

OFFICE OF THE SPECIAL INSPECTOR GENERAL FOR
AFGHANISTAN RECONSTRUCTION



FISCAL YEAR 2017

BUDGET REQUEST

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SPECIAL INSPECTOR GENERAL FOR AFGHANISTAN RECONSTRUCTION

1550 Crystal Drive, Suite 9000
Arlington, VA 22202

January 30, 2016

SUBJECT: Fiscal Year 2017 Budget Request

Pursuant to section 6(f) of the Inspector General Act of 1978, as amended, I am pleased to provide the Fiscal Year (FY) 2017 SIGAR budget request in the amount of \$54.9 million. SIGAR is the only inspector general with interagency authority to audit and investigate the activities of all U.S. government agencies and international organizations that receive U.S. funding for Afghanistan reconstruction. This budget request takes into account the continued need for oversight, given the additional \$3.87 billion (not including final appropriation amounts for Department of State and U.S. Agency for International Development (USAID) accounts, which have yet to be determined) provided in FY 2016 for Afghanistan relief and reconstruction, bringing the cumulative total to approximately \$113.1 billion.

SIGAR has requested this level of funding to ensure that it has sufficient resources to conduct audits and inspections, investigations, special projects and to support the new Lessons Learned program. The Lessons Learned program will provide effective oversight of the past, present, and planned reconstruction programs. With approximately \$11.45 billion in unexpended funds for reconstruction as of December 31, 2015, rigorous and aggressive oversight is critical to ensure that U.S. taxpayer dollars are not subject to waste, fraud, and abuse. Managing and overseeing this massive, ongoing reconstruction effort is being left to a decreasing number of U.S. military and civilian personnel in Afghanistan. This is precisely why it is essential for SIGAR to remain in-country and continue to provide aggressive oversight of ongoing reconstruction projects and the billions of reconstruction dollars yet to be spent, while developing creative ways to operate in a more constrained environment.

SIGAR's presence in-country is essential to accomplishing its broad oversight mission. SIGAR is mandated by law to conduct audits and investigations of reconstruction programs and projects in Afghanistan until 180 days after the date when the unexpended portion of amounts made available for reconstruction fall to less than \$250 million.

Given the increasing security risks and travel restrictions, SIGAR has adopted innovative ways of conducting oversight in the Afghanistan security environment by entering into a cooperative agreement with a local Afghan non-governmental organization (NGO), hiring Afghan engineers and analysts to conduct ground inspections, and by collaborating with other agencies and research institutions to leverage geospatial and other analytical technologies.

In addition, SIGAR is also developing a promising working relationship with the new National Unity Government of President Ashraf Ghani and Chief Executive Officer Abdullah Abdullah. One tangible result is that SIGAR is one of only two U.S. representatives invited to observe President Ghani's weekly in-person meeting with his cabinet to review procurement matters. SIGAR is cautiously optimistic that the new administration has brought with it new opportunities for genuine transparency and oversight in the fight against fraud, waste, and corruption. This working relationship is being successfully fostered by regular in-person meetings.

I appreciate your commitment to SIGAR's oversight mission and look forward to discussing our ongoing and planned efforts to protect U.S. reconstruction funds, assess program effectiveness, produce lessons learned, and hold implementing partners accountable.

Very respectfully,

John F. Sopko
Special Inspector General for Afghanistan
Reconstruction

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Afghanistan Overview

The United States has provided approximately \$113.1 billion for the reconstruction of Afghanistan since FY 2002. (By comparison, the 1948-1952 Marshall Plan aid to reconstruct 16 European countries amounted to \$13.33 billion in nominal dollars, or roughly \$103.35 billion, as of mid 2014, adjusting for inflation per the federal GDP Deflator.) Reconstruction funds are being used to strengthen the Afghan security forces, build governing capacity, promote economic development, and counter the drug trade.

SIGAR Overview

The FY 2008 National Defense Authorization Act (Public Law 110-181) established the Special Inspector General for Afghanistan Reconstruction (SIGAR). The law directs SIGAR to independently and objectively conduct and supervise audits and investigations relating to the programs and operations funded with amounts appropriated or otherwise made available for the reconstruction of Afghanistan.

