



Prepared Remarks of
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“From Kabul to your hometown: Useful Tips for Effective IG Oversight”

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Introduction

Thank you for that kind introduction. It's a pleasure to be here, surrounded by people who share my passion for turning over rocks to expose incompetence, misconduct and, occasionally, best practices and who also believe taxpayers deserve to be informed about the workings of their government. Those values underpin our jobs as Inspectors General and go back nearly 200 years to May of 1778, when George Washington convinced the Continental Congress to appoint a former Prussian military officer named Friedrich von Steuben to the new post of inspector general of the Continental Army.

With limited English proficiency but with a real flair for cursing, Baron von Steuben standardized the Continental Army's training. He convinced soldiers, for example, to stop using bayonets as cooking skewers and start using them as weapons. Like many an Inspector General since, von Steuben noted “administrative incompetence, graft, and war profiteering.” His inspections reportedly saved the financially stretched army the loss of thousands of muskets, similar to SIGAR's reporting on the lack of weapons accountability in Afghanistan. Von Steuben was also assigned the duty of trying to improve sanitation by relocating latrines. Fortunately, I've avoided that assignment.

As noted, my work focuses on Afghanistan. So, some of you may wonder how that is relevant to probing construction fraud in New York, cultivating informants in Texas, or developing corruption cases in Cook County. True, your auditors probably don't have to wear flak jackets, helmets, and full battle rattle when they do an audit, or travel in a ten-ton armored vehicle to inspect a construction site. Nor do your criminal investigators carry machine guns when they try to get bank records.

Still, there are some commonalities between issues covered in this conference and what we face half a world away in Afghanistan. We do, for example, deal with construction fraud on a massive scale, develop informants like in Texas (as a matter of fact, we have quite a few informants residing here) and build cases against corruption on a daily basis since we work in one of the most corrupt countries in the world.

So today I will offer some insight into our IG work in Afghanistan that should interest you as professionals, as citizens and taxpayers, and possibly as relatives of people deployed there.

Specifically, I will focus on the following lessons we have learned that may be useful to you and your work. They include:

- Be alert for agencies that mistake good intentions and outputs with actual outcomes.
- Protect your independence, but stay alert to clients' needs.
- Distill the particulars of your work into Lessons Learned publications, and
- Use publicity to increase the impact of your work.

Background

But first, let me tell you a little about my agency with that tobacco-flavored acronym, SIGAR. Congress created SIGAR, the office of Special Inspector General for Afghanistan Reconstruction, in 2008.¹ Unfortunately, that was almost seven years after the United States intervened in Afghanistan to remove the Taliban regime that was sheltering al-Qaeda terrorists. Billions had already been spent on rebuilding the country, often with little or no documentation, assessment, or accountability.

Of course, the federal agencies involved in Afghan reconstruction—chiefly the Department of Defense, State, and the U.S. Agency for International Development—have their own inspector-general offices. They do good work, and I have great respect for their IGs' initiative and independence. But they also have global responsibilities, and Congress wanted an IG shop focused entirely on Afghanistan, where America remains engaged in the longest war in its history.

Why? Because Afghanistan is the largest reconstruction program in U.S. history. At \$120 billion and counting, the cost of Afghanistan reconstruction exceeds the inflation-adjusted cost of the Marshall Plan that helped rebuild Western Europe after World War Two—and it is still growing by about six billion dollars a year.

To provide oversight for that massive effort, SIGAR employs about 200 auditors, analysts, engineers and criminal investigators, with over 30 stationed in Afghanistan at any one time. As the Government Accountability Office reported just last week, SIGAR has more oversight staff based in Afghanistan than DOD, State, and USAID combined.² In creating SIGAR, Congress also made us unique within the federal IG community:

¹ Pub. L. 110-181, Sec. 1229.

² GAO, *Inspectors General: Documented Agreement of Certain Roles and Responsibilities Could Further Enhance Coordination in Afghanistan*, GAO-18-6, 11/2017, p. 7.

