Testimony by Arnold Fields

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Before

The Subcommittee on International Organizations, Human Rights & Oversight

House Foreign Affairs Committee

"Oversight Issues in Afghanistan"

May 20, 2010

Chairman Carnahan, Representative Rohrbacher, and members of the Committee:

Thank you for inviting me today to discuss SIGAR's oversight mission and the issues we have identified that must be addressed to improve the implementation of what is poised to become the largest overseas reconstruction effort in American history.

In February this year, the President submitted budget requests that, if approved, will add about $20 billion to the $51 billion Congress has appropriated for the reconstruction of Afghanistan since 2002. The Administration is asking Congress for $16.2 billion in the FY 2011 budget and $4.2 billion in a FY 2010 Supplemental Request to implement its new reconstruction strategy to help the Afghan government develop the capacity to defend itself and govern effectively. More than $14 billion—or about 70 percent—of the requests would go to support the Afghan Security Forces Fund, which supports the training and equipping of the Afghan National Army and the Afghan National Police.

The new funding requests would bring U.S. support for the reconstruction of Afghanistan to $71 billion, far surpassing what the United States provided to rebuild Europe after World War II and significantly more than it has spent in Iraq over the last eight years.

SIGAR'S MISSION

SIGAR did not exist for the first six and a half years of the reconstruction effort in Afghanistan. During this period, the inspectors general of each implementing agency were responsible for providing oversight of projects being implemented by their agencies. Their auditors have done a lot of fine work. However, they have neither the authority nor obligation to provide Congress with an overview of the entire reconstruction effort. Although the GAO is also able to look at programs across agencies, it has vast domestic and international responsibilities.

SIGAR is bringing focused oversight to a broad range of reconstruction activities that are funded through and implemented by multiple agencies. SIGAR is not only reviewing individual contracts and projects, but is looking at how these contracts and projects fit into larger programs and work together to support U.S. strategic goals in Afghanistan, a country deemed critical to U.S. national security. SIGAR is also assessing how U.S. agencies coordinate with each other and how these agencies have integrated U.S.-funded programs with those of the international community and the Afghan government to realize mutually-agreed upon reconstruction objectives.

Since April of last year, SIGAR has completed 23 reports. We have 7 more in the drafting stage and another 10 audits that are ongoing. The completed audits include reviews of construction contracts, evaluations of how implementing agencies are managing and monitoring their programs, and assessments of whether U.S.-funded programs are achieving their objectives. SIGAR has also issued several audit reports to assess what the United States and other international donors are doing to strengthen the capacity Afghan institutions to account for funds and prevent corruption within Afghan institutions.

Our work to date has identified several issues that hamper the reconstruction effort in Afghanistan. Reviews of infrastructure contracts have found serious construction problems resulting, in part, from a lack of quality assurance on the part of both implementing agencies and contractors. Agencies continue to suffer from a shortage of qualified contracting officials to provide sufficient oversight for the billions of dollars spent in Afghanistan. In addition, U.S. agencies lack a full picture of all completed, underway, and planned projects in Afghanistan. The integration of such information with U.S. agencies and with other donors and Afghan entities is essential for decision-makers and stakeholders to better plan, coordinate, monitor, and report on the overall effort. Despite numerous reports highlighting this problem in Iraq and Afghanistan over the last eight years, one of our first audits found that the United States still does not have a system that would allow agencies to share information about reconstruction programs. Furthermore, we have identified weaknesses in the data bases that individual agencies are maintaining of reconstruction contracts. We expect to issue an audit next month that details these weaknesses and makes recommendations to improve them.

I am particularly concerned about three issues that our auditors have identified over the last year: inadequate planning, questions about sustainability, and accountability. Because these issues threaten to reduce the effectiveness of the reconstruction effort, I would like to take a few minutes to discuss our findings.

<u>Inadequate Planning</u>

SIGAR audits in the security and energy sectors discovered that development plans have not been updated for several years. Last month we issued two audits of U.S.-funded construction contracts to build Afghan National Army garrisons. The United States has invested more than $25 billion—nearly half of all reconstruction dollars appropriated to date—to train and equip the

Afghan security forces. Despite this investment, U.S military officials were unable to provide us with an updated master plan for developing the facilities needed to house and train these forces. We are following up on this issue.

