

# 2 SIGAR OVERSIGHT



## SIGAR OVERSIGHT CONTENTS

<b>Audits</b>	<b>22</b>
<b>Inspections</b>	<b>28</b>
<b>Special Projects</b>	<b>31</b>
<b>Lessons Learned</b>	<b>33</b>
<b>Investigations</b>	<b>34</b>
<b>Other SIGAR Oversight Activities</b>	<b>39</b>
<b>SIGAR Impact on FY 2019 Defense Authorization Law</b>	<b>41</b>
<b>SIGAR Budget</b>	<b>41</b>
<b>SIGAR Staff</b>	<b>41</b>

**Photo on previous page**

Inspector General Sopko and SIGAR staff on a recent inspection of the U.S.-funded Marshal Fahim Defense University in Kabul. Accompanying the IG are members of his movement team from the State Department's Diplomatic Security Service who provide vital support for SIGAR's oversight work in Afghanistan. (SIGAR photo by Alexandra Hackbarth)

## SIGAR OVERSIGHT ACTIVITIES

This quarter, SIGAR issued 15 products. SIGAR work to date has identified approximately \$2.1 billion in savings for the U.S. taxpayer.

SIGAR published two performance audit reports this quarter. These audits examined USAID's \$216 million Promoting Gender Equity in National Priority Programs and DOD's ability to assess, monitor, and evaluate advisors assigned to the Ministries of Defense and Interior.

SIGAR completed eight financial audits of U.S.-funded contracts to rebuild Afghanistan. These financial audits covered a range of topics including the Department of the Army's Afghanistan-Wide Mine, Battle Area, and Range Clearance Operation; USAID's Initiative to Strengthen Local Administrations Project; and the Department of the Air Force's construction of the Afghan Ministry of Defense headquarters facility. These financial audits identified more than \$3 million in questioned costs as a result of internal-control deficiencies and noncompliance issues. To date, SIGAR's financial audits have identified more than \$414.6 million in questioned costs, interest, and other amounts payable to the U.S. government.

SIGAR also published two inspection reports. These reports examined the construction, use, and maintenance of Phase I of the Marshal Fahim National Defense University and the Afghan National Police women's compound at the Ministry of Interior headquarters.

This quarter, SIGAR's Office of Special Projects issued three products, on USAID-funded education facilities in Parwan Province, CERP-funded bridges in Baghlan Province, and State INL-funded projects in Takhar Province as part of the Good Performers Initiative.

During the reporting period, SIGAR investigations resulted in one arrest, five convictions, four sentencing, a civil settlement of nearly \$295,000, and \$2,000 in criminal fines. SIGAR initiated 11 new cases and closed 14, bringing the total number of ongoing investigations to 177.

This quarter, SIGAR's suspension and debarment program referred three individuals and two entities for suspension or debarment based on evidence developed as part of investigations conducted by SIGAR in Afghanistan and the United States. These referrals bring the total number of individuals and companies referred by SIGAR since 2008 to 905, encompassing 505 individuals and 400 companies to date.

### COMPLETED PERFORMANCE AUDIT REPORTS

- Audit 18-69-AR: Promoting Gender Equity in National Priority Programs (Promote): USAID Needs to Assess this \$216 Million Program's Achievements and the Afghan Government's Ability to Sustain Them
- Audit 19-03-AR: Afghanistan National Defense and Security Forces: DOD Lacks Performance Data to Assess, Monitor, and Evaluate Advisors Assigned to the Ministries of Defense and Interior

### COMPLETED FINANCIAL AUDIT REPORTS

- Financial Audit 18-66-FA: USAID's Afghanistan Engineering Support Program: Audit of Costs Incurred by Tetra Tech EM Inc.
- Financial Audit 18-68-FA: USAID's Strengthening Political Entities and Civil Society Program: Audit of Costs Incurred by the National Democratic Institute for International Affairs
- Financial Audit 18-71-FA: Department of the Air Force's Construction of the Afghan Ministry of Defense Headquarters Facility: Audit of Costs Incurred by Gilbane Federal
- Financial Audit 18-72-FA: Department of the Army's Afghanistan-Wide Mine, Battle Area, and Range Clearance Operation-Phase II, Effort 1: Audit of Costs Incurred by Janus Global Operations LLC
- Financial Audit 18-73-FA: Department of the Army's Afghanistan-Wide Mine, Battle Area, and Range Clearance Operation-Phase II, Effort 2: Audit of Costs Incurred by Janus Global Operations LLC
- Financial Audit 18-74-FA: USAID's Eastern Provinces Monitoring Under the Monitoring Support Project: Audit of Costs Incurred by the QED Group LLC
- Financial Audit 18-75-FA: USAID's Initiative to Strengthen Local Administrations Project: Audit of Costs Incurred by ARD Inc.
- Financial Audit 19-01-FA: Department of the Air Force's Construction of the Afghan Ministry of Defense Headquarters Support and Security Brigade Expansion: Audit of Costs Incurred by Gilbane Federal

*Continued on the next page*

Continued from previous page

## COMPLETED INSPECTION REPORTS

- Inspection Report 18-76-IP: Marshal Fahim National Defense University: Phase I Construction Generally Met Contract Requirements, but Non-Compliant Fire Doors and Inadequate Maintenance Place Building Occupants at Risk
- Inspection Report 19-04-IP: Afghan National Police Women's Compound at the Ministry of Interior Headquarters: Construction Generally Met Requirements, but Use and Maintenance Remain Concerns

## COMPLETED SPECIAL PROJECTS REPORTS

- Review 18-67-SP: Schools in Parwan Province, Afghanistan: Observations from Site Visits at 14 Schools
- Review 18-70-SP: Bridges in Baghlan Province, Afghanistan: Six of Eight Bridges Constructed or Rehabilitated by DOD Remain in Generally Good, Usable Condition; Two Appeared to Have Structural Issues Needing Attention
- Review 19-02-SP: State Department's Good Performers Initiative: Status of Six Completed Projects in Takhar Province



**Afghan women attend** a Promote class workshop. (USAID photo)

## AUDITS

SIGAR conducts performance and financial audits of programs and projects connected to the reconstruction effort in Afghanistan. Since its last report to Congress, SIGAR has issued two performance audits and eight financial audits. This quarter, SIGAR has 11 ongoing performance audits and 39 ongoing financial audits.

### Performance Audit Reports Published

SIGAR published two performance audit reports this quarter. These audits examined USAID's \$216 million Promoting Gender Equity in National Priority Programs and DOD's ability to assess, monitor, and evaluate advisors assigned to the Ministries of Defense and Interior. A list of completed and ongoing performance audits can be found in Appendix C of this quarterly report.

### Performance Audit 18-69-AR: Promoting Gender Equity in National Priority Programs

#### USAID Needs to Assess This \$216 Million Program's Achievements and the Afghan Government's Ability to Sustain Them

In July 2013, the U.S. Agency for International Development (USAID) announced the five-year, \$216 million Promoting Gender Equity in National Priority Programs (Promote). According to USAID, Promote capitalizes on the previous investment in education for Afghan women and girls. The program's goal is to improve the status of more than 75,000 young women in all levels of society.

