

# 4 OTHER AGENCY OVERSIGHT



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An EC-130H Compass Call aircraft awaits a mission at Bagram Airfield, Afghanistan. The plane is configured for information-warfare duty. (U.S. Air Force photo)

## OTHER AGENCY OVERSIGHT

SIGAR's enabling legislation requires it to keep the Secretary of State and the Secretary of Defense fully informed about problems relating to the administration of reconstruction programs, and to submit a report to Congress on SIGAR's oversight work and on the status of the U.S. reconstruction effort no later than 30 days after the end of each fiscal quarter. Each quarter, SIGAR requests updates from other agencies on completed and ongoing oversight activities. This section contains these updates.

The descriptions appear as submitted, with minor changes to maintain consistency with other sections of this report: acronyms and abbreviations in place of full names; standardized capitalization, hyphenation, punctuation, and preferred spellings; and third-person instead of first-person construction.

These agencies perform oversight activities in Afghanistan and provide results to SIGAR:

- Department of Defense Office of Inspector General (DOD OIG)
- Department of State Office of Inspector General (State OIG)
- Government Accountability Office (GAO)
- U.S. Army Audit Agency (USAAA)
- U.S. Agency for International Development Office of Inspector General (USAID OIG)

# OTHER AGENCY OVERSIGHT

## COMPLETED OVERSIGHT ACTIVITIES

Table 4.1 lists the six oversight projects related to reconstruction that participating agencies reported as completed this quarter.

TABLE 4.1

RECENTLY COMPLETED OVERSIGHT ACTIVITIES OF OTHER U.S. AGENCIES, AS OF SEPTEMBER 30, 2014			
Agency	Report Number	Date Issued	Project Title
DOD OIG	DODIG-2014-118	9/19/2014	Improvements Needed in Contract Award of Mi-17 Cockpit Modification Task Order
DOD OIG	DODIG-2014-102	8/29/2014	Government of the Islamic Republic of Afghanistan Needs to Provide Better Accountability and Transparency Over Direct Contributions
DOD OIG	DODIG-2014-096	7/28/2014	Improvements Needed in Contract Administration of Mi-17 Cockpit Modification Task Order
GAO	GAO-14-635	7/21/2014	State Department: Implementation of Grants Policies Needs Better Oversight
GAO	GAO-14-661R	7/8/2014	Afghanistan: Kabul Embassy Construction Costs Have Increased and Schedules Have
Been Extended	GAO-14-438R	4/1/2014	Afghanistan: Changes to Updated U.S. Civil-Military Strategic Framework Reflect Evolving U.S. Role
USAID OIG	F-306-14-003-S	9/7/2014	Follow-Up on a Department of Defense Audit of Commander's Emergency Response Program Funds Provided to USAID/Afghanistan

Source: DOD OIG, response to SIGAR data call, 9/18/2014; State OIG, response to SIGAR data call, 9/18/2014; GAO, response to SIGAR data call, 9/17/2014; USAAA, response to SIGAR data call 9/18/2014; USAID OIG, response to SIGAR data call, 9/19/2014.

## U.S. Department of Defense Office of Inspector General

During this quarter, DOD OIG issued three reports related to Afghanistan reconstruction.

### Improvements Needed in Contract Award of Mi-17 Cockpit Modification Task Order

(Report No. DODIG-2014-118, Issued September 19, 2014)

The full audit report is for official use only.

DOD OIG found that officials from Army Contracting Command (ACC)-Redstone and Non-Standard Rotary Wing Aircraft (NSRWA) Program Management Office (PMO) did not properly award the Mi-17 cockpit modifications. NSRWA PMO officials did not perform adequate market research and directed the modification requirement to a contractor who had no Mi-17 experience. These officials decided to use a single award indefinite-delivery, indefinite-quantity contract instead of competing the requirement. In addition, NSRWA PMO officials accepted the contractor's proposal despite its significant weaknesses. As a result, cost and schedule risks were increased; \$6.2 million was obligated over the originally proposed cost for the modifications, and aircraft delivery was delayed up to 12 months.