Since 2002, the United States has obligated over $732 million to increase Afghanistan's ability to generate and transmit electricity. And yet, SIGAR's audit of the energy sector found that Afghanistan lacks a current Energy Sector Master Plan that establishes priorities, timeframes, and costs associated with energy sector goals. Without good planning, it will be almost impossible to achieve the U.S. goal of increasing generating capacity from 389 megawatts in April 2009 to 1500 megawatts by 2013.

One important consequence of inadequate planning is poor coordination, particularly at the local level. For example, our auditors found that coordination mechanisms did not exist between USAID and the coalition forces at the project level. Moreover, the United States and international donors have not agreed on the technical standards for rural energy projects. This increases the possibility that communities will not be able to connect and share energy sources. In the absence of proper planning, the United States risks wasting reconstruction funds on projects that either 1) do not complement each other, 2) do not meet the evolving needs of Afghans, or 3) are unsustainable.

As part of the planning process, implementing agencies must establish reliable metrics to measure progress. Since October 2009, SIGAR has been conducting an audit of the Capability Milestone (CM) rating system, the primary metric used to monitor development progress of fielded Afghan security force units. These metrics were developed in 2005 and have been shared with decision-makers, including the U.S. President and the Congress. They have been used to measure our progress in building security forces that are capable of independently providing internal and external security for Afghanistan. Having the ability to accurately measure the capabilities of the Afghan army and police is absolutely critical to the U.S. strategy in Afghanistan.

SIGAR's audit, the first to evaluate the efficacy of this system, will be issued in June. In this report we will describe weaknesses that have affected the reliability of the rating system and make recommendations for future improvements. This audit has already had an impact, causing the Defense Department to acknowledge limitations of the rating system in its *April 2010 Report on Progress Toward Security and Stability in Afghanistan*. Furthermore, the ISAF Joint Command is replacing the rating system with a new unit level assessment system. Its first rating cycle is underway. We are monitoring its implementation to ensure that the issues our audit identifies are addressed. We believe our review of the CM rating system should serve to guide all future efforts to assess the operational effectiveness of the Afghan security forces.

Sustainability

One of the most serious development challenges anywhere is creating sustainable programs. It requires working closely with local authorities, developing local capacity and making sure that resources will be available for the long term. Experience in Iraq taught us that reconstruction projects often fail because they cannot be sustained. For example, if we build a facility—be it an electric plant, a health clinic or a garrison—we must consider whether it is the kind of facility that Afghans want and whether Afghans are going to be able to operate and maintain it once it is complete.

The new U.S. strategy emphasizes greater collaboration with Afghans and we support this in principle. I have made seven trips to Afghanistan since being appointed to this job. On every trip, Afghan officials have complained to me about the failure of the United States and the international donor community to consult fully with them about their priorities. This trip was no exception. For example, last week the Minister of Health told me we needed to stop building so many clinics and concentrate on 1) resourcing the clinics that we have built, and 2) making them more accessible. Experience in Iraq should have taught us that we cannot build sustainable infrastructure or programs unless we have the support of the people we say we are trying to help.

Sustainability poses a particular challenge in Afghanistan because of the country's lack of financial resources. The International Monetary Fund projects that Afghanistan will collect revenues of a more than a $1 billion for 2009/2010. While this is a significant increase—perhaps as much as 50 percent--over the previous year, it does not begin to cover the total government budget of nearly $8 billion. Most of the Afghan government's operating budget, including salaries of civil servants, is financed by international donor assistance. According to the IMF, the Afghan economy is growing by an average of about seven percent per year, but this is nowhere near enough to generate the revenues needed to maintain government operations, let alone sustained development.

This reality impacts every reconstruction project. For example, our audit of the Kabul Power Plant found that the Afghan government does not have the ability to pay for the diesel to fuel the plant. USAID has invested about $300 million in this power plant. A year ago, USAID informed the Afghan government that it would be responsible for providing the operating costs, including fuel, for the plant. Nevertheless, the Afghan government has requested fuel support for the Kabul Power Plant and other diesel-fired power plants in the south of Afghanistan. After concluding that the Afghan government would not be able to pay for operations and maintenance costs for several years, USAID decided to issue a multi-year operations and maintenance contract for the Kabul Power Plant.

As we identified in our audits of two Afghan National Army garrisons, the Afghan government does not have the budgetary resources to maintain more than 600 police and army facilities throughout Afghanistan. Therefore, to ensure temporary sustainment of those facilities, the U.S. Army Corps of Engineers has let contracts worth about $700 million to provide for the operations and maintenance of these facilities for the next five years. These solutions take care

of the short term requirements, but do not answer the long term question about sustainability. We must ask ourselves what happens five years from now?