In 2014, the USAID Mission for Afghanistan (USAID/Afghanistan) awarded three indefinite delivery/indefinite quantity contracts to Chemonics International Inc., Tetra Tech ARD, and Development Alternatives Inc. to implement Promote. Subsequently, the agency awarded the contractors task orders for the program's four components: Women's Leadership Development, Women in Government, Women in the Economy, and Women's Rights Groups and Coalitions (Musharikat), which focuses on women in civil society. According to USAID, Promote is the agency's largest single investment globally to advance women.

SIGAR found that after three years and \$89.7 million spent, USAID/Afghanistan has not fully assessed the extent to which Promote is meeting its overarching goal of improving the status of more than 75,000 young women in Afghanistan's public, private, and civil society sectors. Instead of assessing the overall program, USAID/Afghanistan measures the performance of the four individual components. As of September 30, 2017, only one component—Musharikat—was meeting its performance indicator targets. Promote's achievements have been mixed due to factors within and outside of USAID/Afghanistan's control.

USAID/Afghanistan fulfilled some oversight requirements, but did not conduct timely or consistent reviews of the contractors' performance or

# SIGAR OVERSIGHT ACTIVITIES

maintain complete contract records. Also, USAID/Afghanistan has not demonstrated whether Promote's results are sustainable.

SIGAR made three recommendations to USAID: conduct an overall assessment of Promote and use the results to adjust the program and measure future program performance; provide written guidance and training to contracting officer's representatives on maintaining records in a consistent, accurate manner; and conduct a new sustainability analysis for the program.

## **Performance Audit 19-03-AR: Afghanistan National Defense and Security Forces**

### **DOD Lacks Performance Data to Assess, Monitor, and Evaluate Advisors Assigned to the Ministries of Defense and Interior**

According to DOD, one of the United States' main goals in Afghanistan is to create well-trained, equipped, and sustainable Afghan National Defense and Security Forces (ANDSF) that are capable of securing the country. To achieve this goal, DOD, through United States Forces-Afghanistan (USFOR-A), works with other members of NATO and the international community through the NATO Resolute Support (RS) train, advise, and assist mission. The mission provides advisors to the Afghan Ministries of Defense (MOD) and Interior (MOI) to improve their resource management, procurement, logistics, maintenance capabilities, and overall sustainability.

Although the advising effort at the MOD and MOI is one of DOD's primary missions in Afghanistan, SIGAR found that DOD does not know whether the advisors assigned to the MOD and MOI are meeting goals and milestones because it has not assessed, monitored, or evaluated their efforts, as required by its own guidance. In addition, DOD cannot track any progress at the MOD and MOI because the advising goals and rating systems used to measure progress toward meeting goals have frequently changed.

Moreover, DOD cannot assess the performance of contract advisors because its two current contracts with DynCorp, valued at \$421 million, do not have measurable performance standards against which to assess the contractor's performance. SIGAR also found that DOD reassigns personnel to advising duties once they are in Afghanistan, but does not track these reassignments, despite its own requirements to monitor the resources applied to security-cooperation efforts. Finally, SIGAR found that DOD does not ensure that all uniformed personnel complete advisor training before deploying to Afghanistan, despite a CENTCOM requirement that all advisors attend training.

SIGAR made three recommendations to DOD to comply with its security-cooperation policies: incorporate measureable performance standards into its current and future ministerial advising contracts, implement a mechanism to accurately identify and track all personnel advising at the MOD and MOI, and ensure that all uniformed U.S. personnel receive advisor-specific training before deploying to Afghanistan to be advisors at the MOD and MOI.

### **COMPLETED PERFORMANCE AUDITS**

- Audit 18-69-AR: Promoting Gender Equity in National Priority Programs (Promote): USAID Needs to Assess this \$216 Million Program's Achievements and the Afghan Government's Ability to Sustain Them
- Audit 19-03-AR: Afghanistan National Defense and Security Forces: DOD Lacks Performance Data to Assess, Monitor, and Evaluate Advisors Assigned to the Ministries of Defense and Interior



**NATO advisor oversees ANA marksmanship training.** (Resolute Support photo)

# SIGAR OVERSIGHT ACTIVITIES

TABLE 2.1

SIGAR'S FINANCIAL AUDIT COVERAGE (\$ BILLIONS)	
121 completed audits	\$7.06
39 ongoing audits	1.11
<b>Total</b>	<b>\$8.17</b>

Note: Numbers have been rounded. Coverage includes auditable costs incurred by recipients of U.S.-funded Afghanistan reconstruction contracts, grants, and cooperative agreements.

Source: SIGAR Audits and Inspections Directorate.

**Questioned amounts:** the sum of potentially unallowable questioned costs and unremitted interest on advanced federal funds or other revenue amounts payable to the government.

**Questioned costs:** costs determined to be potentially unallowable. The two types of questioned costs are ineligible costs (violation of a law, regulation, contract, grant, cooperative agreement, etc., or an unnecessary or unreasonable expenditure of funds) and unsupported costs (those not supported by adequate documentation or proper approvals at the time of an audit).

## Financial Audits

SIGAR launched its financial-audit program in 2012, after Congress and the oversight community expressed concerns about oversight gaps and the growing backlog of incurred-cost audits for contracts and grants awarded in support of overseas contingency operations. SIGAR competitively selects independent accounting firms to conduct the financial audits and ensures that the audit work is performed in accordance with U.S. government auditing standards. Financial audits are coordinated with the federal inspector-general community to maximize financial-audit coverage and avoid duplication of effort.

SIGAR has 39 ongoing financial audits with \$1.1 billion in auditable costs, as shown in Table 2.1. A list of completed and ongoing financial audits can be found in Appendix C of this quarterly report.

This quarter, SIGAR completed eight financial audits of U.S.-funded contracts to rebuild Afghanistan. These audits help provide the U.S. government and the American taxpayer reasonable assurance that the funds spent on these awards were used as intended. The audits question expenditures that cannot be substantiated or are potentially unallowable.

SIGAR issues each financial-audit report to the funding agency that made the award(s). The funding agency is responsible for making the final determination on **questioned amounts** identified in the report's audit findings. Since the program's inception, SIGAR's financial audits have identified more than \$414.6 million in **questioned costs** and \$364,373 in unremitted interest on advanced federal funds or other revenue amounts payable to the government. As of September 30, 2018, funding agencies had disallowed about \$27.9 million in questioned amounts, which are subject to collection. It takes time for funding agencies to carefully consider audit findings and recommendations. As a result, final disallowed-cost determinations remain to be made for several of SIGAR's issued financial audits. SIGAR's financial audits have also identified and communicated 405 compliance findings and 432 internal-control findings to the auditees and funding agencies.

## Financial Audits Published

This quarter, SIGAR completed eight financial audits of U.S.-funded contracts to rebuild Afghanistan. These audits identified more than \$3 million in questioned costs because of internal-control deficiencies and noncompliance issues, such as billing for work outside of the period of performance and for ineligible travel costs.

### Financial Audit 18-66-FA: USAID's Afghanistan Engineering Support Program Audit of Costs Incurred by Tetra Tech EM Inc.

On November 9, 2009, USAID awarded a cost-plus-fixed-fee, five-year task order for \$62,984,016 to Tetra Tech EM Inc. (Tetra Tech) to implement

the Afghanistan Engineering Support program. The program provides the USAID Mission for Afghanistan's Office of Infrastructure, Engineering, and Energy with engineering support to help build safe, long-lasting, and energy-efficient facilities. The agency modified the task order 25 times, increasing the total cost to \$97 million and extending the period of performance to November 8, 2016.