1. SIGAR is *wholly* independent. We are one of only two of the 70 federal IG offices not housed within any federal agency or commission. We file our reports with Congress and the Secretaries of Defense and State, but overall, our agency is answerable to the President and Congress.
2. Our work focuses *exclusively* on reconstruction programs in Afghanistan, which are broadly defined to include building and sustaining the Afghan national security forces, promoting the rule of law, constructing schools and clinics, funding counternarcotics programs, and training and paying the salaries for Afghan soldiers, police and civil servants.
3. Our mandate in Afghanistan extends across all federal departmental boundaries. We are the only IG with the power to look at the “whole of government” reconstruction effort in Afghanistan.

I came to SIGAR in July 2012 as a presidential appointee, so I am now working toward my sixth anniversary as an IG. Before that, I had served as a state and federal prosecutor in Ohio, and was the first prosecutor to convict the entire leadership of a Mafia crime family under the RICO statute. I’ve also been counsel for investigative committees in the U.S. House and Senate, served as a deputy assistant secretary at the Department of Commerce, and was a partner in an international law practice.

Prior to my work in Afghanistan I thought I had seen everything in the way of organized crime, corruption, and other forms of waste, fraud, and abuse. Boy, I was in for a surprise. It is a tough place, as foreigners including Alexander the Great, the British army, the Red Army, and the current U.S.-led military coalition can attest, and it has been rightly known as the “Graveyard of Empires.”

Just to put it in some context, Afghanistan is about 252,000 square miles in area, almost as big as Texas with a population of approximately 34 million people.³ And those people have been divided along ethnic, religious, tribal, and other lines for many years. Their country is one of the poorest, least educated, and most corrupt in the world—and as you know from the daily news, one of the most violent. Besides the xenophobic and fundamentalist Taliban insurgency, DOD estimates that some 20 terrorist groups have a presence in Afghanistan.

Carrying out oversight work in Afghanistan is very difficult. The terrain and poor transportation infrastructure is part of the problem, but the continuing violence is the dominant challenge. Many U.S. staff there are essentially confined to the U.S. embassy compound for their entire tour of duty. Getting around to visit Afghan ministries or project sites requires chief-of-mission authorization for civilians plus a security detail.

³ CIA, *World Factbook*, “Afghanistan,” 10/31/2017.

The 90-percent drawdown of U.S. forces in country since 2011 and the increased reach of Taliban and other attacks have made travel both more difficult and more dangerous. I have made three or four trips to Afghanistan every year since I started with SIGAR, and have seen the growing constraints myself.

To mitigate such difficulties, SIGAR has augmented its resources with satellite imagery, retained the services of Afghan nongovernmental organizations, and hired Afghan nationals who can travel at less personal risk than obvious foreigners. Meanwhile, our Investigations Directorate has adapted to working in a conflict zone by regularly interacting with the U.S. military, Afghan government and civil society organizations, our Coalition allies, the UN, Interpol, and NATO to maximize visibility into Afghan issues.

So, what has SIGAR accomplished in Afghanistan? Since its creation in 2008, SIGAR has arrested 118 individuals and secured 114 convictions for defrauding the American taxpayer. Our auditing team has saved nearly \$1 billion for the taxpayer. Since I joined SIGAR in 2012, our investigations directorate alone has recovered another \$1.1 billion in criminal fines, restitutions, forfeitures, civil settlements, and U.S. government cost savings and recoveries.

Outcomes Versus Outputs and Good Intentions

But, what does this mean to your work? First, keep in mind that effective oversight and reporting is critical not only for judging particular programs, but also for providing evidence that can feed into policy refinements, best practices, and program outcomes.