This issue of sustainability is particularly important when we consider the ongoing investment the United States and the international community are making in the Afghan security forces Under the new strategy, the international community in partnership with the Afghan government is committed to increasing the Afghan National Army from its current 113,000 to 171,000 and the Afghan National Police forces from 102,000 to 134,000 by 2011. The Administration's budget requests include $14 billion to expand the Afghan Security Forces. This would bring the total U.S. funding for Afghan Security Forces Fund to nearly $40 billion. An important question will be how the United States, in conjunction with its coalition partners and the Afghan government, plans to sustain this force over time.

Accountability

As part of its effort to build Afghan governing capacity, the United States and international donor community are planning to provide more development funding through Afghan institutions. The Department of State is committed to increasing the amount of economic assistance it delivers through the Afghan government and local non-government organizations from 13.5 percent to 40 percent by the end of this year. In January, the international community agreed in principle to an Afghan government request that donors increase the proportion of development assistance delivered through the Afghan government to 50 percent over the next two years. However, the international community stipulated that this support would depend on the Afghan government strengthening its public financial management systems, improving budget execution, and reducing corruption.

One of the most important lessons learned in Iraq was that the U.S. government must have the controls and accountability mechanisms in place before it begins to obligate and spend money. The Special Inspector General for Iraq Reconstruction, Stuart Bowen, stressed this point in testimony before this committee in February this year. SIGAR supports giving Afghans a greater say in how money is spent, but we also believe it is vital that Afghans be held accountable for U.S. funds channeled through Afghan institutions. Therefore, SIGAR has begun assessing 1) what the United States and other donor countries are doing to build the capacity of Afghan institutions to deter corruption and strengthen the rule of law, and 2) the extent to which various national and local institutions have the systems in place to exert internal control and demonstrate accountability for U.S. and other donor funds.

SIGAR has produced several audits that focus on what the United States is doing to build Afghan capacity as well as on the capabilities of Afghan institutions to account for U.S. and other donor funds. Our most recent report—a review of Afghanistan's Control and Audit Office (CAO) — found that Afghan law does not provide the country's top audit agency with sufficient independence and authority to conduct its work effectively. Moreover, the CAO suffers from a

shortage of qualified Afghan accountants and auditors. As a result, it depends heavily on support from foreign consultants and advisors.

Late last year, SIGAR issued a report on Afghanistan's High Office of Oversight (HOO), the principal agency responsible for combating corruption. I am pleased to report that the international community and the Afghan government have taken steps to implement many of SIGAR's recommendations. According to the U.S. Embassy, an extensive dialogue between the HOO and the international community helped frame the anti-corruption paper prepared by the Afghan government for the international conference that was held in London at the end of January. During that conference, President Hamid Karzai announced a whole-of-government approach to fighting corruption and said that he would empower the HOO to investigate and sanction corrupt officials. In March, President Karzai issued a decree giving the HOO greater independence and authority. USAID has told SIGAR it will provide $30 million over three years to support the HOO.

Although neither the HOO nor the CAO had received much funding from the United States, SIGAR believes it was important to assess these two agencies which are critical to any effort to deter corruption in Afghanistan. However, we are focusing primarily on those Afghan institutions and programs that receive significant U.S. funding.

As part of our effort to assess the internal controls and accountability procedures of key Afghan institutions to account for U.S. reconstruction dollars, SIGAR is reviewing the salary support that the U.S. government is providing for Afghan civil servants. We have also begun an assessment of the Afghanistan's National Solidarity Program, which has received more than $900 million in donor assistance to fund small infrastructure programs.

Donors, international organizations, the Afghan government and—most important—the Afghan people are disturbed by the pervasive corruption in Afghanistan. In a nation-wide survey completed in two months ago by the International Security Assistance Force—ISAF—83 percent of Afghans said that government corruption affected their daily lives.[1] A recent poll by the United Nations Office on Drugs and Crime concluded that Afghans paid about $2.5 billion in bribes to government officials and members of the police force in 2009. That amounts to about 25 percent of Afghanistan's GDP and is almost as much as is generated by the illicit drug trade. Corruption robs the poor, leads to misallocation of resources, destroys trust in government, and threatens to undermine the entire reconstruction effort.