SIGAR's financial audit, performed by Castro & Company LLC (Castro), reviewed \$25,079,922 in expenditures and fixed fees charged to the task order from November 9, 2015, through November 8, 2016. Castro found three deficiencies in Tetra Tech's internal controls and four instances of noncompliance with the terms and conditions of the task order. Because of these internal-control deficiencies and instances of noncompliance, Castro identified \$91,133 in questioned costs.

### **Financial Audit 18-68-FA: USAID's Strengthening Political Entities and Civil Society Program**

#### **Audit of Costs Incurred by the National Democratic Institute for International Affairs**

On July 6, 2013, USAID awarded the National Democratic Institute for International Affairs (NDI) a three-year, \$18 million, cooperative agreement to implement the Strengthening Political Entities and Civil Society program. The program's objectives were to get political and civil society groups to engage the public in the political process. USAID modified the cooperative agreement 10 times, decreasing the estimated cost to \$17.8 million, but the agreement's end date did not change.

SIGAR's financial audit, performed by Crowe LLP (Crowe), reviewed \$1.7 million charged to the cooperative agreement from October 1, 2015, through July 5, 2016. Crowe identified three material weaknesses and one significant deficiency in NDI's internal controls, and four instances of non-compliance with the terms and conditions of the cooperative agreement. Because of these internal-control deficiencies and instances of noncompliance, Crowe identified \$1,129 in interest due to USAID. Crowe did not identify any questioned costs.

### **Financial Audit 18-71-FA: Department of the Air Force's Construction of the Afghan Ministry of Defense Headquarters Facility**

#### **Audit of Costs Incurred by Gilbane Federal**

On April 21, 2009, the 772nd Enterprise Sourcing Squadron, in support of the Air Force Center for Engineering and the Environment, issued a cost-plus-fixed-fee task order for \$48,739,238 to Innovative Technical Solutions Inc. (ITSI) to build the Afghan Ministry of Defense's headquarters facility. After 14 modifications, the task order's funding increased to \$107,343,542, and the period of performance was extended from October 11, 2011, to December 30, 2014. In 2010, Gilbane Federal (Gilbane) acquired ITSI, and in 2012, the Air Force Center for

### **COMPLETED FINANCIAL AUDITS**

- Financial Audit 18-66-FA: USAID's Afghanistan Engineering Support Program: Audit of Costs Incurred by Tetra Tech EM Inc.
- Financial Audit 18-68-FA: USAID's Strengthening Political Entities and Civil Society Program: Audit of Costs Incurred by the National Democratic Institute for International Affairs
- Financial Audit 18-71-FA: Department of the Air Force's Construction of the Afghan Ministry of Defense Headquarters Facility: Audit of Costs Incurred by Gilbane Federal
- Financial Audit 18-72-FA: Department of the Army's Afghanistan-Wide Mine, Battle Area, and Range Clearance Operation-Phase II, Effort 1: Audit of Costs Incurred by Janus Global Operations LLC
- Financial Audit 18-73-FA: Department of the Army's Afghanistan-Wide Mine, Battle Area, and Range Clearance Operation-Phase II, Effort 2: Audit of Costs Incurred by Janus Global Operations LLC
- Financial Audit 18-74-FA: USAID's Eastern Provinces Monitoring Under the Monitoring Support Project: Audit of Costs Incurred by the QED Group LLC
- Financial Audit 18-75-FA: USAID's Initiative to Strengthen Local Administrations Project: Audit of Costs Incurred by ARD Inc.
- Financial Audit 19-01-FA: Department of the Air Force's Construction of the Afghan Ministry of Defense Headquarters Support and Security Brigade Expansion: Audit of Costs Incurred by Gilbane Federal

# SIGAR OVERSIGHT ACTIVITIES

Engineering and the Environment reorganized into the Air Force Civil Engineer Center.

SIGAR's financial audit, performed by Crowe LLP (Crowe), reviewed \$5,880,740 charged to the task order from November 30, 2013, through December 30, 2014. Crowe identified seven material weaknesses and three significant deficiencies in Gilbane's internal controls, and 11 instances of material noncompliance with the terms and conditions of the task order and applicable regulations. Because of these internal-control deficiencies and instances of noncompliance, Crowe identified \$2,450,895 in total questioned costs.

## **Financial Audit 18-72-FA: Department of the Army's Afghanistan-Wide Mine, Battle Area, and Range Clearance Operation—Phase II, Effort 1 Audit of Costs Incurred by Janus Global Operations LLC**

On July 30, 2014, the U.S. Army Corps of Engineers (USACE), through the U.S. Army Engineering and Support Center, awarded Sterling Operations Inc. (Sterling) a 33-month, \$249 million task order to implement Phase II of the Afghanistan-Wide Mine, Battle Area, and Range Clearance operation. The operation was divided into Efforts 1 and 2. Effort 1's objectives were to conduct technical and nontechnical surveys, and mine, battle area, and range clearance. USACE modified the task order nine times, increasing the value of Effort 1 from \$70.9 million to \$156.8 million and extending the period of performance from December 31, 2015, to May 1, 2018. In May 2016, Sterling changed its name to Janus Global Operations LLC.

SIGAR's financial audit, performed by Castro & Company LLC (Castro), reviewed \$43,601,698 charged to the task order from January 1, 2016, through May 1, 2017. Castro did not identify any internal-control deficiencies or instances of noncompliance with the terms of the task order and applicable laws and regulations. Accordingly, Castro did not identify any questioned costs.

## **Financial Audit 18-73-FA: Department of the Army's Afghanistan-Wide Mine, Battle Area, and Range Clearance Operation—Phase II, Effort 2 Audit of Costs Incurred by Janus Global Operations LLC**

On July 30, 2014, USACE, through the U.S. Army Engineering and Support Center, awarded Sterling Operations Inc. (Sterling) a 33-month, \$249 million task order to implement Phase II of the Afghanistan-Wide Mine, Battle Area, and Range Clearance operation. The operation was divided into Efforts 1 and 2. Effort 2's objectives were to conduct subsurface, battle area, range, and mine clearance. USACE modified the task order 11 times, decreasing the value of Effort 2 from \$178.1 million to \$170.9 million, and extending its period of performance from May 1, 2017, to May 1, 2018. In May 2016, Sterling changed its name to Janus Global Operations LLC.



SIGAR's financial audit, performed by Castro & Company LLC (Castro), reviewed \$106,787,213 charged to the task order from December 1, 2015, through December 1, 2017. Castro did not identify any internal-control deficiencies or any instances of noncompliance with the terms of the task order and applicable laws and regulations. Accordingly, Castro did not identify any questioned costs.

## **Financial Audit 18-74-FA: USAID's Eastern Provinces Monitoring Under the Monitoring Support Project**

### **Audit of Costs Incurred by The QED Group LLC**

On July 27, 2015, USAID awarded a \$29,080,209 cost-plus-fixed-fee task order to the QED Group LLC (QED) to implement Eastern Provinces Monitoring under the Monitoring Support Project (MSP). QED was required to provide additional data on the MSP's implementation to help USAID Mission for Afghanistan's technical teams compare monitoring information and make management decisions on the project's performance. The period of performance was from July 27, 2015, to July 26, 2020, with a three-year option period. USAID modified the task order three times, but did not change its amount or period of performance.