SIGAR has a unique mandate. It is the only inspector general focused solely on Afghanistan reconstruction. Unlike the other inspectors general, SIGAR is not part of another department or agency, but is independent. SIGAR is unique in its cross-agency authority to look across departmental boundaries and assess reconstruction projects and programs funded by the Department of Defense, Department of State, USAID, and all other U.S. agencies involved in Afghanistan. SIGAR is also unique in having more employees on the ground in Afghanistan than any other inspector general, including the largest single law-enforcement presence.

SIGAR is responsible for providing objective leadership and coordination of, and recommendations on, policies designed to promote economy, efficiency, and effectiveness in the administration of reconstruction programs and operations. SIGAR's work helps prevent and detect waste, fraud, and abuse in reconstruction programs and operations. SIGAR's mandate requires it to keep Congress and the Secretaries of State and Defense informed about problems and deficiencies relating to activities and oversight of the administration of the reconstruction efforts in Afghanistan.

Reconstruction, as defined in SIGAR's enabling legislation, includes any major contract, grant, agreement, or other funding mechanism entered into by any department or agency of the United States government that involves the use of amounts appropriated, or otherwise made available for the reconstruction of Afghanistan with any public or private sector entity to: (1) build or rebuild physical infrastructure in Afghanistan, (2) establish or reestablish political or societal institutions of Afghanistan, or (3) provide products or services to the people of Afghanistan. SIGAR also has the duties, responsibilities, and authorities of inspectors general under the Inspector General Act of 1978, as amended.

SIGAR staff, including investigators with the power of arrest, auditors, inspectors, attorneys, technicians, writers, program analysts, and other staff, work in both the United States and Afghanistan. SIGAR is headquartered in Arlington, Virginia. Stateside staff also operate in ports of entry, military bases, and other locations where cases such as smuggling and money laundering are under investigation, or where interviews and arrests are required. With the withdrawal of other oversight and law enforcement agencies from Afghanistan, SIGAR is now the largest oversight presence in Afghanistan, with more auditors and investigators in country than any other oversight agency. SIGAR's in-country staff are currently assigned to two locations: U.S. Embassy Kabul and Bagram Airfield.

The Special Inspector General has established six functional areas to carry out SIGAR's mission: (1) Audits and Inspections, (2) Special Projects, (3) Investigations, (4) Management and Support, (5) Research and Analysis, and (6) Lessons Learned.

AUDITS & INSPECTIONS

Audits and Inspections supports the SIGAR mission by conducting performance and financial audits of reconstruction programs, as well as by inspecting reconstruction sites. All audits are conducted in compliance with Generally Accepted Government Auditing Standards (GAGAS), commonly called "yellow book" standards, established by the Comptroller General of the United States. Performing audits according to these standards ensures the accuracy and credibility of findings, conclusions, and recommendations presented to the Congress and other decision-makers. All inspections are conducted in accordance with the *Quality Standards for Inspection and Evaluation*, published by the Council of the Inspectors General on Integrity and Efficiency.

SIGAR conducts a wide range of audits and inspections to fulfill its legislative mandate. These include audits of individual contracts and audits that examine program management and internal controls, as well as broad, comprehensive assessments of program direction and effectiveness. In most cases, these audits result in recommendations, which, if implemented, can save taxpayer dollars, increase accountability, or improve program efficiency and effectiveness. In addition, SIGAR's inspections of infrastructure in Afghanistan constructed using U.S. funds have found significant problems with agency contract management, adherence to engineering standards, and adequately maintaining facilities to ensure their long-term sustainability.

The principal goals of SIGAR's audits and inspections are to identify waste, fraud, and abuse associated with reconstruction contracts, grants, and cooperative agreements, and to make recommendations to improve the efficiency and effectiveness of reconstruction programs. SIGAR seeks to improve internal controls, accountability, management practices, and interagency coordination to promote effectiveness as well as to help Congress and the American public

determine if reconstruction programs are achieving their intended outcomes. To meet these objectives SIGAR maintains a diverse team of experienced auditors, analysts, and other staff.

SIGAR conducts audits in four broad reconstruction sectors:

- Security
- Development
- Governance
- Contract Administration

In each of these sectors, SIGAR assesses:

- Contracts and other financial instruments, focusing on cost, schedule, and outcomes; oversight; and sustainability
- Program management, including reconstruction strategy, planning, and oversight
- Operations, including internal controls and accountability

SIGAR also began its Financial Audit Program in FY 2012 using financial audit experts and contracted independent public accounting firms to conduct incurred-cost audits of high-risk reconstruction contracts. As of August 2015, SIGAR has issued 54 financial audit reports that have identified nearly \$280 million in questioned costs as a result of internal control deficiencies and noncompliance issues.