Senior U.S. officials recognize that reducing corruption is essential to the reconstruction effort. The U.S. Embassy in Kabul has an anti-corruption working group and it has produced a draft of an interagency anti-corruption strategy. This needs to be finalized and adopted immediately because it will be an important element of the overall U.S. strategy to increase Afghan capacity to defend and govern itself.

[1] See the Report on Progress Toward Security and Stability in Afghanistan, April 2010

MEASURING SUCCESS

SIGAR's legislation gives it a special responsibility to provide independent and objective assessments of every aspect of the reconstruction effort to Congress and to the Secretaries of State and Defense. An important part of SIGAR's responsibility is to help Congress determine whether reconstruction is helping the United States achieve its overall strategic objectives in Afghanistan.

Rebuilding Afghanistan is a very complicated undertaking, involving multiple agencies and funding streams. Nothing illustrates the complexities better than the civilian surge currently underway. A cornerstone of the Administration's new civilian-military reconstruction strategy is to deploy a large number of civilian experts to help Afghanistan increase its governing capacity at all levels; provide basic services to the people; enhance the rule of law; and initiate sustainable economic growth, with an emphasis on agricultural development. Since January 2009, the Administration has more than tripled the number of civilians in Afghanistan from approximately 320 to 990 as of April 15 of this year. The Administration plans to increase this number by 20-30 percent by the end of 2010.

The civilian surge is composed of experts from multiple U.S. government departments and agencies; including the Departments of State, Justice, Agriculture, Transportation, the Treasury, Health and Human Services, and Homeland Security, and USAID. These experts--on everything from private sector development and agriculture, to health, education and civilian law enforcement--are being deployed across the country to work in partnership with Afghans and the international coalition to develop and implement reconstruction programs. U.S. civilians are to be posted not only to the 13 U.S-led Provincial Reconstruction Teams, but also to the 14 PRTs led by our international partners. These civilians will draw upon multiple reconstruction funding sources to finance, manage, and monitor reconstruction projects. To be successful, they must coordinate their efforts with the Afghan government and the international coalition forces.

During my recent visit to Afghanistan, I saw significant improvement in civilian-military coordination in the south. What I did not witness and we will be looking for are what those of us with a military background call "effects." Has better coordination helped us achieve reconstruction goals, such as job creation, which is a major objective of the new strategy?

Last month SIGAR began a review of the implementation of the civilian surge in support of the reconstruction effort. This audit has several objectives. First, we seek to identify the number and types of personnel provided to implement the civilian uplift. Second, we will evaluate the extent to which required resources have been provided to support the operational needs of these additional personnel in Afghanistan. Finally, we will evaluate the extent to which civilians in the field are being effectively utilized to achieve strategic goals. For example, we will be assessing whether the civilian staff are able to leave the security of the PRT bases to meet with their Afghan counterparts and provide oversight of reconstruction programs and projects. SIGAR is the only inspector general with the mandate to fully examine this multi-agency effort.

MEETING THE OVERSIGHT CHALLENGE

Congress first funded SIGAR in September 2008 to enhance oversight of what then amounted to about $29 billion for Afghanistan's reconstruction. Since then, SIGAR has been steadily building its staff and is prepared to provide—through its audits and investigations—the expanded oversight necessary to detect and deter waste, fraud and abuse of the increased U.S. funding for the reconstruction effort. SIGAR is committed to conducting the assessments needed to help Congress determine if these U.S. funds are being spent wisely and effectively to advance U.S. strategic goals. Per our mandate, we produce a Quarterly Report to Congress that summarizes SIGAR's work, identifies concerns, and provides current and historical data on reconstruction activities in Afghanistan.

We currently have 80 employees and plan to reach our goal of 132 in FY 2011. We have established offices in 3 locations in Afghanistan. We now have 15 investigators who are working on 45 cases. Our audit staff, composed of auditors, analysts and engineers, has grown from 1 in January 2009 to 29 today. As we continue to increase our staff, we will be able to greatly expand our audit and investigative coverage. We are in negotiations with the U.S. Embassy in Kabul to increase our presence on the ground in Afghanistan. At the moment, because of space and security issues, we are only allowed 20 positions at the embassy. Our audit and investigations strategy requires additional positions at Embassy Kabul.