SIGAR's financial audit, performed by Crowe LLP (Crowe), reviewed \$5,861,322 in expenditures and fixed fees charged to the task order from July 27, 2015, through July 26, 2017. Crowe found one material weakness and two significant deficiencies in QED's internal controls, and four instances of noncompliance with the terms and conditions of the task order and applicable laws and regulations. Because of these internal-control deficiencies and instances of noncompliance, Crowe identified a total of \$14,405 in questioned costs.

## **Financial Audit 18-75-FA: USAID's Initiative to Strengthen Local Administrations Project**

### **Audit of Costs Incurred by ARD Inc.**

On February 1, 2015, USAID awarded a five-year cost-plus-fixed-fee contract for \$62,364,687 to Tetra Tech ARD to support the Initiative to Strengthen Local Administrations (ISLA) project. The project's purpose was to improve the Afghan government's provincial governance in fiscal and development planning, citizen representation, and delivery of public services. USAID modified the contract four times, including updating the contractor's name from Tetra Tech ARD to ARD Inc. (ARD). None of the modifications affected the contract's period of performance or the total estimated amount.

SIGAR's financial audit, performed by Crowe LLP (Crowe), reviewed \$9,356,162 charged to the contract from October 1, 2016, through September 30, 2017. Crowe identified one deficiency in ARD's internal controls and one instance of noncompliance with the terms and conditions

# SIGAR OVERSIGHT ACTIVITIES

of the contract and applicable regulations. Crowe did not identify any questioned costs.

## **Financial Audit 19-01-FA: Department of the Air Force's Construction of the Afghan Ministry of Defense Headquarters Support and Security Brigade Expansion, Phase II**

### **Audit of Costs Incurred by Gilbane Federal**

On September 8, 2011, the Air Force Center for Engineering and the Environment issued a cost-plus-fixed-fee task order for \$16,456,710 to Innovative Technical Solutions Inc. (ITSI) to construct Phase II of the Afghan Ministry of Defense Headquarters Support and Security Brigade. After nine modifications, the task order funding increased to \$35,288,805, and the period of performance was extended from September 7, 2013, to September 30, 2015. In 2010, Gilbane Federal (Gilbane) acquired ITSI, and in 2012, the Air Force Center for Engineering and the Environment reorganized into the Air Force Civil Engineer Center.

SIGAR's financial audit, performed by Crowe LLP (Crowe), reviewed \$11,672,885 charged to the task order from November 30, 2013, through September 30, 2015. Crowe identified five material weaknesses and five significant deficiencies in Gilbane's internal controls, and nine instances of material noncompliance with the terms and conditions of the task order and applicable regulations. Because of these internal-control deficiencies and instances of noncompliance, Crowe identified \$534,792 in total questioned costs.

## **INSPECTIONS**

### **Inspection Reports Published**

This quarter, SIGAR published two inspection reports. These reports examined the construction, use, and maintenance of Phase I of the Marshal Fahim National Defense University and the Afghan National Police women's compound at the Ministry of Interior headquarters. A list of completed and ongoing inspections can be found in Appendix C of this quarterly report.

#### **Inspection Report 18-76-IP: Marshal Fahim National Defense University**

##### **Phase I Construction Generally Met Contract Requirements, but Non-Compliant Fire doors and Inadequate Maintenance Place Building Occupants at Risk**

In September 2008, the Air Force Civil Engineering Center (AFCEC) awarded the first of four contracts to construct facilities at the Afghan National Army's Marshal Fahim National Defense University (MFNDU) in Kabul, Afghanistan. AFCEC awarded a \$70.2 million contract to AMEC Earth & Environmental Incorporated (AMEC E&E), an American company,

#### **COMPLETED INSPECTION REPORTS**

- Inspection Report 18-76-IP: Marshal Fahim National Defense University: Phase I Construction Generally Met Contract Requirements, but Non-Compliant Fire Doors and Inadequate Maintenance Place Building Occupants at Risk
- Inspection Report 19-04-IP: Afghan National Police Women's Compound at the Ministry of Interior Headquarters: Construction Generally Met Requirements, but Use and Maintenance Remain Concerns

# SIGAR OVERSIGHT ACTIVITIES



**ANA soldiers stand in formation** at the Marshal Fahim National Defense University. (SIGAR photo)

to design and construct 85 buildings, support facilities, and other structures for MFNDU Phase I. After 18 contract modifications, the contract's value increased by \$24.5 million to \$94.7 million.

The modifications included increasing security for the facility during construction, as well as adding equipment for classroom buildings. Between August 8 and December 19, 2011, AFCEC accepted the MFNDU Phase I construction and transferred the completed Phase I buildings, supporting facilities, and other structures to the Combined Security Transition Command-Afghanistan (CSTC-A). By December 2011, CSTC-A had transferred all of Phase I to the Ministry of Defense. The final warranty period for Phase I expired in December 2012.

Although the Phase I construction generally met contract requirements, and most of the facilities are being used, SIGAR found that AMEC E&E failed to install certified fire doors in 14 buildings as required by the contract. Further, SIGAR found recurring maintenance issues in all of the buildings, including broken or missing door-locking assemblies in 20 of the 38 buildings and empty or counterfeit fire extinguishers in 19 buildings. SIGAR also found that the water-treatment plant, which cost \$1.8 million, had not been used since 2015 due to maintenance issues, and that untreated wastewater was being discharged towards a nearby village. This untreated wastewater can spread disease and contaminate drinking-water sources, which may create health hazards for local residents. The MFNDU facility manager told SIGAR that the budget to purchase equipment and supplies for repairs is not sufficient to maintain the facilities. Because the Afghan government is now responsible for operating and maintaining the MFNDU, SIGAR made no recommendations in this report.

## **Inspection Report 19-04-IP: ANP Women’s Compound at the Ministry of Interior Headquarters**

### **Construction Generally Met Requirements, but Use and Maintenance Remain Concerns**

On September 15, 2015, the U.S. Army Corps of Engineers (USACE) awarded a \$3 million firm-fixed-price contract to Afghan Construction Companies Umbrella (ACCU) to design and build an Afghan National Police women’s compound at the Ministry of Interior (MOI) headquarters in Kabul. The project included construction of multiple facilities, including a barrack, childcare center, conference center, administration building, fitness center, laundry facility, and a perimeter wall with entrance gates. After four contract modifications, the contract’s price rose to \$3.1 million. On July 8, 2017, USACE transferred the completed project to CSTC-A, which, in turn, transferred the project to the MOI on August 24, 2017.

SIGAR found that ACCU generally constructed the women’s compound according to contract requirements. However, SIGAR also found seven construction deficiencies that USACE did not detect during the construction or the contract’s warranty period. For example, ACCU substituted carbon dioxide fire extinguishers in 17 locations where dry chemical fire extinguishers were required, putting occupants at greater risk if certain types of fires occur, and did not install thumb latches on the inside of 47 doors to rooms in the barrack. In addition, SIGAR identified four items that were installed but not operating properly. SIGAR advised USACE of these deficiencies and nonoperable items, and USACE directed ACCU to correct them. As of August 28, 2018, ACCU had corrected all seven deficiencies and the four nonoperable items. SIGAR also found that USACE did not consistently enforce all elements of its three-phase quality control inspection process, reducing its ability to oversee ACCU and enforce contract compliance. Finally, SIGAR found that the ANP women’s compound is being used but not at full capacity. With a few minor exceptions, the compound is being maintained, but the lack of a maintenance contract raises concerns about the compound’s maintenance in the long term.