SPECIAL PROJECTS

Special Projects is a rapid-response team set up by the Special Inspector General to examine emerging, high-risk issues in prompt, actionable reports to federal agencies and the Congress. Established in FY 2013, the program was established after senior U.S. officials indicated that they needed to get information from SIGAR more rapidly than is possible in an audit or investigative format. The program draws on highly skilled investigators, auditors, analysts, attorneys, subject-matter experts, and other specialists who apply their expertise to emerging problems and questions. The products produced by Special Projects include reviews, alert letters and follow-ups, inquiry letters and follow-ups, and fact sheets.

Special Projects goals are to:

- Provide timely responses to critical and emerging issues related to the Afghanistan reconstruction effort
- Address matters that are outside the scope of audits and investigations that have already been initiated or that require an elevated level of awareness
- Address SIGAR's critical mission requirements through an expedited process to ensure a timely congressional, administration, and public response

INVESTIGATIONS

Investigations supports SIGAR's mission by investigating potential criminal and civil misconduct associated with the reconstruction program in Afghanistan. SIGAR has the lead role in investigating criminal activity related to reconstruction funds. The investigators are focused primarily on financial crimes, including contract fraud, procurement fraud, corruption in federal contracting, and money laundering. SIGAR conducts all investigations in accordance with the requirements of Federal criminal law and the Federal Rules of Evidence.

SIGAR investigators work in close cooperation with SIGAR's audit and inspection teams to detect possible criminal activity related to the reconstruction effort. In addition, SIGAR operates an Investigative Case Management System (ICMS) designed to record all activity regarding investigations of fraud, waste or abuse. SIGAR investigators and analysts use ICMS to organize this information, develop cases, refer cases to the Department of Justice for adjudication, prosecute offenders, and recover diverted United States funds. The Hotline operation uses ICMS to record more than 450 complaints received annually. These complaints originate from traditional sources such as email, phone, the SIGAR Website and from SIGAR's Facebook and Twitter advertisements published in Dari and Pashto, the two predominant languages of Afghanistan (visit www.sigar.mil/HOTLINE for information).

Investigations established the SIGAR Money Laundering Task Force (MLTF) to identify and prosecute illegal money laundering involving reconstruction funds. The MLTF partners with domestic and international law enforcement to investigate foreign based criminal and civil violations of U.S. and Afghan laws. Partners of the MLTF include the Internal Revenue Service Criminal Division, Department of Justice, Anti-Money Laundering and Asset Forfeiture Section and the Organized Crime and Drug Enforcement Task Force fusion center, the Office of the Attorney General, Financial Transactions and Reports Analysis Center of Afghanistan (FINTRACA), and the central bank financial regulatory agency.

SIGAR continues to maintain the investigative information technology solution contract, e-Discovery, accessing large amounts of data in a meaningful way. The e-Discovery system helps investigators locate and organize information in a collaborative fashion with both the investigative team consisting of forensic auditors, analysts, and prosecutors, and participating law-enforcement agencies. The e-Discovery system gathers investigative data from multiple sources and file formats while keeping track of their source of origin and assists with locating evidence to substantiate or refute allegations of criminal activity. This technology was successfully deployed in FY 2014 and has become a key tool for SIGAR.

SIGAR cooperates with other federal law-enforcement agencies in Afghanistan and in the United States to maximize resources and to ensure that all allegations of the misuse of U.S. taxpayer

dollars are pursued. In 2013, the Virginia State Police sponsored SIGAR to gain access to the National Crime Information Center (NCIC). This system allows SIGAR to communicate with any law-enforcement agency, track stolen property, and access criminal histories. SIGAR Investigations has established and maintains a close working relationship with U.S. Immigration and Customs Enforcement (ICE) Homeland Security Investigations (HSI), which allowed SIGAR to use the Bulk Cash Smuggling Center to review international bulk cash seizures and perform regular reviews related to money movements in Afghanistan and ICE HSI's analytical platform called Falcon (derivative of Palantir) to analyze wire transfer activity between Afghanistan and the United States.