CONCLUSION

The United States, together with the international community, is committed to a strategy that will put Afghans in control of their future. The President is asking for a nearly 40 percent increase in U.S. funding—an increase that would make this the largest reconstruction effort in American history—to support this effort. However, the success of this strategy depends not only on how the U.S. implements its reconstruction program; it also depends on the actions the Afghan government takes to develop sustainable projects and combat corruption. This summer the Afghan government will host an international donor's conference in Kabul. The Kabul conference will give the Afghan government an opportunity to transform the international commitments to specific programs to build capacity across the Afghan government and lay the foundation for sustained economic growth. The Afghan government and its citizens must also do their part to make sure that the human and financial resources provided for the reconstruction of their country are not wasted.

Special Inspector General For Afghanistan Reconstruction
Audits Reports

Completed reports: 23 **Active audits: 17**

COMPLETED REPORTS[2]

FISCAL YEAR 2010 (10 reports)

SIGAR Audit-10-10 *ANA Garrison at Gamberi Appears Well Build Overall but Some Construction Issues Need to Be Addressed,* April 30, 2010.

SIGAR Audit-10-9 *ANA Garrison at Kunduz Does Not Meet All Quality and Oversight Requirements; Serious Soil Issues Need to Be Addressed,* April 30, 2010.

SIGAR Audit-10-8: *Afghanistan's Control and Audit Office Requires Operational and Budgetary Independence, Enhanced Authority, and Focused International Assistance to Effectively Prevent and Detect Corruption*, April 9, 2010.

SIGAR Audit-10-7: *The Tojg Bridge Construction Is Nearly Complete, but Several Contract Issues Need to Be Addressed*, March 1, 2010.

SIGAR Audit-10-6: *Contract Delays Led to Cost Overruns for the Kabul Power Plant and Sustainability Remains a Key Challenge,* January 20, 2010.

SIGAR Audit-10-4: *Afghanistan Energy Supply Has Increased but An Updated Master Plan Is Needed and Delays and Sustainability Concerns Remain,* January 15, 2010.

[2]SIGAR Audit-10-5 is a skipped report number. There is no product associated with this number.

SIGAR Audit-10-3S: *Actions Needed for a More Strategic Approach to U.S. Judicial Security Assistance.*

SIGAR Audit-10-3: December 18, 2009. Report has been issued as a Controlled Unclassified Information document. (title is also restricted) *NO PUBLIC RELEASE.*

SIGAR Audit-10-2 *Afghanistan's High Office of Oversight Needs Significantly Strengthened Authority, Independence, and Donor Support to Become an Effective Anti-Corruption Institution*, December 16, 2009.

SIGAR Audit-10-1 *Barriers to Greater Participation by Women in Afghan Elections*, October 28, 2009.

FISCAL YEAR 2009 (13 reports)

SIGAR Inspection-09-6: *Inspection of Kohi Girls School Construction Project, Kapisa Province, Afghanistan: Payment Delays and Safety Concerns Require Attention,* October 26, 2009.

SIGAR Inspection-09-5: *Inspection of Habib Rahman School Construction Project, Kapisa Province, Afghanistan: Design Issues Require Attention,* October 26, 2009

SIGAR Inspection-09-4: *Inspection of Abdul Manan School Construction Project, Kapisa Province, Afghanistan: Poor Project Planning Contributes to Substandard Construction,* October 26, 2009

SIGAR Inspection-09-3: *Inspection of Farukh Shah School Construction Project, Kapisa Province: Project Completion Approved Before All Contract Requirements Met,* October 26, 2009

SIGAR Inspection-09-2: *Inspection of Mahmood Raqi to Nijrab Road Construction Project in Kapisa Province: Contract Requirements Met, but Sustainability Concerns Exist,* October 2, 2009

SIGAR Audit-09-7 *Documenting Detention Procedures Will Help Ensure Counter-Narcotics Justice Center is Utilized As Intended*, September 30, 2009.

SIGAR Audit-09-6 *Strategy and Resources Needed to Sustain Afghan Electoral Capacity*, September 22, 2009.

SIGAR Audit-09-5 *Increased Visibility, Monitoring, and Planning Needed for Commander's Emergency Response Program in Afghanistan*, September 9, 2009

SIGAR Audit-09-04 *Actions Needed to Expedite Construction of Additional Detention Cells at the Counter-Narcotics Justice Center,* August 27, 2009

SIGAR Audit-09-03 *A Better Management Information System Is Needed to Promote Information Sharing, Effective Planning, and Coordination of Afghanistan Reconstruction Activities*, July 30, 2009.