SIGAR recommended that the USACE Commanding General and Chief of Engineers enforce requirements for USACE personnel to adhere to the organization’s three-phase quality assurance inspection process, including requiring the contractor to conduct all meetings during the preparatory and initial phases for each of the definable features of work under the contract, and document the minutes of those meetings.

## **Status of SIGAR Recommendations**

The Inspector General Act of 1978, as amended, requires SIGAR to report on the status of its recommendations. This quarter, SIGAR closed 18 recommendations contained in seven audit and inspection reports. These reports

# SIGAR OVERSIGHT ACTIVITIES

contained recommendations that resulted in the recovery of \$35,862 in ineligible or unsupported contract costs paid by the U.S. government.

From 2009 through September 2018, SIGAR published 304 audits, alert letters, and inspection reports, and made 899 recommendations to recover funds, improve agency oversight, and increase program effectiveness.

SIGAR has closed 758 of these 899 recommendations, more than 84%. Closing a recommendation generally indicates SIGAR's assessment that the audited agency has either implemented the recommendation or has otherwise appropriately addressed the issue. In some cases where the agency has failed to act, SIGAR will close the recommendation as "Not Implemented"; this quarter SIGAR closed nine recommendations in this manner. In some cases, these recommendations will be the subject of follow-up audit or inspection work.

SIGAR is also required to report on any significant recommendations from prior reports on which corrective action has not been completed. This quarter, SIGAR continued to monitor agency actions on 141 open recommendations. Fifty-seven of these recommendations have been open more than 12 months; these remain open because the agency involved has not yet produced a corrective-action plan that SIGAR believes would resolve the identified problem, or has otherwise failed to appropriately respond to the recommendation(s).

For a complete list of open recommendations see [www.sigar.mil](http://www.sigar.mil).

## SPECIAL PROJECTS

SIGAR's Office of Special Projects was created to quickly obtain and access information necessary to fulfill SIGAR's oversight mandates; examine emerging issues; and deliver prompt, actionable reports to federal agencies and the Congress. Special Projects reports and letters focus on providing timely, credible, and useful information to Congress and the public. The directorate is made up of a team of analysts supported by investigators, lawyers, subject-matter experts, and other specialists who can quickly and jointly apply their expertise to emerging problems and questions. The team conducts a variety of assessments, producing reports on all facets of Afghanistan reconstruction.

This quarter, SIGAR's Office of Special Projects issued three reports: USAID-funded education facilities in Parwan Province, CERP-funded bridges in Baghlan Province, and State INL-funded projects in Takhar Province. Of the three reports issued by Special Projects, in accordance with CIGIE blue book standards, one report had a total of two recommendations. Both are closed as implemented. A list of Special Projects completed this quarter can be found in Appendix C of this quarterly report.

### COMPLETED SPECIAL PROJECTS REPORTS

- Review 18-67-SP: Schools in Parwan Province, Afghanistan: Observations from Site Visits at 14 Schools
- Review 18-70-SP: Bridges in Baghlan Province, Afghanistan: Six of Eight Bridges Constructed or Rehabilitated by DOD Remain in Generally Good, Usable Condition; Two Appeared to Have Structural Issues Needing Attention
- Review 19-02-SP: State Department's Good Performers Initiative: Status of Six Completed Projects in Takhar Province



**USAID-funded high school** for girls in Parwan Province. (SIGAR photo)

## **Review 18-67-SP: Schools in Parwan Province, Afghanistan**

### **Observations from Site Visits to 14 Facilities**

This report is the seventh in a series that discusses SIGAR findings from site visits at 14 schools built or rehabilitated by USAID in Afghanistan. SIGAR found that all 14 schools were open and in generally usable condition, but there may be problems with staffing and with student and teacher attendance at several of the schools. SIGAR also found that some schools have structural deficiencies (such as damaged walls, leaking roofs, and/or holes in windows) that may affect student safety and the delivery of education.

To help ensure the accuracy of Ministry of Education (MOE) and USAID reporting on the number of students and teachers enrolled and attending classes at schools in Parwan Province, SIGAR recommended that USAID share the results of this review with the Afghan government and advise the MOE to investigate the two schools with the lowest observed levels of attendance. In addition, to help ensure that students and teachers in Parwan Province are able to attend schools that are safe and provide a minimum level of required utilities, SIGAR recommended that USAID share the results of this review with the Afghan government and advise the MOE to fix structural and other deficiencies that may negatively impact the delivery of education.

In response to these recommendations, USAID states that (1) it will inform the appropriate authorities within the MOE of the schools identified by SIGAR that lack water, have poor sanitation conditions, or show signs of structural damage and safety hazards, (2) USAID stated it would alert the MOE and the Parwan Provincial Education Director of the observed low attendance rates in the schools that SIGAR identified.



**CERP-funded 70-meter long bridge** in Baghlani Jadid District, Baghlan Province. (SIGAR photo)

## **Review 18-70-SP: Bridges in Baghlan Province, Afghanistan**

### **Six of Eight Bridges Constructed or Rehabilitated by DOD Remain in Generally Good, Usable Condition; Two Appeared to Have Structural Issues Needing Attention**

This report discusses the results of SIGAR's review of eight DOD-funded bridges in Baghlan Province, Afghanistan that were constructed or rehabilitated using funds from the Commander's Emergency Response Program (CERP) between 2008 and 2013. SIGAR found that the location information maintained in DOD systems was generally accurate, with seven of the eight bridges reviewed within one kilometer of their recorded coordinates. However, one bridge was more than 18 kilometers from its recorded coordinates.

SIGAR also found that six of the eight bridges were in generally good, usable condition, and all eight were identified as "very useful" by community members and an Afghan government official SIGAR interviewed. Two of the bridges appeared to be inadequately maintained, in need of repair, and potentially pose a safety hazard. SIGAR issued two alert letters to DOD to inform the Afghan government of the bridges' conditions.

# SIGAR OVERSIGHT ACTIVITIES

## **Review 19-02-SP: Good Performers Initiative: Status of Six Completed Projects in Takhar Province**

**Four of Six Projects Are Maintained and Used as Intended:**

**Two Projects (Hostel Buildings) Are Unusable**

The six Good Performers Initiative (GPI) projects examined in this report were funded by the State Department's Bureau of International Narcotics and Law Enforcement Affairs (INL). SIGAR conducted the site visits as part of an ongoing effort to verify the location and operating conditions of facilities built, refurbished, or funded by the U.S. as part of the reconstruction effort in Afghanistan. SIGAR found that INL's reported geospatial coordinates for the six projects were each within one kilometer from the actual project location. Additionally, SIGAR found that the two hostel building projects had missing and broken furniture, a general lack of facility maintenance and sanitation, and nonoperational dining facilities. Site visits to the four other projects indicated problems, such as a lack of clean water or well-maintained toilets, but each was functioning and fulfilling its intended purpose.



**GPI-funded irrigation system** in Warsaj District, Takhar Province. (SIGAR photo)

## **LESSONS LEARNED**

SIGAR's Lessons Learned Program was created to identify lessons and make recommendations to Congress and executive agencies on ways to improve current and future reconstruction efforts. To date, the program has published five reports. Four projects are in development, three of which were initiated this quarter: U.S. and coalition responsibilities for security-sector assistance, U.S. government support to elections; monitoring and evaluation of reconstruction contracting; and reintegration of ex-combatants.