In total, DOD IG identified \$367,359 in questionable costs. First, the contractor received payments for Mi-17 manuals not accepted or delivered to the Government. ACC-Redstone contracting officers did not establish adequate procedures to monitor performance or modify the contract to include the manuals as a deliverable item. As result, the Army paid \$216,345

in questionable costs. Second, an NSRWA PMO official made an unauthorized commitment for repair work outside the scope of the Mi-17 cockpit modifications under the task order. The contractor incurred \$151,014 in questionable costs for repair work.

## **Government of the Islamic Republic of Afghanistan Needs to Provide Better Accountability and Transparency Over Direct Contributions**

(Report No. DODIG-2014-102, Issued August 29, 2014)

The DOD OIG found that the Government of the Islamic Republic of Afghanistan (GIROA) lacked the basic controls to provide reasonable assurance that it appropriately spent \$3.3 billion of Afghanistan Security Forces Fund direct contributions. As a result, Combined Security Transition Command-Afghanistan could not verify that the GIROA used Afghanistan Security Forces Fund direct contributions properly or for their intended purposes.

## **Improvements Needed in Contract Administration of Mi-17 Cockpit Modification Task Order**

(Report No. DODIG-2014-096, Issued July 28, 2014)

DOD OIG found that Army Contracting Command (ACC)-Redstone contracting officers did not properly administer Task Order 0102. A contracting officer created a prohibited cost-plus-a-percentage-of-cost type contract under the task order by incorrectly issuing a modification to increase funding for incomplete efforts that included additional fees. As a result, the contracting officer did not provide the contractor with an incentive to control costs, and the contractor received excess fees exceeding \$150,000 to perform the original contracted tasks. These fees should be recouped.

The contracting officers awarded the task order and subsequent modifications without adequately evaluating and determining the reasonableness of offered prices. Contracting officers did not perform adequate cost or price analysis, relied on unsupported statements by project-management-office technical personnel to determine whether prices were fair and reasonable, and neglected to perform their duties in accordance with federal regulations by not evaluating price reasonableness of contractor proposals. As a result, the Army had limited assurance that it received fair and reasonable prices for Mi-17 helicopter cockpit modification services valued at \$15.2 million.

In addition, DOD OIG found that the contracting officer provided consent for a sole-source subcontract without verifying that a noncompetitive award was appropriate. The contracting officer did not evaluate the contractor's request for consent to subcontract or obtain supporting data. As a result, the Army did not obtain the benefits of competition on subcontracted services.

# OTHER AGENCY OVERSIGHT

## U.S. Department of State Office of Inspector General-Middle East Regional Operations

During this quarter, State OIG issued no reports related to Afghanistan reconstruction.

## Government Accountability Office

During this quarter, GAO issued two reports related to Afghanistan reconstruction.

## State Department: Implementation of Grants Policies Needs Better Oversight

(Report No. GAO-14-635, Issued July 21, 2014)

The Department of State (State) has established policies and guidance that provide a supportive environment for managing grants and cooperative agreements (grants). In addition, State provides its grants officials mandatory training on these policies and guidance, and routinely identifies and shares best practices. State's policies are based on federal regulations, reflect internal-control standards, and cover topics such as risk assessment and monitoring procedures. State's policies also delineate specific internal-control activities that grants officials are required to both implement and document in the grant files as a way of promoting accountability.

GAO found that inconsistent implementation of policies and guidance weakens State's assurance that grant funds are used as intended.

- **Inadequate risk analysis.** In most of the files GAO reviewed, grants officials did not fully identify, assess, and mitigate risks, as required. For example, officials conducted a risk-identification process for 45 of the 61 grants that GAO reviewed. While grants officials identified risk in 28 of those 45 grants, they mitigated risks in only 11.
- **Poor documentation.** Grants officials generally did not adhere to State policies and procedures relating to documenting internal-control activities. For example, 32 of the 61 files reviewed did not contain the required monitoring plan. Considerable turnover among grants officials makes documenting internal-control activities particularly important. State's periodic management reviews of selected bureaus' and overseas missions' grant operations have also found that key documentation was frequently missing or incomplete, and made recommendations to address the problem. However, State has not consistently followed up to ensure the implementation of these recommendations, as internal-control standards require.

