



SPECIAL INSPECTOR GENERAL FOR AFGHANISTAN RECONSTRUCTION

Main: 703-545-6000
1550 Crystal Drive, 9th Floor
Arlington, VA 22202-4704
www.sigar.mil

John F. Sopko, Special Inspector General

October 17, 2012

Dr. Rajiv Shah
Administrator
U.S. Agency for International Development

Dr. S. Ken Yamashita
Mission Director
U.S. Agency for International Development – Afghanistan

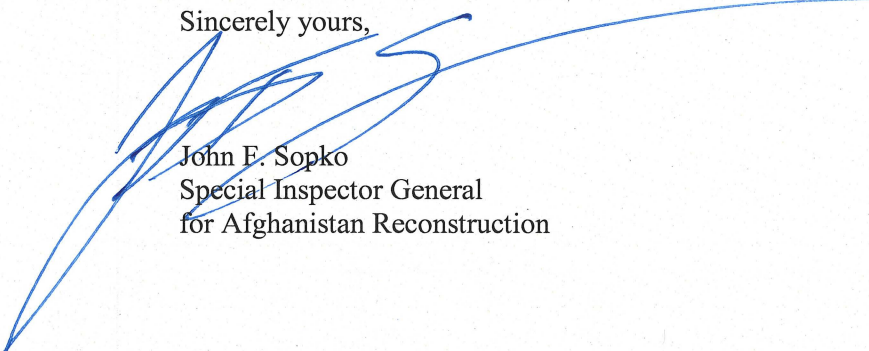
SUBJECT: Requests for Equitable Adjustment and Close-out of a Cooperative Agreement between
USAID and International Relief & Development Relating to Strategic Provincial Roads –
Southern and Eastern Afghanistan.

We understand that USAID has before it Requests for Equitable Adjustment and close out of a cooperative agreement between USAID and International Relief & Development (IRD). This is a \$498 million cooperative agreement, number 306-A-00-08-00509-00, IRD-Strategic Provincial Roads-Southern and Eastern Afghanistan (SPR-SEA), which was in effect from November 30, 2007, through December 31, 2010, and later amended and extended thru December 31, 2012. We want to alert you to information that you may find relevant to your consideration of those requests.

Investigators for the Office of the Special Inspector General for Afghanistan Reconstruction (SIGAR) are conducting a fraud investigation involving IRD, predicated on allegations of significant waste and mismanagement in the Afghanistan road projects covered by this agreement and related allegations concerning kickbacks and bribery by IRD senior employees. This matter was also referred to the SIGAR Audits Directorate.

Because of the seriousness of these allegations, we recommend that you consider suspending action on the IRD requests pending the outcome of SIGAR's investigation. Should you have any questions or need additional information please let me know.

Sincerely yours,


John F. Sopko
Special Inspector General
for Afghanistan Reconstruction

cc: Michael Carroll
Inspector General – Acting
USAID