As we at SIGAR look at specific programs, moreover, it is always a wise precaution to ask whether the implementers' assumptions, benchmarks, and metrics for success make any sense. It is easy for officials to propose measuring their impact by numbers of meetings held, percentage of budget spent, numbers of trainees processed, or miles of roads constructed. Such data points may be useful as measures of activity, but may also tell us little about the *results* of the activity. Like you, we constantly need to identify outcomes, not merely outputs as we measure program performance.

An instructive example of the outputs-versus-outcomes divide is the U.S.-funded effort to improve literacy among members of the Afghan army and police. Like their civilian countrymen, most Afghan Army recruits are illiterate. In 2009, NATO and U.S. forces in Afghanistan settled on a goal of achieving 100 percent basic literacy in the Afghan forces they were training.

A SIGAR audit of the program discovered that success could not be reliably measured. None of the three training contracts required verifying proficiency or had a way to track trainees. And this was for a \$200 million program.⁴ Our staff also discovered there was no data on how many of the trainees were still on active duty. Even if the training itself

⁴ SIGAR, *Afghan National Security Forces: Despite Reported Successes, Concerns Remain about Literacy Training Program Results, Contract Oversight, Transition, and Sustainment*, SIGAR 14-30 Audit Report, 1/2014.

had been a well-documented success, not knowing how many trainees had later become casualties, deserted, or left for civilian jobs after their term of service was up made the program's usefulness an abiding mystery.

We have also seen many times that no matter how well a program is executed, its outcome may be failure if the host country or other recipient cannot *operate and sustain* it. This is a severe obstacle in poor countries like Afghanistan. Programs and projects simply should not be launched unless planners have confirmed that the recipient has the people, the management, the skills, the infrastructure, the supply chain, the cash, and the will to keep it running after the hand-off ceremony.

For example, SIGAR conducted a performance audit of two USAID-funded hospitals in Afghanistan, at Gardez and at Khair Khot. The construction cost U.S. taxpayers \$18.5 million, but our auditors determined that USAID had not assessed the Afghans' ability to staff and sustain the new facilities. Their operations-and-maintenance costs were projected to five times higher—a critical point, for Afghanistan produces essentially no fuel and cannot pay to import it without donor subsidies. USAID, however, had made no arrangements to fund the higher operating costs at the new facilities, which also lack adequate skilled staff.⁵

Lastly, I note that many times we need to ignore “good intentions” when looking at the ultimate usefulness of a program. Our over 300 audits are replete with examples, but one of the best was our discovery that some U.S. military officers thought it would be great for Afghan national pride to have its own navy—not a big navy since it is a land locked country, but still a nice thought. Unfortunately, the \$3 million “navy” wound up unused in crates in Norfolk, Virginia, a waste of U.S. taxpayer money and no help to the Afghans.

Listen To Your Clients Needs

Maybe it's because I worked in Congress for nearly 25 years and used a lot of IG reports or because I was a law partner, but I firmly believe that as an IG it is important to devote an intense attention to our “clients”. Whether in Afghanistan or Alabama, it's important to know your clients, whether city councils or state governors, and respond to their needs and concerns while still maintaining your independence.

For example, after discussions, SIGAR has undertaken a number of initiatives in direct response to Congressional interest – remembering Congress is one of our biggest “clients”. These inquiries have included:

- A review of “Leahy Law” application regarding gross violations of human rights by members of foreign military units receiving U.S. aid. That was a bipartisan and

⁵ SIGAR, *Health Services in Afghanistan: Two New USAID-Funded Hospitals May Not Be Sustainable and Existing Hospitals Are Facing Shortages in Some Key Medical Positions*, SIGAR Audit 13-9, 4/2013.

bicameral request from over 100 Members of the Senate and House of Representatives. We finished that report in July and briefed Congressional requesters, but DOD still needs to declassify it so the public can see our findings.