State does not have processes for ensuring compliance with risk analysis and documentation requirements. Without the proper implementation of its internal-control policies for grants management, State cannot be

certain that its oversight is adequate or that it is using its limited oversight resources effectively.

## **Afghanistan: Kabul Embassy Construction Costs Have Increased and Schedules Have Been Extended**

(Report No. GAO-14-661R, Issued July 8, 2014)

In 2009 and 2010, the Department of State awarded two contracts totaling \$625.4 million to meet growing facility requirements at the U.S. Embassy in Kabul, Afghanistan. In 2009, State awarded a \$209.4 million contract to Contractor 1 for the design and construction of temporary offices and housing as well as permanent structures to include an office annex A, apartment building 1, a cafeteria and recreation center, perimeter security and compound access facilities, a warehouse addition, and a utility building. In 2010, State awarded a \$416 million contract to Contractor 2 for the design and construction of office annex B, apartment buildings 2 and 3, expansion of existing apartment building 4, compound access and perimeter security facilities, and parking facilities.

State's plans called for sequencing construction under the two contracts. In September 2011, State partially terminated the permanent facilities requirements in the Contractor 1 contract for the convenience of the U.S. government due to concerns, in part, about performance and schedule delays. Contractor 1 completed the temporary offices and housing units. In September 2011, State transferred contract requirements for the permanent facilities not begun by Contractor 1 to Contractor 2's contract and extended the completion date from January 2016 to July 2016.

Since the two contracts were awarded in 2009 and 2010, construction requirements have changed, costs have increased, and schedules have been extended. The new office annexes under construction will contain 1,237 desks, a nearly 60% increase over the 778 desks originally planned. State is also building space for 661 beds, about 50 more than originally planned. Contract costs for construction have increased by nearly 24%, from \$625.4 million to \$773.9 million as of May 2014. The overall project schedule has also been extended. State had originally planned to complete all construction on the compound by the end of summer 2014; the contractual delivery date for all permanent facilities is currently July 2016.

Factors affecting the project include (1) increases in numbers and changes in composition of Embassy staffing requirements; (2) risks introduced by State during planning, such as tightly sequencing the work of two contractors on one construction site; (3) constructing new facilities on an occupied compound in a conflict environment; (4) contractor performance delays and transfer of construction requirements from one contract to another; (5) and delays and changes to shipping routes of building materials due to difficulties with shipments transiting through Pakistan.

# OTHER AGENCY OVERSIGHT

It is difficult to determine whether current projects and existing facilities will meet future Embassy needs. As the U.S. military draws down its presence in Afghanistan, State will have to decide whether to engage support contractors to replace life-support services currently provided by the military, such as food, water, fuel, and medical services. Such changes may affect embassy staffing. Future composition of U.S. agencies, staffing levels, and embassy facility needs continue to be subject to change. Once current contracts are completed, the Kabul Embassy's permanent facilities—both older and newly constructed buildings—are to contain 1,487 desks and 819 beds. Projected Embassy staffing for 2015 is approximately 600 U.S. direct hires and 1,100 locally employed staff. State is working to identify its and other agencies' desk positions (both U.S. direct hires and locally employed staff) that will occupy the new office space. State is also conducting a master planning study to address on-compound facility needs unmet by current construction.

## **U.S. Army Audit Agency**

The USAAA completed no audits related to Afghanistan reconstruction this quarter.

## **U.S. Agency for International Development Office of Inspector General**

This quarter, USAID OIG issued one audit related to reconstruction activities.

## **Follow-up on a DOD Audit of Commander's Emergency Response Program Funds Provided to USAID/Afghanistan**

(Report No. F-306-14-003-S, Issued September 7, 2014)

In 2009, the U.S. Department of Defense (DOD) entered into Economy Act orders with USAID/Afghanistan to implement three construction projects. The projects were to construct two permanent two-way traffic bridges at Regak and Oshay in northern Uruzgan Province (\$15.5 million); repair nine destroyed or damaged bridges in Ghazni and Zabol Provinces (\$12.5 million); and perform rough grading, maintenance, and minor upgrades to the Bamyan to Doshi Road (\$12.1 million). The Economy Act orders were funded with \$40.1 million in Commander's Emergency Response Program (CERP) funds. USAID/Afghanistan implemented these projects through an indefinite quantity contract and specific task orders with the Louis Berger Group Inc./Black and Veatch Joint Venture (LBG/B&V). In 2012, DOD OIG issued an audit, *DOD Needs to Improve Controls Over Economy Act Orders with U.S. Agency for International Development* (Report No. DODIG-2012-117, August 14, 2012). This is a follow-up of that audit, and it refers to DOD OIG's conclusions as well as our own.