SIGAR Inspection-09-1 *Inspection of Improvements to the Khwost City Electrical Power System: Safety and Sustainability Issues Were Not Adequately Addressed,* July 28, 2009

SIGAR Audit-09-02 *UN Action Urged to Strengthen Afghanistan Capacity to Support Future Elections*, July 6, 2009.

SIGAR Audit-09-01 *Contract Oversight Capabilities of the Defense Department's Combined Security Transition Command-Afghanistan (CSTC-A) Need Strengthening*, May 19, 2009.

DRAFT REPORTS WITH AGENCY FOR REVIEW None

ONGOING AUDITS (17 active audits)

In order of notification announcement

Review of U.S. Assistance for the Preparation and Conduct of Presidential and Provincial Council Elections in Afghanistan (SIGAR-006A)

(Third and final report on lessons learned expected early 2010 – anticipated June)

Objectives: We have previously issued three reports on the preparations for the elections and women's issues associated with the elections. We are currently completing a fourth report on conduct of the elections.

Review of U.S. and Other Donor Efforts to Address and Build Afghanistan's Capacity to Address Corruption (SIGAR-007A)

(Report on U.S. anti-corruption strategy anticipated in late June/early July)

Objectives: Review of oversight and anti-corruption capabilities and performance of the Afghan government, U.S. and donor efforts to strengthen the capabilities, and internal controls and accountability for U.S. funds used by selected Ministries.

Review of U.S. and Other Donor Efforts to Address and Build Afghanistan's Capacity to Address Corruption in the Provincial Governments (SIGAR-008A)

(Re-announcing revised audit objectives and scope – May 5, 2010. Field work underway through July)

Objective: (New objectives) (1) Identify the amounts, sources, and purposes of funding for Nangarhar province (donor and Afghan funding); (2) Assess the steps taken by the U.S. Government to ensure that reconstruction funds provided by the United States for use in Nangarhar province are used only for intended purposes according to national and provincial priorities; (3) Determine the extent to which Nangarhar's provincial government and line directorates are able to ensure that funds are properly protected from misuse, and used only for intended purposes according to national and provincial priorities.

Agencies' use of contractors to provide security for reconstruction programs in Afghanistan (SIGAR-009A)

(Report anticipated by July)

Objectives: describe the number and volume of contracts to provide security services in Afghanistan and the extent to which these contracts are for reconstruction activities, determine extent of audit oversight of these contracts by GAO and the Inspector General community, assess agencies' supervision and management of the security contractors and personnel, and identify contractor capabilities and performance strengths and weaknesses.

Review of the use of funds earmarked for Afghan women and girls (SIGAR-010A)

(Report anticipated June)

Objectives: identify how the funds were used and the extent their use complied with legislative requirements, assess how agencies measure effectiveness of the programs, and assess plans for project sustainability.

Assessment of the Capabilities of the Afghanistan National Security Forces (SIGAR-012A) (Anticipated report June)

Objectives: Identify the procedures by which ANSF capabilities are measured and verified, Assess the extent to which readiness assessment methods vary between and within the Afghanistan National Army and Afghanistan National Police, Determine to what extent the capability rating system provides a reliable profile of ANSF capabilities, and Identify the extent to which challenges have impeded the U.S. ability to assess ANSF capabilities.

Review of Afghan National Security Forces Personnel Management (SIGAR-013A) (Audit work re-started. Anticipated report fall 2010)

Objectives: Describe the extent to which Afghan army and police personnel have been counted and validated; actions taken by the United States and international donors to support the development of ANSF personnel accounting systems; challenges associated with the completion and maintenance of routine systems for personnel accounting; and extent to which inaccurate personnel numbers have led to additional challenges, including the fraudulent collection of ANSF salaries.

Focused Contract Audit: Construction of ANA Brigade Garrison in Farah Province (SIGAR-014A) **Re-announced former inspection** (Anticipated report July)

Objectives: examine 2 USACE construction contracts for Phases I and II of the U.S.-funded ANA Brigade Garrison in Farah Province to determine contract outcomes and cost, U.S. oversight of the contracts, and plans for ANA to sustain the infrastructure. Expect to identify the subcontractors and determine if any subcontractors were hired to provide personnel and/or site security and whether any Afghan subcontractors used were approved by the Afghan government to operate in Afghanistan at the time.