The published lessons-learned reports and their companion interactive versions are posted on SIGAR's website, [www.sigar.mil](http://www.sigar.mil).

## **Divided Responsibilities for Security Sector Assistance**

Initiated in March 2018, this report will complement *Reconstructing the Afghan National Defense and Security Forces: Lessons from the U.S. Experience in Afghanistan*, published in September 2017, and examine how the U.S. government divided security sector assistance tasks among itself and its external partners, including NATO and non-NATO countries. It will look at how the Departments of Defense, State, and Justice, and other key U.S. government stakeholders selected, prepared, and deployed U.S. personnel to train, advise, assist, and equip the ANDSF and the Afghan Ministries of Defense and Interior. Additionally, this project will examine how the United States sought to leverage NATO and non-NATO partners, as well as how the U.S. government monitored and tracked the impact of these efforts on overall ANDSF goals.

## Elections

Initiated in July 2018, this report will look at Afghanistan’s five elections since 2001, as well as the preparations for the sixth and seventh elections in 2018 and 2019, respectively, in order to: (1) examine Afghanistan’s electoral framework and the challenges posed by trying to enact reforms before, during, and after elections; (2) identify challenges and best practices in U.S. efforts to support the Afghan government as it prepared for, administered, and addressed disputes in the aftermath of elections; and (3) identify lessons and make recommendations to U.S. agencies on how to best support future elections in Afghanistan.

## Reintegration

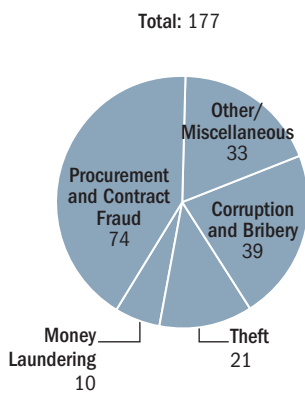
Also initiated in July 2018, this report will examine the four reintegration programs undertaken in Afghanistan since 2003 to assess how these programs functioned, the key challenges to their effectiveness, and best practices that can inform future reintegration efforts there. The report will also examine the current context in Afghanistan to assess the constraints, opportunities, and risks the situation presents for a renewed reintegration effort.

## Monitoring and Evaluation of Contracting

Initiated in September 2018, this report will examine the use of monitoring and evaluation (M&E) tools and systems in Afghanistan since 2001 to: (1) assess how effective M&E systems have been in holding implementing partners accountable, supervising their work, measuring progress, and designing future programs; (2) determine the contributions and influence of executive agencies, Congress, and other stakeholders on contracting outcomes through their requirements for accountability; and (3) identify a set of best practices in order to draw lessons and make recommendations to U.S. agencies on how to use M&E to improve contracting outcomes in Afghanistan and other contingency situations. The report will look at reconstruction contracting activities of USAID, State, and DOD.

FIGURE 2.1

**SIGAR INVESTIGATIONS: NUMBER OF OPEN INVESTIGATIONS, AS OF OCTOBER 5, 2018**



Source: SIGAR Investigations Directorate, 10/5/2018.

## INVESTIGATIONS

During the reporting period, SIGAR investigations resulted in one arrest, five convictions, four sentencing, a civil settlement of nearly \$295,000, and \$2,000 in criminal fines. SIGAR initiated 11 new cases and closed 14, bringing the total number of ongoing investigations to 177, as seen in Figure 2.1.

To date, SIGAR investigations have resulted in a cumulative total of 132 criminal convictions. Criminal fines, restitutions, forfeitures, civil settlements, and U.S. government cost savings and recoveries total approximately \$1.5 billion.



## Former Owner of Marble Mining Company Convicted for Defrauding the U.S. and Defaulting on a \$15.8 Million Loan

On September 24, 2018, Adam Doost, the former owner of a now-defunct marble mining company in Afghanistan, was found guilty by a federal jury for his role in defrauding the Overseas Private Investment Corporation (OPIC), a U.S. government agency, and defaulting on a \$15.8 million loan.

After a seven-day trial, Doost was convicted of three counts of major fraud against the United States, eight counts of wire fraud, four counts of false statements on loan applications or extensions, and five counts of money laundering. Sentencing is scheduled for December 14, 2018.

The evidence admitted at trial showed that in February 2010, while working at his company, Equity Capital Mining LLC, Doost, along with his brother, obtained a \$15.8 million loan from OPIC for the development, maintenance, and operation of a marble mine in western Afghanistan. The loan proceeds were paid directly from OPIC to the alleged vendors, who provided equipment for the mine, as reported to OPIC by Doost or his consultant.

Doost was required to deal with these companies in arms-length transactions or, to the extent any transactions were other than at arms-length, he was required to report to OPIC any affiliation he had with a vendor. Instead, Doost falsely informed OPIC that he had no affiliation with any of the vendors with whom he dealt, when in fact he had financial relationships with several of them. The evidence further showed that Doost's business partner was listed on the bank accounts for a number of these vendors and, upon receiving money from OPIC into the respective accounts, significant amounts of this money were then transferred to companies and individuals with whom Doost was associated, or to pay debts Doost owed. For example, Doost's consultant received a commission of \$444,000 for his purported consulting services with the first of three disbursements from OPIC, yet \$40,000 was transferred from the consultant's account to a Doost company in California.

The evidence at trial further showed that when the time came for Equity Capital Mining LLC to repay the loan to OPIC, Doost provided purported reasons to OPIC why it was not able to make those repayments at a time when Doost had sufficient funds. Ultimately, Doost and his brother failed to repay any of the principal on the OPIC loan, paying only a limited amount of interest, and ultimately defaulted on the loan.

SIGAR, with assistance from the FBI, investigated the case.

## Three High-Ranking Ministry of Interior Officials Convicted and Sentenced for Embezzlement Scheme

On September 26, 2018, the Anti-Corruption Justice Center (ACJC) Primary Court convicted a high-ranking MOI official, Major General Mohammad Anwar Kohistani, for misuse of authority and embezzling over 109,398,000



**Major General Mohammad Anwar Kohistani** on the day of his arrest. (MOI photo)

# SIGAR OVERSIGHT ACTIVITIES

afghani (approximately \$1.7 million) and sentenced him to 11 years in prison. Kohistani's co-conspirators, Mohammad Amin, MOI Procurement Officer at the Police Cooperative Fund, and Ghulam Ali Wahadat, MOI Deputy Minister, were convicted and sentenced to 13 months and three years in prison, respectively.

In 2016, the Inspector General of the MOI requested SIGAR's assistance in investigating the director of the MOI Police Cooperative Fund, Major General Kohistani, and the MOI Police Cooperative Fund. A joint investigation by SIGAR and ACJC prosecutors uncovered significant evidence of fraud and abuse of the Cooperative Fund by Kohistani. In November 2017, ACJC prosecutors outlined numerous violations in a report to the Afghan Attorney General's Office (AGO) and requested Kohistani's arrest and prosecution. On January 15, 2018, Kohistani was arrested by Major Crimes Task Force investigators and charged with embezzlement.

## **U.S. Contractor Sentenced for Conspiracy to Defraud the U.S.**

On July 25, 2018, in the Middle District of Florida, James Barber, the owner of Effects Analytics LLC, was sentenced to 36 months' probation and ordered to pay a \$2,000 fine.