- The appropriations committees this year tasked SIGAR to assess the Afghan government's pledge to reduce corruption. That is a critical project because corruption has been widely identified as an existential threat to Afghanistan.
- And members of the U.S. Senate have asked SIGAR to conduct a top-to-bottom review of DOD's now-defunct Task Force for Business Stability Operations. The TFBSO spent nearly 800 million dollars on a lot of projects in Afghanistan with little apparent success, and scanty documentation. I expect the results of that study to be out in a few weeks.

Receiving requests like these may disrupt scheduled work and increase pressures on your staff, but you should welcome them as marks of confidence and as opportunities to demonstrate your competence—and your independence, in cases where your findings do not support the reigning perceptions.

Lessons Learned Reports and Summary Publications

Speaking of client needs, the sheer accumulation of oversight reports can overwhelm policy and decision makers with detail—or deter them from examining your work at all. A common question I receive after releasing one damning report after another about fraud, waste and abuse in Afghanistan was “What does this all *mean*?”

To address that question, we followed the urgings of Ambassador Ryan Crocker, General John Allen, and several Members of Congress to create a formal lessons-learned program that leveraged SIGAR's unique ability to look at the entirety of the reconstruction effort in Afghanistan and make recommendations and identify best practices.

We've published two reports so far, with more under way. The first looked at the sources and extent of corruption in Afghanistan, confirmed that the U.S. presence rewarded some bad actors and fed corruption, and documented the lack of an interagency strategy against corruption between State, USAID, and DOD.⁶

Our second Lessons Learned Program report, released in September, focuses on the training of the Afghan security forces. We found that the United States was simply not prepared to conduct security-sector assistance on the scale that Afghanistan required.⁷

⁶ SIGAR, *Corruption in Conflict: Lessons from the U.S. Experience in Afghanistan*, SIGAR 16-58-LL, 9/2016.

⁷ SIGAR, *Reconstructing the Afghan National Defense and Security Forces: Lessons from the U.S. Experience in Afghanistan*, SIGAR 17-62-LL, 9/2017.

The new report discusses these and many other problems in great detail, and I and my staff were asked to brief the Chairman of the Joint Chiefs of Staff, U.S. Central Command, U.S. Forces- Afghanistan, NATO, the U.S. Marine Corps, and National Security Council staff, as well as the European Union. It is a solid example of how extracting pertinent and actionable lessons from hard experience can help leaders work toward better results in the future.

Products like our Lessons Learned Program reports and the SIGAR High-Risk List act as what our military would call “force multipliers” for our individual, tightly targeted products. You can do likewise, using individual audits, inspections, and investigations as building blocks to summarize overarching risks and concerns, and to extract broader lessons for improving outcomes. Leaders find such broad-perspective reports useful.

Transparency and Publicity

I have learned since coming to Washington over thirty-five years ago that the most effective Inspectors General do not simply issue their reports to their leadership and then kick back and relax. They reach out to Congress and the public whose tax dollars fund governmental programs, and whose sons and daughters may be put in harm’s way to carry them out.

As Supreme Court Justice Louis Brandeis famously observed, “Sunlight is said to be the best of disinfectants.” If you produce findings that can save lives or money, improve services to the public, promote honesty and accountability, why take the chance that officials will ignore your work or file it on a shelf or hard drive for a long archival sleep? As an Inspector General I view my role to be a “change agent” for improving government operations and policies. So my policy has been that unless the report is classified, a security risk or otherwise prohibited by law, it should be made public. And, if it deserves publication, it deserves to be publicized.

Why? Because apart from sound work product, *publicity* is the IG’s best tool for shining sunlight into dark corners that need disinfecting or cleaning. Publicity through news stories, social media, op-eds, testimony, or other channels can create public awareness and calls for action, catch officials’ attention, trigger inquiries, draw out leads for other investigations, help hold people accountable for bad judgment or bad conduct, and foster constructive change.

Again, I repeat, publicity is a force multiplier for your good work. You may have seen recent stories about some of the SIGAR findings that we felt obliged to publicize. They include:

- Allowing the former Afghan Minister of Defense to pick a proprietary woodland camouflage pattern fabric for soldiers’ uniforms in mostly treeless Afghanistan, when DOD had plenty of cheaper choices available. That action may have wasted \$28 million.