# OTHER AGENCY OVERSIGHT

USAID OIG concluded that the funds provided by DOD to USAID/ Afghanistan were not always used for their intended purposes or in compliance with applicable laws. For instance, although nine bridges were contracted to be repaired—and USAID received the entire \$12.5 million to do so—only four were finished. USAID reported deobligating \$5.7 million of these funds and refunding \$5.58 million to DOD. However, USAID OIG was unable to reconcile the difference between the amount deobligated and the amount refunded.

Moreover, USAID obligated \$0.7 million from the Economy Act order for “emergency or urgent works to be performed,” which was not part of the Economy Act order. USAID OIG agreed with the DOD OIG finding that USAID’s use of \$0.7 million did not represent a bona fide need. It was outside the scope of the Economy Act order, and USAID had no authority to enter into a subobligation for this purpose. For the Banyan to Doshi road, instead of using the full \$12.1 million that was provided to USAID by DOD for road maintenance, USAID unilaterally decided to use \$8.9 million of these funds for community-development projects, a purpose that was outside the scope of the Economy Act order. In both of these instances, USAID violated the Bona Fide Needs Rule, the Economy Act, and the Recording Statute.

Moreover, USAID’s violation of these statutes implies that USAID may have violated the Antideficiency Act.

## ONGOING OVERSIGHT ACTIVITIES

As of September 30, 2014, the participating agencies reported 21 ongoing oversight activities related to reconstruction in Afghanistan. The activities reported are listed in Table 4.2 and described in the following sections by agency.

TABLE 4.2

ONGOING OVERSIGHT ACTIVITIES OF OTHER U.S. AGENCIES, AS OF SEPTEMBER 30, 2014			
Agency	Project Number	Date Initiated	Project Title
DOD OIG	D2014-D000JB-0219.000	9/4/2014	Audit of Government of Islamic Republic of Afghanistan's Internal Control for Asset Accountability
DOD OIG	D2014-D000JB-0213.000	8/14/2014	Audit of the Government of Islamic Republic of Afghanistan's Controls Over Contracting
DOD OIG	D2014-D00SPO-0129.001	7/2/2014	Assessment of the Sufficiency of the Afghan National Security Force's Policies, Processes, and Procedures for the Management and Accountability of Ammunition, Explosives, and Fuel
DOD OIG	D2014-D000RE-0141.000	4/7/2014	Summary Report on Military Construction Projects in Afghanistan and Iraq
DOD OIG	D2014-D00SPO-0129.000	3/6/2014	Assessment of U.S. and Coalition Efforts to Develop the Logistics and Maintenance Sustainment of the Afghan National Police
DOD OIG	D2013-D00SPO-0181.000	6/13/2013	Assessment of U.S. Government Efforts to Transition Security Cooperation and Assistance Activities Supporting the Government of the Islamic Republic of Afghanistan from Department of Defense Authority to Department of State Authority
DOS OIG	14AUD034	2/11/2014	Audit of Department of State Selection, Positioning, Training, and Oversight Responsibilities of Grants Officer Representatives

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# OTHER AGENCY OVERSIGHT

TABLE 4.2 (CONTINUED)