In 2012, a \$249 million U.S. Army contract was awarded to Leonie Industries LLC (Leonie), for face-to-face public opinion polling in Afghanistan. In exchange for confidential government information, Barber offered a \$25,000 kickback to an employee of Leonie, Jeremy Serna, who was assigned to work the contract. Serna stole the requested information and provided it to Barber, who used it to negotiate and obtain a subcontract award from Leonie. Additionally, Barber offered Serna employment with ORB International, a United Kingdom public opinion polling company. Serna was sentenced for theft of government property on January 24, 2018.

The investigation was conducted by SIGAR, Defense Criminal Investigative Service (DCIS), and U.S. Army Criminal Investigation Command (CID), with assistance from the Defense Finance and Accounting Service.

## **U.S. Contractor Convicted for Theft and Sale of U.S. Government Property**

On July 18, 2018, in the District of Arizona, Michael D. Gilbert was convicted of one count of theft of government property, two counts of unauthorized sale, conveyance and disposition of government property, and one count of interstate transportation of stolen property.

Gilbert was an employee of PAE, a U.S. government contractor, and served as an escort for the Department of State at Kandahar Air Field (KAF). Gilbert also served as the point of contact for the State Foreign Excess Property program, through which usable government property no longer needed by the original user was reallocated to other government users.

Gilbert stole and shipped approximately 40 boxes of government property from KAF to relatives in Florida. While on home leave in Arizona, Gilbert drove to Florida to transfer the items to his home. Gilbert shipped additional boxes of government-owned items directly to his home. Some of the items shipped were subsequently sold for personal gain.

SIGAR and State OIG investigated this matter.

## **SIGAR Investigation Results in \$294,800 Civil Settlement**

On July 9, 2018, a federal civil settlement was entered into by the U.S. DOJ, Southern District of Illinois United States Attorney's Office, and Liberty Global Logistics LLC (LGL), by which LGL will pay the U.S. government \$294,800 for breach of contract claims with U.S. Transportation Command (USTRANSCOM).

An investigation was initiated after USTRANSCOM reported that LGL submitted invoices for security services which allegedly were never provided. USTRANSCOM had received a Request for Equitable Adjustment (REA) from LGL requesting payment for convoy security services related to the transportation of military cargo to various military bases in Afghanistan. However, USTRANSCOM identified several security call signs used as verification that security was provided by the Afghanistan Public Protection Force that were false. The investigation determined at least 33 false call signs were submitted to LGL by its subcontractors and which LGL included in the invoices submitted to USTRANSCOM for payment during 2016 and 2017.

The investigation was conducted by SIGAR, Naval Criminal Investigative Service, DCIS, and CID.

## **Investigation Results in Arrest of French Citizen in Afghanistan**

On September 5, 2018, as a result of a joint SIGAR/Afghan Major Crimes Task Force (MCTF) investigation, Michel LeMaire, a French citizen, was arrested in Kabul by members of MCTF and is currently incarcerated pending Afghan judicial proceedings.

An investigation was initiated based upon allegations from Afghan Diamond Logistics Services Company (ADLSC), that an individual identifying himself as James Woods represented himself as an American procurement officer for Mercy Corps and awarded two fictitious subcontracts for the delivery of fuel and beverages to Camp Camelot, in Kabul. ADLSC was never paid for approximately \$752,864 worth of goods delivered to Camp Camelot.

Woods was later identified as Michel LeMaire. LeMaire was implicated as one of the orchestrators of the criminal scheme. The investigation identified numerous, additional victims of LeMaire. MCTF reported the investigative findings to the AGO and requested LeMaire's arrest and prosecution. SIGAR

# SIGAR OVERSIGHT ACTIVITIES

collaborated on several occasions with AGO prosecutors to further the execution of arrest warrants for LeMaire.

## Suspensions and Debarments

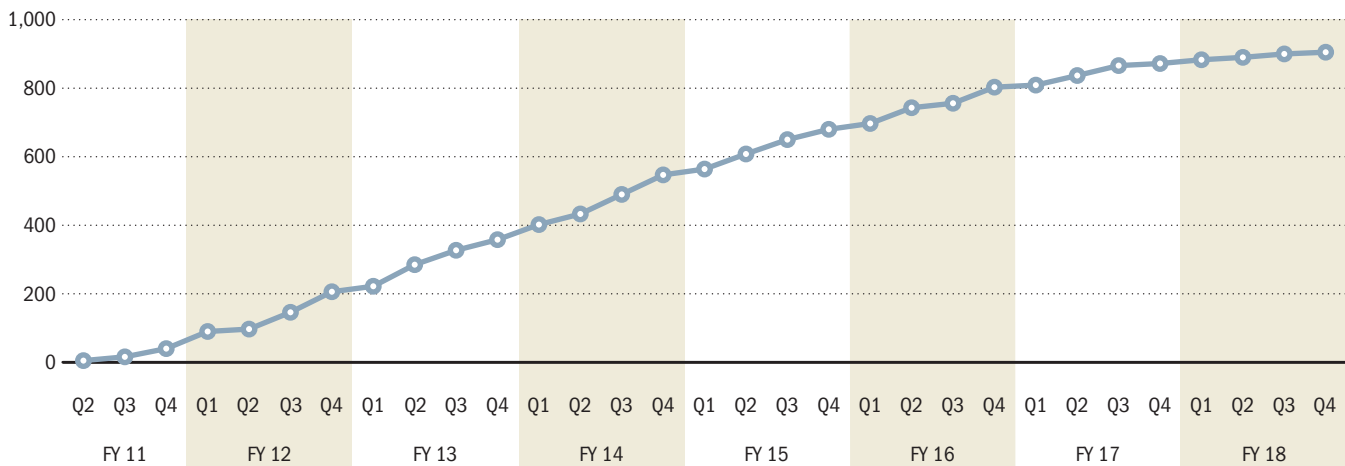
This quarter, SIGAR's suspension and debarment program referred three individuals and two entities for suspension or debarment based on evidence developed as part of investigations conducted by SIGAR in Afghanistan and the United States. These referrals bring the total number of individuals and companies referred by SIGAR since 2008 to 905, encompassing 505 individuals and 400 companies to date, as shown in Figure 2.2.

As of the end of September 2018, SIGAR's efforts to utilize suspension and debarment to address fraud, corruption, and poor performance in Afghanistan have resulted in a total of 136 suspensions and 538 finalized debarments/special-entity designations of individuals and companies engaged in U.S.-funded reconstruction projects. An additional 23 individuals and companies have entered into administrative compliance agreements with the U.S. government in lieu of exclusion from contracting since the initiation of the program. During the fourth quarter of 2018, SIGAR's referrals resulted in five debarments. An additional 10 individuals and companies are currently in proposed debarment status, awaiting final adjudication.

Suspensions and debarments are an important tool for ensuring that agencies award contracts only to responsible entities. SIGAR's program addresses three challenges posed by U.S. policy and the contingency

FIGURE 2.2

SIGAR INVESTIGATIONS: CUMULATIVE REFERRALS FOR SUSPENSION AND DEBARMENT, Q2 FY 2011-Q4 FY 2018



Note: For a comprehensive list of finalized suspensions, debarments, and special entity designations, see Appendix D.

Source: SIGAR Investigations Directorate, 10/5/2018.

contracting environment in Afghanistan: the need to act quickly, the limited U.S. jurisdiction over Afghan nationals and Afghan companies, and the vetting challenges inherent in the use of multiple tiers of subcontractors. SIGAR continues to look for ways to enhance the government's responses to these challenges through the innovative use of information resources and investigative assets both in Afghanistan and the United States.