Focused Contract Audit: Reconstruction Security Support Services from Global Strategies Group Inc (SIGAR-017A) (Audit work restarted May 2010)

Objectives: examine USACE task order for private security services to review the contract outcomes and costs, U.S. oversight of the contract, as well as evaluating the planning procedures USACE followed in preparing the contract request. We also plan to identify any private security subcontractors used by the prime contractor and if the same requirements in the prime contract were included in the subcontract.

Identification of Major Venders for Reconstruction Contracts in Afghanistan (SIGAR-018A) (Anticipated report June)

> *Objectives:* ensure that the major contracts SIGAR identified are for reconstruction in Afghanistan, determine the full value and purpose of the contracts involved, and document each contract's obligations and expenditures to date.

Review of Construction Contract of Kandahar Police Facilities - Kandahar Air Field, Kandahar Province (Project Code: SIGAR 008-I)
Re-scoped to contract performance audit objectives. (Anticipated report June 2010)

> *Objectives:* review contract outcomes and cost, U.S. oversight of the contracts, and plans for ANA to sustain the infrastructure. Expect to identify the subcontractors and determine if any subcontractors were hired to provide personnel and/or site security and whether any Afghan subcontractors used were approved by the Afghan government to operate in Afghanistan at the time.

Review of Salary Supplements Paid to Afghan Government Officials

(SIGAR-020A) (Anticipate report late July 2010)

> *Objectives:* Identify all salary supplements paid to officials and advisors of the Afghan government; examine the internal controls and other accountability mechanisms for determining 1) the recipients of salary supplements and 2) the amounts paid; and determine the effectiveness of these mechanisms in safeguarding U.S. funds against improper use. This excludes payments to ANSF.

Review of the Implementation of the Civilian Uplift in Support of U.S. Reconstruction Efforts in Afghanistan (SIGAR-021A) (Started April 2010 reporting anticipated late summer)

> *Objectives:* Identify the number and types of personnel provided to implement the civilian uplift; assess the extent to which required resources have been provided to support the operational and life-support needs of these additional personnel in Afghanistan; assess the extent to which civilians in the field are being effectively utilized in achieving stated strategic and programmatic goals, including collaboration with military and international partners and assisting with contract oversight responsibilities.

Forensic Auditing Data Collection: SIGAR initiative regarding Afghanistan Security Forces Fund Transaction Data (SIGAR-022A)

This will not result in an audit report. Rather this is job is focused on specific data collection and analysis as part of our forensic audit effort.

> *Objective:* To review Department of Defense appropriation, obligation, and expenditure transaction data related to the Afghanistan Security Forces Fund (ASFF) for fiscal years 2005 to 2009. The objective of this initiative is to analyze transaction data using data mining techniques and to review the appropriateness of expenditures from ASFF. The results could lead to one or more SIGAR audits or investigations to follow-on to assess the appropriate use of ASFF and identify any potential fraud, waste, or abuse.

Review of Afghanistan's National Solidarity Program (SIGAR-023A)
Announced mid-April. Field work in Afghanistan begins mid-May.

> *Objectives:* Identify U.S. and donor assistance to the NSP and determine actions taken by the U.S. and other donors to ensure their contributions are adequately accounted for, appropriately programmed, and ultimately used for their intended purposes; and examine the capacity of the Ministry of Rural Rehabilitation and Development to plan, manage, and monitor the NSP in order to provide reasonable assurance that adequate internal controls are in place and properly utilized in order to achieve the program's intended results.

Review of Construction Projects for Six ANP Facilities in Helmand and Kandahar Districts (SIGAR-024A)

Announced late April and to begin work in Afghanistan in May. Anticipated report August.

> *Objectives:* Assess the construction and progress of the six projects to determine: whether the infrastructure projects were (are being) completed within the terms of the contract, including schedule and cost, and if not, why not; whether the construction is in accordance with approved construction plans and specifications, and if not, why not; and the nature and adequacy of U.S. contract administration and construction oversight.

Review of U.S. Air Force Center for Engineering and the Environment (AFCEE) Infrastructure Projects in Heart and Mazar-E-Sharif (SIGAR-025A)

Announced May 5, 2010. Field work to begin mid-June in Afghanistan.

> *Objectives:* Examine two AFCEE infrastructure projects (Contract Number FA8903-06-D-8507, Task Order 13 and Contract Number FA8903-06-D-8510, Task Order 12) to determine whether: the projects were (are being) completed within the terms of the contract(s) including schedule and cost; construction is in accordance with approved construction plans and specifications; and U.S. contract administration and construction oversight is effective.