



UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

COMPTROLLER

APR 21 2011

Dr. Abdul Basit Turki Saeed
Head of Committee of Financial Experts
c/o Board of Supreme Audits
Republic of Iraq
Haifa Street, Building 90
Baghdad, Iraq

Dear Dr. Saeed:

This responds to your letter dated February 6, 2011, requesting that the Department of Defense send a representative to the International Advisory and Monitoring Board meeting in Paris, France, on April 27-28, 2011, to discuss the Development Fund for Iraq (DFI). The Department shares your concern regarding the management of the DFI and the information reported by the Special Inspector General for Iraq Reconstruction (SIGIR) in the report "Development Fund for Iraq: Department of Defense Needs to Improve Financial Management Controls (SIGIR 10-020)," dated July 27, 2010.

The Department conducted a review of spending associated with the DFI and reached different conclusions than those identified in the SIGIR 10-020 report. The results were provided to you in my letter dated December 28, 2010.

The Department met with SIGIR representatives during and after our review. We provided the information and invited SIGIR to conduct an independent validation. I've spoken with the SIGIR, Mr. Stuart W. Bowen, Jr., and he has agreed to a review and validation. Following this review, we are prepared to meet with you or your committee to provide our final position on this matter and share the results of our collaborative effort. Unfortunately, the review could not be completed prior to April's meeting, but we hope that it can be completed soon.

Thank you for the invitation and mutual interest in the proper accounting for the DFI. The Department of Defense remains committed to improving financial management controls.

Sincerely,

A handwritten signature in cursive script, reading "Robert F. Hale", is positioned above the printed name.

Robert F. Hale