ONGOING OVERSIGHT ACTIVITIES OF OTHER U.S. AGENCIES, AS OF SEPTEMBER 30, 2014			
Agency	Project Number	Date Initiated	Project Title
DOS OIG	14AUD018	1/27/2014	Audit of the Bureau of Diplomatic Security Worldwide Protective Services Contract Task Order 10 - Kabul Embassy Security Force
DOS OIG	14AUD014	1/17/2014	Audit of Contract Closeout Process for Contracts in Afghanistan
DOS OIG	13AUD082	6/20/2013	Audit of Bureau of International Narcotics and Law Enforcement Affairs Counternarcotics Assistance to Afghanistan
GAO	321034	7/23/2014	Construction Efforts at the U.S. Embassy in Kabul Part II
GAO	351952	7/16/2014	Efforts to Protect Sites, Bases, and Convoys in Afghanistan and Any Effects on Mission
GAO	321031	7/9/2014	Securing Diplomatic Residences and Other Soft Targets Overseas
GAO	121228	6/25/2014	Justification of Pass Through Contracts
GAO	351917	4/11/2014	Systems Used to Track Contractors in Contingency Operations
GAO	100012	3/10/2014	U.S Contractor Preference in Military Construction Programs
GAO	100003	2/13/2014	Mitigating Threats to Locally Employed Staff
GAO	320985	6/26/2013	Use of Foreign Labor Contractors Abroad
GAO	351805	3/1/2013	DOD Container Management
USAID OIG	FF101014	8/26/2014	Audit of USAID/Afghanistan's Strategy for Monitoring and Evaluating Its Programs Throughout Afghanistan
USAID OIG	FF100414	3/10/2014	Review of USAID/Afghanistan's Financial Management Controls for Government to Government Assistance

Source: DOD OIG, response to SIGAR data call, 9/18/2014; State OIG, response to SIGAR data call, 9/18/2014; GAO, response to SIGAR data call, 9/17/2014; USAAA, response to SIGAR data call 9/18/2014; USAID OIG, response to SIGAR data call, 9/19/2014.

## U.S. Department of Defense Office of Inspector General

The Department of Defense continues to face many challenges in executing its Overseas Contingency Operations (OCO). The Department of Defense Office of Inspector General (DOD OIG) has identified priorities based on those challenges and high risks. For FY 2015, DOD OIG oversight focuses on the areas of monitoring and oversight of acquisition and contracting processes that support training, equipping, and sustaining Afghanistan Security Forces (ASF). The DOD OIG will also continue to review and assess the Department's efforts to train and equip Afghan National Security Forces.

The DOD OIG-led Southwest Asia Joint Planning Group assists in the coordination and deconfliction of federal and DOD OCO-related oversight activities. The DOD OIG, working with the SIGAR as well as fellow Inspectors General and Defense oversight-community members, have finalized the Fiscal Year 2015 strategic-oversight plan for the oversight community working in Afghanistan and plans to issue the FY 2015 Comprehensive Oversight Plan for Southwest Asia in October 2014. A key theme in the FY 2015 plan development is the force restructuring/draw-down of operations in Afghanistan.

DOD OIG's ongoing OEF-related oversight addresses accountability of property; improper payments; contract administration and management including construction projects; transition planning; logistical distribution

within Afghanistan; retrograde operations; health care; and acquisition planning and controls over funding for Afghan Security Forces.

## **Audit of Government of Islamic Republic of Afghanistan's Internal Control for Asset Accountability**

(Project No. D2014-D000JB-0219.000, Initiated 9/4/2014)

The DOD OIG is conducting this audit in response to a statutory requirement. DOD OIG is determining whether the Combined Security Transition Command-Afghanistan (CSTC-A) and the GIROA Ministries of Defense and Interior have controls in place to effectively manage asset accountability for vehicles and buildings. Specifically, DOD OIG will evaluate the adequacy of the policies and procedures for verifying the existence of the donated assets, forecasting of maintenance-and-replacement operations requirements, and identifying requirements for asset replenishment.

## **Audit of the Government of Islamic Republic of Afghanistan's Controls Over Contracting**

(Project No. D2014-D000JB-0213.000, Initiated 8/14/2014).

The DOD OIG is conducting this audit in response to a statutory requirement. DOD OIG is determining whether CSTC-A and the GIROA Ministries of Defense and Interior have established effective controls over contract-management processes.

## **Assessment of the Sufficiency of the Afghan National Security Force's Policies, Processes, and Procedures for the Management and Accountability of Ammunition, Explosives, and Fuel**

(Project No. D2014-D00SPO-0129.001, Initiated 7/2/2014).