SIGAR also has continued working with the Federal Bureau of Investigation's (FBI) Terrorist Screening Center (TSC) to enable information sharing between SIGAR's Investigations Case Management System (ICMS) and the Terrorist Screening Database (TSDB). This ensures that data gathered about individuals and companies that have been the subject of criminal investigations in Afghanistan is preserved and made available to relevant agencies tasked with vendor vetting, preventing threat finance, targeting international money laundering, issuing visas and other travel documents, and other governmental functions.

SIGAR maintains a permanent, full-time presence at the Joint Operation Center of the International Contract Corruption Task Force (ICCTF) in Washington, D.C. The ICCTF is the principal coordinating body for U.S. law enforcement organizations investigating fraud overseas. SIGAR has assigned a Special Agent to the United States Special Operations Command (SOCOM), Transnational Threats Unit. This SOCOM presence provides SIGAR with access to information needed to track money movements into and out of Afghanistan, to help detect criminal activities involving reconstruction funds.

MANAGEMENT AND SUPPORT

As a temporary independent Inspector General Office, SIGAR faces unique challenges in attracting and maintaining the dedicated professionals the SIGAR mission requires, and establishing the optimal environment for them to succeed. Management and Support provides the daily business operations necessary to advance SIGAR's mission. This is accomplished through four key areas: Human Resources; Budget; Security and Safety Management; and Information Technology.

SIGAR's Human Resources office is responsible for recruitment and retention, pay and benefits, training and mentoring, equal employment opportunity, and work force management. The Budget office handles budget formulation and execution, managerial accounting, internal contract execution, program performance, travel and transportation, payment processing, the purchase card program, and the internal control program. The Security and Safety Management office is

responsible for personnel security, physical security, information security, industrial security, communications security, property book management, logistics, facility management, and the safety program. The Information Technology office manages the implementation and maintenance of high quality Information Technology (IT) systems, guided by industry best practices, that allow SIGAR personnel to accomplish their oversight mission in the most effective and efficient manner. Travel is performed in compliance with the Joint Travel Regulation (JTR). Contracting is performed in compliance with the Federal Acquisition Regulation (FAR).

Management and Support's goals are to:

- Provide exemplary personnel, security, financial, contractual, and information technology support to SIGAR's workforce
- Recruit and retain highly qualified personnel to advance SIGAR's mission
- Assist the SIGAR workforce in maintaining and enhancing their professional skills

RESEARCH AND ANALYSIS

The Research and Analysis team produces SIGAR's statutorily required quarterly report to Congress; provides writing, research, and editorial support for the SIGAR agency, and maintains extensive data on the reconstruction effort in Afghanistan.

As mandated by Section 1229 of the National Defense Authorization Act, SIGAR must submit a comprehensive report on the status of the reconstruction effort to the United States Congress 30 days after the end of each fiscal year quarter. In preparation for those reports, SIGAR issues a data call to U.S implementing agencies requesting specific information on the status of reconstruction programs each quarter. In addition to publishing this information in the quarterly report to Congress, SIGAR uses this data to help develop audits and inspections.

SIGAR's reports to Congress provide an update on SIGAR oversight activities and detailed information, including appropriations and obligations of funds. SIGAR also reports on oversight activities of the Inspectors General of the Departments of State and Defense, the U.S. Agency for International Development, and the Government Accountability Office. As of January 30 2016, SIGAR has issued 30 quarterly reports, available online at www.sigar.mil. The next quarterly report to Congress will be issued April 30, 2016.

LESSONS LEARNED

In FY 2015, SIGAR established a Lessons Learned Program (LLP) to capitalize on SIGAR's unique interagency oversight mandate and conduct a comprehensive analysis of reconstruction efforts in Afghanistan to identify systemic and institutional strengths and weaknesses regarding the

effectiveness, efficiency, and sustainability of current and future reconstruction efforts. SIGAR is the only agency with cross-agency authority to produce Afghanistan lessons learned and best practices based on activities of the Departments of Defense and State, the U.S. Agency for International Development, and other agencies involved in Afghanistan reconstruction.

LLP currently plans on undertaking a series of major research projects that are grouped into two categories:

1. Strategic Priorities – Projects in this category will analyze the effectiveness of key reconstruction priorities undertaken by the U.S. in Afghanistan. Currently, LLP has three ongoing projects in this category:
 - Counternarcotics interventions and their effectiveness
 - Economic and private-sector development
 - Security-sector assistance

2. Operational Implementation – Projects in this category will examine institutional and implementation issues that affected the success of multiple strategic priorities. Currently, LLP has three ongoing projects in this category:
 - Interagency strategy and planning
 - International coordination of assistance to Afghanistan
 - U.S. perceptions and responses to corruption

LLP will produce thematic reports for each of the above research projects, as well as on other reconstruction issues to be determined later. For each major thematic topic, LLP also plans to produce shorter, derivative analyses that highlight key issues through fact sheets, briefing papers, and case studies.

