

With regard to selection of subcontractors, MEP incorporates a number of pre-selection controls. For instance, MEP has a team dedicated to performing market research specifically focused on developing and maintaining a pool of viable subcontractor candidates. When the need arises for a subcontractor, our Subcontractor Liaison Team (SLT) develops the specific criteria into a statement of work, which is then sent to a pool of pre-qualified subcontractor candidates and they then submit proposals for that work. After these proposals are received, the SLT evaluates each one and selects the subcontractor that it deems will deliver the best value to the U.S. Government, the taxpayer, and MEP. This procurement system is fully compliant with Contractor Purchasing System Review (CPSR), Federal Acquisition Regulations (FAR), and Defense Federal Acquisition Regulation Supplement (DFARS) requirements.

Most importantly, after MEP selects the subcontractor but before any agreement is finalized, the company obtains consent from its Contracting Officer to subcontract with that specific company.

MEP believes this final step in the subcontractor selection process is crucial to making sure that, when it is in the best interests of the U.S. Government for us to partner with another company, the process is completed responsibly and transparently.

While selecting the best subcontractor is critically important to managing any contract where subcontractors are necessary, proper oversight of those subcontractors is equally important. To that end, MEP has instituted policies designed to make that oversight effective and efficient.

Once the subcontractor is selected, the SLT becomes both a resource for the subcontractor and a monitor of its performance. The SLT remains available to the subcontractor throughout the period of the contract to answer questions and intercede on the subcontractor's behalf with other functional areas of the company when necessary. The SLT also provides subcontractors with a dedicated presence in the theater of operations. The SLT tracks subcontractor performance in areas which include: recruiting; expenses; end strength; invoicing; and responsiveness to changing requirements. In addition, the SLT briefs MEP management on subcontractor performance on a weekly basis, performs a comprehensive evaluation of each subcontractor's performance quarterly and annually, and maintains records of subcontractor performance which remain fully available for U.S. Government inspection.

MEP takes seriously its responsibility to oversee its subcontractors. We review and validate each and every invoice received from our subcontractor partners. If MEP cannot verify costs included in those invoices, MEP withholds payment until proper verification can be achieved.

By following these procedures, we believe MEP is able to effectively oversee subcontractor performance, confirm that each subcontractor is operating in the best interests of the U.S. Government, and implement improvements to subcontractor management whenever necessary. MEP is proud of the work done by its Subcontracting Liaison Team, but is continually seeking better ways both to select the best subcontracting partners and to get the best out of subcontractors' performance.

While MEP is confident in its ability to manage its subcontractors and oversee their operations, having greater access to the same past performance information the government has, akin to what is available in PIPRS, CPARS, and ELPS, would allow prime contractors to make better subcontracting decisions and strengthen the delivery of services.

As mentioned many times before this Commission, expanding the government's acquisition workforce is a necessary reform to ensure better service and prevent fraud, waste, and abuse. While MEP surely experiences the normal set of challenges between contractors and contracting officers, please understand that MEP's contracting officers, CORs and ACORs are performing extraordinary tasks under arduous circumstances and are performing well; for us, the issue is one of "bandwidth", not competence. Contracting Officers and Contracting Officer's Representatives need adequate, competent staffs to do the analysis necessary to make sound, timely decisions.

Conclusion

While contingency contracting necessarily includes a number of challenges, both to contractors and to the U.S. Government, MEP strongly believes, first and foremost, that this is a partnership. Whether those challenges concern contract management generally or subcontractor oversight specifically, MEP stands ready to continue to work with the U.S. Government and this Commission to contribute to effective solutions.

On behalf of the 6,000 MEP professionals around the world, many in harm's way, thank you again for the opportunity to participate in this process. MEP is committed to enabling and supporting the U.S. Government wherever and whenever we are called upon to do so.

This concludes my testimony. I welcome your questions.