For this Command requested follow-on review, the DOD OIG is assessing the sufficiency of Afghan National Security Forces policies and procedures for the management and accountability of fuel (Class III Bulk) and conventional military ammunition and explosives (Class V). Specifically DOD OIG will review:

- the ISAF Security Assistance Office relationship with the Ministries of Defense and Interior regarding regulations and procedures for the procurement, receipt, accountability, and consumption of ammunition and fuel
- ANSF compliance with published accountability procedures and internal controls for ammunition, explosives, and fuel at national and regional commands
- ANSF ammunition, explosives, and fuel-distribution and accountability systems for significant gaps and vulnerabilities
- ANSF storage facilities for ammunition, explosives, and fuel for security gaps and vulnerabilities

## **Summary Report on Military Construction Projects in Afghanistan and Iraq**

(Project No. D000RE-041.000, Initiated April 7, 2014)

DOD OIG is summarizing systematic problems specific to military construction projects in Afghanistan and Iraq identified in audit reports issued by the DOD Office of Inspector General, Army Audit Agency, and Air Force Audit Agency.

## **Assessment of U.S. and Coalition Efforts to Develop the Logistics and Maintenance Sustainment of the Afghan National Police**

(Project No. D2014-D00SPO-0129.000, Initiated March 6, 2014)

DOD OIG is assessing the planning and execution of ANP logistics, supply, and maintenance systems developed and implemented by U.S. and Coalition forces in Afghanistan. Specifically, DOD OIG plans to evaluate:

- whether U.S. and Coalition goals, objectives, plans, guidance, and resources are sufficient to effectively develop, manage, and transition logistics, supply, and maintenance systems to the ANP in 2014
- U.S. and Coalition plans to transition ANP logistics and maintenance processes to Afghan lead and to mitigate the impact of delays in supply transition
- whether U.S. and Coalition plans and resources will effectively support ANP logistics, supply, and maintenance-systems sustainment and continued development beyond 2014

## **Assessment of U.S. Government Efforts to Transition Security Cooperation and Assistance Activities Supporting the Government of the Islamic Republic of Afghanistan from Department of Defense Authority to Department of State Authority**

(Project No. 2013-D00SPO-0181.000, Initiated June 13, 2013)

DOD OIG is assessing plans and activities that have been accomplished or implemented thus far to transfer the security-cooperation and assistance activities in Afghanistan from DOD to State Department authority, and to make recommendations to facilitate or improve the transition of these functions to the State Department in accordance with existing security-cooperation guidance and security-assistance regulations that may pertain. Specific objectives are to determine whether:

- U.S. government goals, objectives, plans, and guidance are sufficient, issued, and operative for the transition of CSTC-A security-assistance activities in Afghanistan from DOD authority to a security-cooperation organization under Department of State authority
- ongoing efforts by U.S. forces to provide security assistance to GIROA are adversely impacted by the implementation of drawdown plans for

# OTHER AGENCY OVERSIGHT

U.S. Forces-Afghanistan (USFOR-A) and the transition of International Security Assistance Force (ISAF) and ISAF Joint Command (IJC) to a command organization under NATO authority

## **U.S. Department of State Office of Inspector General-Middle East Regional Operations**

State OIG has four ongoing projects this quarter related to Afghanistan reconstruction. An ongoing project called “Audit of Bureau of Diplomatic Security Worldwide Protective Services Contract Task Orders 2, 9, and 11 for Movement and Static Security Services in Jerusalem and Afghanistan” has been cancelled.

### **Audit of Department of State Selection, Positioning, Training, and Oversight Responsibilities of Grants Officer Representatives**

(Project No. 14AUD034, Initiated February 11, 2014)

Objective: To determine the extent to which the Department’s grant officer representatives (GORs) are selected, positioned, and trained to successfully perform their assigned grants-administration and oversight responsibilities.

### **Audit of the Bureau of Diplomatic Security Worldwide Protective Services Contract Task Order 10 - Kabul Embassy Security Force**

(Project No. 14AUD018, Initiated January 27, 2014)

Objective: Determine whether the Department of State’s administration and oversight of the Worldwide Protective Services (WPS) task order for the Kabul Embassy Security Force has been effective.

