# SECRETARY OF DEFENSE CORRESPONDENCE ACTION REPORT

Complete this form and forward to WHS/ESD/Correspondence Control Division, Attention: Suspense Desk, Pentagon Room 3C843, Phone (703) 697-9287, Fax (703) 693-7028, Email: SuspenseDesk@whs.mil, Classified Email: suspensedesk@whs.pentagon.smil.mil

**TASKED AGENCY** USA

**SUSPENSE DATE** *(MMDDYYYY)*

**1. REQUESTED ACTION**

[X] **a. ACTION COMPLETED** [X] COPY ATTACHED and/or [X] SEE JUSTIFICATION BELOW

[ ] **b. REQUEST EXTENSION OF SUSPENSE DATE** *(MMDDYYYY)* **TO** _____ *(Justify below)*

[ ] **c. INTERIM REPLY SENT** *(Attach copy)*; **EXTEND SUSPENSE DATE** *(MMDDYYYY)* **TO** _____ *(Justify below)*

[ ] **d. REQUEST CANCELLATION** *(Justify below)*

[ ] **e. REQUEST TRANSFER TO** _____ *(Justify below, include POC name and telephone number)*

[ ] **f. REQUEST DOWNGRADE TO** _____ *(Justify below)*

**2. JUSTIFICATION**

Sir/ Ma'am, per the attached, request action closure.

**3. TASKED AGENCY**

| a. AGENCY NAME | b. ACTION OFFICER NAME | c. TELEPHONE NUMBER |
|---|---|---|
| USA | | |

| d. DATE *(MMDDYYYY)* | e. AGENCY APPROVING AUTHORITY SIGNATURE *(Service Secretary/Under Secretary/ASD Military/ Executive Assistant Level)* |
|---|---|
| 05/31/2011 | MORALES.VICTORIA.1404248592 |

**4. ACTION TAKEN** *(For ExecSec/Executive Support Office and Correspondence Control Division Use Only)*

| | | |
|---|---|---|
| **a. ACTION COMPLETED** | [X] APPROVED | [ ] DISAPPROVED |
| **b. EXTENSION** | [ ] APPROVED | [ ] DISAPPROVED |
| **c. CANCELLATION** | [ ] APPROVED | [ ] DISAPPROVED |
| **d. TRANSFER** | [ ] APPROVED | [ ] DISAPPROVED |
| **e. DOWNGRADE** | [ ] APPROVED | [ ] DISAPPROVED |
| **f. OTHER** *(Specify below)* | [ ] APPROVED | [ ] DISAPPROVED |

**5. OSD CONTROL NUMBER**

OSD-04244-11

| g. DATE SIGNED *(MMDDYYYY)* | h. SIGNATURE |
|---|---|
| 05312011 | |

**SD FORM 391, MAR 2007** PREVIOUS EDITION IS OBSOLETE. Adobe Designer 7.0

ROC Req Action Complete

THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

MAY 30 2011

The Honorable Claire McCaskill
Chairman
Subcommittee on Contracting Oversight
Committee on Homeland Security
and Governmental Affairs
United States Senate
Washington, DC 20510

Dear Madam Chairman:

Thank you for your April 8 letter to the Secretary of Defense regarding your concern that the foreign company, Kuwait and Gulf Link (KGL) Transportation, may be violating the Iran Sanctions Act or other U.S. laws while holding defense contracts. I am responding on behalf of the Secretary.

We reviewed the information you provided about KGL and its parent company, KGL Holding, and known business units, and affiliates. In coordination with the Department of State, we have found no substantiated information – to include reported business links to the Islamic Republic of Iran Shipping Lines, Al Fajr Valfajr, or Hafiz Darya Shipping Company – that indicate any KGL Holding entity or affiliate has violated the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA) (Public Law 111 195) (the "Iran Sanctions Act") that would preclude KGL from being awarded a DoD contract.

We conducted our review using the Central Contractor Registration System, the Excluded Parties Listing System, the Federal Awardee Performance and Integrity Information System, the Past Performance Information Retrieval System, and the Specially Designated Nationals and Blocked Persons List. All these Federal databases show no indication that KGL Holding has violated U.S. law.

Consistent with presidential delegation of certain functions and authorities under CISADA on September 23, 2010, the U.S. Department of State, Office of Terrorism Finance and Economic Sanctions Policy, and the U.S. Department of the Treasury, Office and Foreign Assets Control, play distinctive roles in administering and enforcing the statute. DoD procurement officials use information from the Departments of State and Treasury to validate contractor qualifications as that information is the most current, accurate, and complete.

Please be assured we find it important not to award contracts to violators of Federal law. We support the process of sharing critical information managed on centralized databases by other Departments of the Federal Government as an effective way to avoid a duplication of effort and inconsistent application of the law.

OSD-04244-11

I trust that you will find this information useful.

Sincerely,

Ash Carter

Ashton B. Carter

cc:
The Honorable Rob Portman
Ranking Member