- Spending nearly half a billion dollars on second-hand transport aircraft bought from Italy that were not airworthy over Afghanistan's mountains, could not be maintained, and were scrapped for a grand total of \$32,000—literally a few cents a pound.
- A wonderfully equipped 64,000-square foot military command facility in Afghanistan that was built for \$36 million even after senior U.S. military officers said it was not needed, and that the Afghans could not use it.
- Spending \$8.5 billion on counternarcotics programs in Afghanistan since 2002, only to see another record opium-poppy crop this year that fuels the international opioid trade and provides the Taliban with most of their revenue.
- Committing about \$6 million to transport a handful of rare Italian goats to Afghanistan and build support facilities for them so they could breed with Afghan goats to improve their cashmere quality. Many of the goats sickened and died, and the project director quit in frustration.

Stories like these draw lots of attention, bring uncomfortable witnesses to tables in congressional hearing rooms, and lead to actual, productive change. Such publicity also gets official attention. Earlier this month, a number of members of the House Committee on Government Oversight and Reform called SIGAR the only “truth teller” on Afghanistan. Defense Secretary Mattis recently cited our camouflage report in a stern public message to all top Defense leadership of the need to improve financial accountability. General Joseph Dunford, Chairman of the Joint Chiefs of Staff, told the House Armed Services Committee last month that SIGAR was “a key partner” in the Afghanistan mission and that the Pentagon’s failure analysis of programs there was “very much informed by the work that the SIGAR had done.” Likewise, dozens of senators and congressmen cite our work regularly and use it in legislation and in their oversight inquiries to the Administration.

Equally important, the Afghan government and press closely follow our work. The president of Afghanistan, Doctor Ashraf Ghani, is an avid reader of SIGAR reports. I know because he tells me every time I see him and we discuss their import to his attempts to reform his government. So do his ministers, who contact us regularly for responses to his questions.

President Ghani trusts and relies on SIGAR so much so that he asked us to attend weekly meetings he chairs of his National Procurement Council that reviews major contract proposals to promote competition and reduce corruption. We are the only civilian U.S. government agency granted such status, and we use it to assist his government as well as our own in spotting contracting fraud. In addition, President Ghani has asked us to present all of our significant findings to his cabinet and his new “High Council on Rule of Law and Anti-Corruption” – another sign of our little agency’s effectiveness in getting its message out.

I must note that many of your colleagues here are already effective practitioners of publicity, and I mean that in a good way. The issues that these and other IGs address and publicize don't involve insurgencies, improvised explosive devices, or exotic overseas locales. But they are important and I commend these IGs for publishing crisp, accessible, and informative work, and encourage those of you who may be more inclined to reticence to follow their example.

But be forewarned, as you publicize your work, some people may accuse you of grandstanding or sensationalizing. Likewise, vested interests and status-quo invertebrates may be annoyed.

But as Winston Churchill said, "You have enemies? Good. That means you've stood up for something, sometime in your life." Or, to paraphrase President Truman's famous remark, "I never sensationalized, I just stated the facts and they thought they were sensational."

Conclusion

So in conclusion, you may wonder why my little agency continues to persevere in such a forbidding environment as Afghanistan. The obvious reason is that Congress told us to do so. It's our job.

But I and every other member of the SIGAR family also realize the importance of maintaining effective oversight to protect the 16-year commitment of blood and treasure by the people of the United States.

We are uniquely equipped and positioned to continue to support our mission in Afghanistan. If we succeed, we may bring lasting benefit to not only the U.S. taxpayer, but also to the Afghan people.

And if we don't, well, I can always follow Baron Von Steuben's example and try to figure out the best location for the latrines.

Thank you for your patience and I look forward to answering any of your questions.