### **Audit of Contract Closeout Process for Contracts in Afghanistan**

(Project No. 14AUD014, Initiated January 17, 2014)

Objective: To determine whether the Department of State was following prescribed procedures when closing out local and regional contracts in Afghanistan.

### **Audit of Bureau of International Narcotics and Law Enforcement Affairs Counternarcotics Assistance to Afghanistan**

(Project No. 13AUD082, Initiated June 20, 2013)

The audit objective is to evaluate the management and oversight of the Bureau of International Narcotics and Law Enforcement Affairs (INL) counternarcotics program for Afghanistan, including whether INL has achieved intended and sustainable outcomes and whether INL has applied adequate internal controls over the administration of direct assistance for the Afghanistan counternarcotics program.

# OTHER AGENCY OVERSIGHT

## **Government Accountability Office**

GAO has nine ongoing projects this quarter related to Afghanistan reconstruction.

### **Construction Efforts at the U.S. Embassy in Kabul Part II**

(Project No. 321034, initiated July 23, 2014)

Since 2009 the State Department has awarded two contracts totaling about \$700 million to construct additional housing and office facilities at the U.S. embassy in Kabul, Afghanistan. State has since terminated the first contract and expanded the scope, value, and timing of the second. Key questions: (1) What progress has State made in constructing new U.S. embassy facilities in Kabul since 2009, and what factors have contributed to any scope, cost, or schedule changes? (2) To what extent does the present expansion match projected needs?

### **Efforts to Protect Sites, Bases, and Convoys in Afghanistan and Any Effects on Mission**

(Project No. 351952, Initiated July 16, 2014)

In Afghanistan, convoy security for DOD logistics contractors, perimeter security at certain DOD bases, and site security for U.S. Agency for International Development (USAID) Implementing Partners (IPs) was provided by the Afghan Public Protection Force (APPF), a state-owned enterprise of the Afghan Government. In February 2014 the Afghan government decided that the APPF would be disbanded. Key questions: To what extent, if any: (1) Is the decision to disband the APPF affecting DOD draw-down? (2) Are DOD's efforts to protect personnel and property impacting its mission in Afghanistan? (3) Are USAID IPs' efforts to protect personnel and property impacting their mission in Afghanistan?

### **Securing Diplomatic Residences and Other Soft Targets Overseas**

(Project No. 321031, initiated July 9, 2014)

U.S. personnel posted in diplomatic facilities overseas continue to face threats to their safety and security, including numerous attacks in high-risk locations in recent years. In particular, residences, recreational facilities, and schools used by these personnel and their families may be attractive "soft targets." Key questions: (1) How does State manage threats and risks to residences and other soft targets under chief-of-mission authority overseas? (2) To what extent do State's security standards for residences and other soft targets address the threats and risks faced by such facilities? (3) To what extent do State's policies and procedures address security vulnerabilities, if any, at residences and other soft targets?

### **Justification of Pass Through Contracts**

(Project No. 121228, initiated June 25, 2014)

The Federal Acquisition Regulation requires prime contractors to notify the government if they intend to subcontract more than 70% of the total cost of work in their proposals and explain the added value they provide in its proposed contracting arrangement. Section 802 of the National Defense Authorization Act for Fiscal Year 2013 directed DOD, State, and U.S. Agency for International Development to issue policies requiring contracting officers to consider alternative contracting arrangements when notified of such levels of subcontracting and document the basis for their decision. Question: To what extent have these agencies implemented required policy changes?

## **Systems Used to Track Contractors in Contingency Environments**

(Project No. 351917, Initiated April 11, 2014)

In Fiscal Year 2013, Congress mandated DOD, State Department, and U.S. Agency for International Development to issue guidance about data collection on contract support for future contingencies involving combat operations outside of the U.S. Key questions: (1) What systems, if any, do the agencies use to manage contractors and the resources needed to sustain each system? (2) To what extent are systems interoperable, use compatible data standards, and meet legislative requirements? (3) To what extent do the systems provide personnel in contingency areas the necessary data to manage contractors? (4) What steps, if any, are the agencies taking to ensure that these systems maximize their ability to manage contractors?