SIGAR makes referrals for suspensions and debarments—actions taken by U.S. agencies to exclude companies or individuals from receiving federal contracts or assistance because of misconduct—based on completed investigations that SIGAR conducts or participates in. In most cases, SIGAR's referrals occur in the absence of acceptance of an allegation for criminal prosecution or remedial action by a contracting office and are therefore the primary remedy to address contractor misconduct.

In making referrals to agencies, SIGAR provides the basis for a suspension or debarment decision by the agency as well as all of the supporting documentation needed for an agency to defend that decision should it be challenged by the contractor at issue. Based on the evolving nature of the contracting environment in Afghanistan and the available evidence of contractor misconduct and/or poor performance, SIGAR at times has found it necessary to refer individuals or companies on multiple occasions for consideration by agency suspension and debarment officials.

## OTHER SIGAR OVERSIGHT ACTIVITIES

### Inspector General Sopko Addresses OECD Anti-Corruption Task Team Meeting

On October 26, 2018, Inspector General Sopko spoke in Copenhagen, Denmark, at the Organization for Economic Co-operation and Development (OECD) Special Consultation Meeting on joint donor responses to corruption hosted by the Anti-Corruption Task Team of the OECD's Development Assistance Committee's Network on Governance. IG Sopko shared his experiences of working on anticorruption efforts in Afghanistan in support of the meeting's objective to allow senior field staff to share their experiences of managing joint donor responses to corruption, with particular emphasis on new and innovative strategies that have worked in a variety of country contexts.

### Inspector General Sopko Addresses International Corruption Hunters Alliance

On October 25, 2018, Inspector General Sopko spoke at the fourth biennial meeting of the World Bank Group's International Corruption Hunters Alliance (ICHA) in Copenhagen, Denmark. The meeting brought together senior officials, heads of corruption-investigating bodies, and prosecuting

#### OTHER SIGAR OVERSIGHT ACTIVITIES

- Inspector General Sopko Addresses OECD Anti-Corruption Task Team Meeting
- Inspector General Sopko Addresses International Corruption Hunters Alliance
- Deputy Inspector General Aloise Speaks at the University of Denver's Korbel School of International Relations, Denver, Colorado
- Inspector General Sopko Addresses the University of Ottawa, Ontario, Canada
- Deputy Inspector General Aloise Meets with NATO Partners in Vicenza and Rome, Italy

authorities from over 100 countries. IG Sopko spoke on the issue of “Corruption, Fragility, and Security: Preventing Harm and Managing Risks,” and shared examples of SIGAR’s work in Afghanistan in an effort to better protect international development financing designated for countries affected by conflict, where corruption risks are high, and significant security concerns often impede oversight. The objective of the event was to provide ICHA members and practitioners with tools and case studies to allow them to achieve results while properly managing risks to donors operating in challenging environments.

## **Deputy Inspector General Aloise Speaks at the University of Denver’s Korb School of International Studies, Denver, Colorado**

On September 20, 2018, Deputy Inspector General Gene Aloise spoke to the University of Denver’s Korb School of International Studies. Aloise explained SIGAR’s unique mission in Afghanistan, described the role of oversight in evidence-based policymaking, and explained how problems with sustainability and agency coordination have hurt reconstruction efforts.



**IG Sopko** speaks to students at the University of Ottawa. (SIGAR photo)

## **Inspector General Sopko Addresses the University of Ottawa, Ontario, Canada**

On September 19, 2018, IG Sopko addressed the University of Ottawa and spoke about the challenges facing policymakers in Afghanistan. His remarks, “Lessons Learned from American Stabilization and Reconstruction Efforts in Afghanistan,” discussed key findings and recommendations identified by SIGAR’s Lessons Learned Program, including the effects of politically driven timelines, counterproductive personnel policies, and how the U.S. and its Coalition partners unwittingly contributed to corruption.

## **Deputy Inspector General Aloise Meets with NATO Partners in Vicenza and Rome, Italy**

In September 2018, Deputy IG Aloise and James Cunningham, security lead analyst for LLP, met with NATO partners in Vicenza and Rome, Italy, at the NATO Stability Police Centre of Excellence, Centre of Excellence for Stability Police Units, European Gendarmerie Forces, Carabinieri Headquarters, and the NATO Security Force Assistance Centre of Excellence.

The Carabinieri commanding general expressed to Deputy IG Aloise his hope that SIGAR will: (1) advocate for U.S. support of the NATO Stability Police Concept which is under review at NATO HQ and (2) support the Carabinieri’s training program for the Afghan National Police which is currently being held up due to funding issues. The Carabinieri are in Iraq training the national police, but cannot do the same in Afghanistan without a formal tasking from NATO headquarters. Deputy IG Aloise told the commanding general that SIGAR will look into the issues and will potentially

# SIGAR OVERSIGHT ACTIVITIES

have discussions with General Joseph F. Dunford, the Chairman of the Joint Chiefs of Staff, upon arriving back in Washington, DC.

The NATO Centres of Excellence for Stability Police and Security Force Assistance further expressed hope that the United States will assume the role as deputy director for both organizations in the future.

## SIGAR IMPACT ON FY 2019 DEFENSE AUTHORIZATION LAW

On August 13, 2018, President Trump signed the National Defense Authorization Act (NDAA) for fiscal year 2019 into law. The Act contains provisions based on recommendations from SIGAR's Lessons Learned report *Reconstructing the Afghan National Defense and Security Forces: Lessons from the U.S. Experience in Afghanistan* (SIGAR 17-62-LL). One provision of the new NDAA requires that during the development and planning of a program to build the capacity of the national security forces of a foreign country, the Secretary of Defense and Secretary of State shall jointly consider political, social, economic, diplomatic, and historical factors, if any, of the foreign country that may impact that effectiveness of the program. Another provision modifies existing law regarding assessing, monitoring, and evaluating security-cooperation programs to require incorporating lessons learned from any security-cooperation programs and activities of the Department of Defense carried out on or after September 11, 2001.

## SIGAR BUDGET

SIGAR is fully funded through FY 2019 at \$54.9 million under the Consolidated Appropriations Act, 2018. The budget supports SIGAR's oversight activities and products by funding SIGAR's Audits and Inspections, Investigations, Management and Support, and Research and Analysis Directorates, as well as the Special Projects Team and the Lessons Learned Program.

## SIGAR STAFF

SIGAR's staff count remained steady since the last report to Congress, with 193 employees on board at the end of the quarter. Of that total, 28 SIGAR employees were at the U.S. Embassy Kabul and two others were at Bagram Airfield. SIGAR employed five Afghan nationals in its Kabul office to support the Investigations and Audits Directorates. In addition, SIGAR supplements its resident staff with personnel assigned to short-term temporary duty in Afghanistan. This quarter, SIGAR had 17 employees on temporary duty in Afghanistan for a total of 190 days.



Deputy IG Aloise and James Cunningham meet with Carabinieri officials in Vicenza, Italy. (NATO photo)

“The Afghans are committed to securing their people as the country moves forward to conduct its first parliamentary elections in eight years, later this month. The taste for peace and reconciliation remains strong following this summer’s cease-fire, and we continue to see local reconciliation initiatives around the country.”

—*General Joseph Votel*