Lessons Learned reports will provide practical recommendations to policymakers and implementers responsible for designing, implementing, and overseeing U.S. reconstruction assistance, including Federal executive agencies, relevant Congressional committees, and interested Members of Congress. LLP reports will also inform the broader policy community, and educational institutions that train the current and future civilian and military leaders who help to shape and implement reconstruction activities. SIGAR LLP is working collaboratively with the agencies that are implementing reconstruction assistance in Afghanistan to identify specific challenges and successes, as well as to identify practical solutions. In this regard, LLP has already engaged in extensive consultation with Congress, National Security Staff, academia, and the public, as well as the Departments of State, Defense, Treasury, Justice, and the U.S. Agency for International Development.

FY 2017 SIGAR Budget Request

In FY 2015, Congress appropriated \$56.9 million to cover SIGAR's operating expenses. SIGAR maintained annual staffing levels slightly below the 205 positions targeted in FY 2015. This was mainly due to attrition in the Audits and Inspections, Investigations, and Special Projects functional areas. In FY 2016, the position count will decrease to 198 positions with 41 positions scheduled to remain in Afghanistan. In FY 2017, SIGAR reduces the total staff from 198 to 189 positions and from 41 positions to 30 positions in Afghanistan. This reduction takes into account the projected closing of Bagram Airfield.

SIGAR's FY 2017 budget request is \$54.9 million, reflecting a \$2 million reduction from the FY 2016 request. Highlights of SIGAR's Budget Request include: a reduction in overall staff from 198 to 189 positions, including a reduction in Afghanistan; an increased estimate for the Department of State's International Cooperative Administrative Support Services (ICASS); continued support for all functional areas; a new focus on the Lessons Learned Program; and funding for the Financial Audits Program. The proposed funding will allow SIGAR to continue to apply both established and innovative methods to detect and prevent waste, fraud, and abuse under extremely difficult and dangerous conditions.

SIGAR Funding History

(\$ in thousands)

Appropriation	Public Law	Appropriated	Made Available	Expires	Amount
Supplemental Appropriations, for Fiscal Year 2008, H.R. 2642	P.L. 110-252	6/30/2008	6/30/2008	9/30/2009	\$2,000
Supplemental Appropriations, for Fiscal Year 2008, H.R. 2642	P.L. 110-252	6/30/2008	10/1/2008	9/30/2009	5,000
Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, H.R. 2638	P.L. 110-329	9/30/2008	9/30/2008	9/30/2010	9,000
Supplemental Appropriations, for Fiscal Year 2009, H.R. 2346	P.L. 111-32	6/24/2009	6/24/2009	9/30/2010	7,200
Supplemental Appropriations, for Fiscal Year 2009, H.R. 2346	P.L. 111-32	6/24/2009	6/24/2009	9/30/2010	-7,200
Consolidated Appropriations Act, for Fiscal Year 2010, H.R. 3288	P.L. 111-117	12/16/2009	10/1/2009	9/30/2010	23,000
Supplemental Appropriations Act, for Fiscal Year 2010, H.R. 4899	P.L. 111-212	7/29/2010	7/29/2010	9/30/2011	7,200
Department of Defense and Full-Year Continuing Appropriations Act, for Fiscal Year 2011, H.R. 1473	P.L. 112-10	4/15/2011	10/1/2010	9/30/2011	24,000
Department of Defense and Full-Year Continuing Appropriations Act, for Fiscal Year 2011, H.R. 1473	P.L. 112-10	4/15/2011	10/1/2010	9/30/2012	1,500
Continuing Appropriations Act, for Fiscal Year 2012, H.R. 2055	P.L. 112-74	12/23/2011	10/1/2011	9/30/2013	44,387
Department of Defense, Military Construction and Veterans Affairs, and Full-Year Continuing Appropriations Act, 2013, H.R. 933	P.L. 113-6	3/26/2013	10/1/2012	9/30/2014	48,039
Consolidated Appropriations Act, 2014, H.R. 3547	P.L. 113-76	1/17/2014	10/1/2013	9/30/2015	49,650
Consolidated and Further Continuing Appropriations Act, 2015, H.R. 83	P.L. 113-235	12/16/2014	10/1/2014	9/30/2016	56,900
Consolidated Appropriations Act, 2016, H.R. 2029	P.L. 114-113	12/16/2014	10/1/2015	9/30/2017	56,900
TOTAL					\$327,576