## **U.S. Contractor Preference in Military Construction Programs**

(Project No. 100012, Initiated March 10, 2014)

In Fiscal Year 2014, Congress directed GAO to assess the potential benefits or problems of expanding an existing statutory preference for American contractors for certain overseas U.S. military-construction projects to the U.S. Central Command area of responsibility. Key questions: (1) What benefits or problems did DOD encounter or overcome in establishing a preference for American contractors in military construction projects in locations where the department implemented such a preference? (2) What are the potential benefits of expanding the geographical area to countries in the U.S. Central Command area of responsibility for American contractor preference in military constructions programs? (3) What are the potential problems of expanding the geographical area to countries in the U.S. Central Command area of responsibility for American contractor preference in military constructions programs?

## **Mitigating Threats to Locally Employed Staff**

(Project No. 100003, Initiated February 13, 2014)

# OTHER AGENCY OVERSIGHT

U.S. agencies employ more than 44,000 locally employed staff (LES)—Foreign Service nationals and U.S. citizens—at over 270 posts worldwide. LES are a key element of the U.S. presence at these posts, often performing a range of programmatic, security, monitoring, maintenance, and other duties. However, due to their association with the United States, LES can be subject to harassment, intimidation, and death threats. Threats to LES are particularly acute at posts in countries with active terrorist networks and violent extremist groups, such as Afghanistan, Iraq, Pakistan, and Yemen. Such threats can potentially hamper U.S. efforts to recruit and retain LES. GAO was asked to review U.S. Government efforts to monitor, share information about, and mitigate threats to LES serving at high-threat posts. Key questions: (1) What is the nature and extent of the threat that terrorist networks and other violent extremist groups pose to LES, including the number of threats and attacks? (2) To what extent have U.S. agencies established mechanisms to collect and disseminate information about threats to LES in an effective and timely manner? (3) What steps, if any, have U.S. agencies taken to mitigate threats to LES at high-threat posts and what barriers, if any, exist to mitigating such threats? (4) How have these threats and attacks affected the recruitment and retention of LES at high threat posts?

## **Use of Foreign Labor Contractors Abroad**

(Project No. 320985, Initiated June 26, 2013)

The United States relies on contractors to provide diverse services overseas. Despite prohibiting the use of trafficked labor for all U.S. government contracts, concerns remain about the protections afforded to foreign workers recruited by U.S. contractors because prevailing practices in some host countries diverge from U.S. standards. Key questions: (1) What are the practices of U.S. Government contractors in recruiting foreign workers for work outside the United States? (2) What legal and other authorities do U.S. agencies identify as providing protection to foreign workers employed by U.S. Government contractors outside the United States? (3) To what extent do federal agencies provide oversight and enforcement of such authorities?

## **DOD Container Management**

(Project No. 351805, Initiated March 1, 2013)

Shipping-container management has been a longstanding challenge for the Department of Defense (DOD). GAO estimates that DOD will pay over \$1 billion in detention fees from 2003 through 2013 for using commercial shipping containers beyond the time frame allotted in its contract with commercial shippers during operations in Iraq and Afghanistan. Key Questions: (1) To what extent has DOD implemented corrective actions to address container management challenges affecting shipping containers used in the Afghan theater? (2) To what extent has DOD assessed the effect of its corrective actions on the accumulation of detention fees?

## **U.S. Army Audit Agency**

This quarter the USAAA has no ongoing audits related to Afghanistan reconstruction.

## **U.S. Agency for International Development Office of Inspector General**

This quarter USAID OIG has two ongoing audits related to reconstruction initiatives.

### **Audit of USAID/Afghanistan's Strategy for Monitoring and Evaluating Its Programs Throughout Afghanistan**

(Project No. FF101014, Initiated August 26, 2014)

Audit Objective:

- Does USAID/Afghanistan's monitoring and evaluation strategy provide effective coverage over USAID's program activities in Afghanistan?

### **Review of USAID/Afghanistan's Financial Management Controls for Government to Government Assistance**

(Project No. FF100414, Initiated March 10, 2014)

Review Objective:

- Are financial-management controls associated with USAID/Afghanistan's government-to-government assistance designed and operating effectively?