



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

MAR 1 2005

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
(ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES SPECIAL
OPERATIONS COMMAND
COMMANDER, UNITED STATES TRANSPORTATION
COMMAND
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Acquisition Integrity

At my request, two studies have recently been completed, looking at issues stemming from particular acts of wrongdoing in acquisitions. I want to inform you of the results of these studies, and ask that you share this information widely in your organizations.

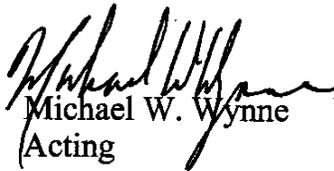
A multi-service/agency team, led by the Deputy Director of the Defense Contract Management Agency, reviewed over 400 contract actions in which Darleen Druyun participated during her tenure in the Air Force secretariat. Her actions in regard to eight contracts appeared to the team to be outside standard practices, meriting a closer look. Although the team's review was inconclusive as to wrongdoing, I have asked the Inspector General of the Department of Defense to conduct a detailed review of each contract. These eight contracts are in addition to the other contracts already being reviewed by the Inspector General as a result of Darleen Druyun's personal admissions (e.g. contracts for the NATO AWACS and C-130 Avionics Modernization Program).

The Defense Science Board (DSB) Task Force on Management Oversight in Acquisition Organizations was asked to assess our structure and methods of oversight to ensure the integrity of acquisition decisions in the Department. The task force's recommendations, which are currently being finalized in a written report, cover two broad areas: immediate changes to processes and oversight and enduring changes in cultivating leadership and people. An information paper summarizing the recommendations is attached.



A major recommendation of the DSB is that, in regard to a single acquisition, the authority to conduct oversight, source selection, and contract negotiations or to make contract awards, must not all reside in one person. Therefore, I request that each acquisition executive prepare policy, for my review, that reflects your procedures for ensuring the separation of these functions in all acquisitions, including sole-source contract modifications. Your submittals are due three weeks from the date of this memo. In addition, your annual Procurement Management Reviews shall start with a discussion of that set of policies to determine the health of your acquisition system. The Director of Defense Procurement and Acquisition Policy is available to provide further guidance.

I endorse the preliminary recommendations of the DSB and look forward to your support in implementing them. The recommendations remind us that leadership is central in organizations of integrity, and that acquisition professionals at all levels of the organization should work in an environment that encourages and rewards integrity and mutual respect. The highest ethical standards will produce the best business practices.


Michael W. Wynne
Acting

Attachment:
As stated