Justification of Request
Obligation by Object Classification

(\$ in thousands)

OC Code and Title	FY 2015 Enacted	FY 2016 Request	FY 2017 Request
11 Personnel Compensation	\$36,194	\$33,546	\$30,508
21 Travel and Transportation	5,409	3,414	3,119
23 Rent, Communications, and Utilities	2,047	2,254	2,294
24 Printing and Reproduction	300	245	245
25 Other Contractual Services	12,365	16,914	18,153
<i>25.1 Advisory and Assistance Services</i>	<i>1,023</i>	<i>3,789</i>	<i>5,764</i>
<i>25.3 Other purchases of goods and services from Government Accounts</i>	<i>11,204</i>	<i>11,780</i>	<i>10,744</i>
<i>25.7 Operation and Maintenance of Equipment</i>	<i>139</i>	<i>1,345</i>	<i>1,645</i>
26 Supplies and Materials	385	381	531
31 Equipment	200	146	50
Total	\$56,900	\$56,900	\$54,900
Employee positions	205 AFG: 57	198 AFG: 41	189 AFG: 30

11 Personnel Compensation – Request \$30.5 million

SIGAR will reduce its staffing level from 198 to 189 positions including a reduction in our forward deployed positions from 41 to 30 as the U.S. presence in Afghanistan shrinks. The impact of reduced positions in Afghanistan will be offset by a greater reliance on locally employed Afghan engineers, analysts, and inspectors; the continued use of respected local Afghan non-governmental organizations (NGOs) to conduct remote monitoring; and by transferring more auditing work to SIGAR headquarters.

SIGAR employs primarily highly specialized professionals with expertise in many areas including audits, inspections, investigations, engineering, law, management, and research and analysis. The staff consists of temporary appointees, most of whom have 13-month renewable appointments. Because SIGAR's mission must be conducted in Afghanistan, a significantly dangerous environment requiring additional expenses to maintain qualified staff, this budget request includes Post Differential and Danger/Hazardous Duty Pay for Afghanistan-based personnel and TDY personnel.

Part of the total personnel compensation also includes fringe benefits, specifically the employer's share of payments for life insurance, health insurance, and (except for rehired annuitants) employee retirement.

21 Travel and Transportation – Request \$3.1 million

Travel to and from Afghanistan represents the largest portion of SIGAR's travel costs. These costs include deployment and redeployment of employees to Afghanistan for an extended period of time, and regular temporary duty travel (TDY) of auditors, investigators, analysts, engineers, and some support staff. Afghanistan-based employees return to the continental United States for mid-tour breaks and to attend required training not available overseas. In FY 2017, SIGAR anticipates a slight reduction in in-country air transportation because of the complexity of travel inside the country. However, there may be additional costs necessary for Embassy Air to continue their flight service with the reduced U.S. presence in Afghanistan.

23 Rent, Communications, and Utilities – Request \$2.3 million

Effective communication within and between our Arlington, VA, and Afghanistan offices is key to the success of our mission. The information technology services required include local and long-distance telephone service and secure wireless data and voice communication services. The majority of these services are provided through Army and State interagency agreements for communications support. In addition to communication services, there are also rent and utility charges associated with the Arlington, VA, office.

24 Printing and Reproduction – Request \$0.2 million

As of FY 2015, SIGAR has reduced the number of printed editions of SIGAR's statutorily required Quarterly Reports. While some printed copies are still distributed to Congress, the Secretaries of State and Defense, and key stakeholders, the digital version of the report is made available to the general public in both the United States and Afghanistan through SIGAR's official website (www.sigar.mil). The Government Printing Office handles the majority of SIGAR's printing and reproduction requirements. SIGAR also pays to publish notices, job announcements, and public service announcements.

25 Other Contractual Services – Request \$18.2 million

25.1 Advisory and Assistance services – Request \$5.8 million

SIGAR’s request includes funding to continue conducting financial audits of reconstruction contractors. SIGAR launched its Financial Audit Program in 2012 after Congress expressed concern about oversight gaps and the growing backlog of incurred-cost audits for contracts and grants awarded in support of overseas contingency operations. Financial audits are coordinated with the Inspectors General of the U.S. Department of Defense, the U.S. Department of State, and the U.S. Agency for International Development to maximize financial audit coverage and avoid duplication of efforts. SIGAR selects independent public accounting firms to conduct the financial audits and ensures that the audit work is performed in accordance with U.S. government auditing standards. This program has become a key part of SIGAR’s core auditing activities.

For SIGAR’s newest program, Lessons Learned, SIGAR has contracted with subject-matter experts with unique, on-the-ground experience in Afghanistan to conduct research and analysis, and produce reports on lessons learned from the overall reconstruction effort. These reports will draw on the work of SIGAR’s audits, inspections, and investigations, and the work of other oversight agencies to analyze what did and did not work and why, for the benefit not only of U.S. programs in Afghanistan, but also future overseas contingency operations and development activities in other conflict zones.

SIGAR also requires private-sector contract support to translate each quarterly report into Afghanistan’s official languages, Pashto and Dari, as required by statute.

Staff performing audits and inspections are required under GAGAS and SIGAR’s policy and procedures to obtain a minimum of 80 hours of continuing professional education in the course of every two years. In addition, all SIGAR employees are encouraged to attend training to develop additional skills and develop knowledge to help them improve their performance of official duties. Training also allows employees to maintain necessary professional certifications. In addition, employees deploying to Afghanistan for more than 30 days are required by the Department of State to attend four one-week pre-deployment courses: Foreign Affairs Counter Threat (FACT), Afghan Familiarization, Afghan Field Orientation, and Interagency Integrated Civilian-Military Training Exercise for Afghanistan.

25.3 Other purchases of goods and services from Government accounts – Request \$10.7 million

The largest uncontrollable costs SIGAR incurs are the annual fees levied by the U.S. Department of State’s International Cooperative Administrative Support Services (ICASS) program which provides the security, administrative, and logistical support for SIGAR staff in Afghanistan. SIGAR is required

to pay the Department of State for ICASS services annually and has no control over ICASS costs. The only thing SIGAR knows for certain is that ICASS costs will increase. The amount the State Department charges SIGAR for ICASS has grown significantly over the last six years, from \$900,000 in FY 2010 (3 percent of SIGAR's budget) to \$8 million estimated for FY 2016 (14 percent of SIGAR's budget). The Department of State's initial estimate for the FY 2017 ICASS bill is \$9M, an additional increase of approximately \$1.1 million due to the incorporation of a new contract (ALISS) for food and medical services costs into ICASS. All ICASS invoice levels are contingent upon interagency staffing levels and potential adjustments in services related to Afghanistan security and transition. The SIGAR request includes \$9 million for FY 2017 ICASS costs and is based on 30 SIGAR positions in Afghanistan (11 positions less than FY 2016).

Additionally, the Office of the Secretary of the Army is the designated support agency for SIGAR and provides (for the most part on a reimbursable basis) core functional administrative support necessary for SIGAR to accomplish its mission. This includes, but is not limited to, the following functions: administration, logistics, acquisition and contracting, financial management, human resources, information technology, deployment, and security. Support provided by the Secretary of the Army does not affect the Inspector General's statutory authority and independence in conducting its oversight mission.

(This also includes \$167,700 (0.3% of the total budget request) to support the Council of the Inspectors General on Integrity and Efficiency, consistent with the Inspector General Reform Act of 2008).

25.7 Operation and Maintenance of Equipment – Request \$1.6 million

SIGAR uses a myriad of software and hardware products in support of its oversight mission. As software and hardware products are procured, subsequent operation and maintenance expenses are incurred annually.

SIGAR continues to use the eDiscovery system as a solution to allow SIGAR investigators to examine vast amounts of data to identify valuable information that otherwise, due to resource limitations and geographical factors such as data locations, would not be available to SIGAR law enforcement personnel.

26 Supplies and Materials – Request \$0.5 million

SIGAR makes regular purchases of supplies and materials required for the administration of offices in Afghanistan and the United States required annually.

31 Equipment – Request \$0.05 million

SIGAR purchases information technology equipment for the administration of offices in Afghanistan and the United States, and weapons and ammunition for qualified Investigators and other designated personnel operating in Afghanistan and other designated locations.