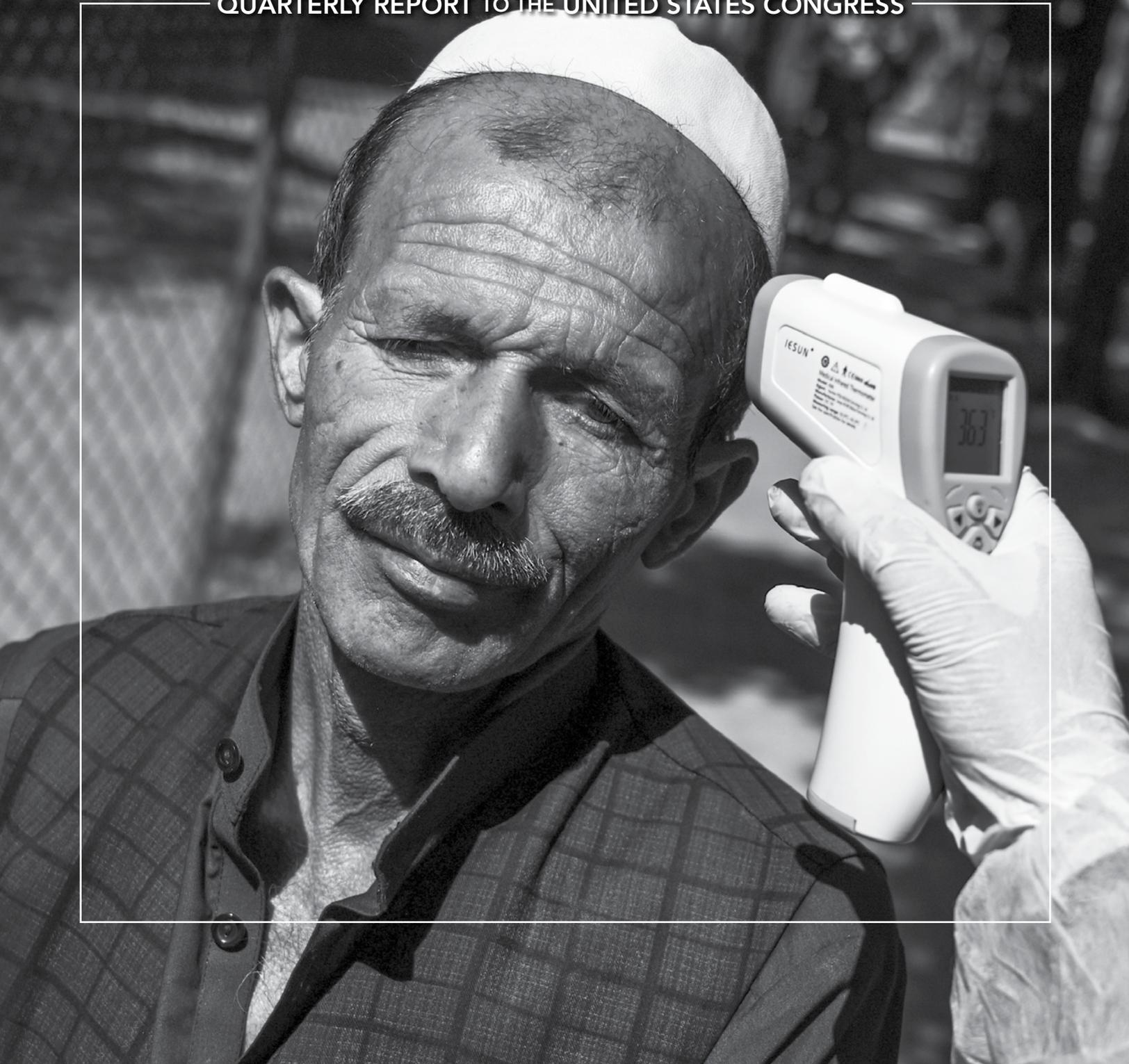


SIGAR

Special Inspector General for
Afghanistan Reconstruction

JUL 30
2020

QUARTERLY REPORT TO THE UNITED STATES CONGRESS





The National Defense Authorization Act for FY 2008 (Pub. L. No. 110-181) established the Special Inspector General for Afghanistan Reconstruction (SIGAR).

SIGAR's oversight mission, as defined by the legislation, is to provide for the independent and objective

- conduct and supervision of audits and investigations relating to the programs and operations funded with amounts appropriated or otherwise made available for the reconstruction of Afghanistan.
- leadership and coordination of, and recommendations on, policies designed to promote economy, efficiency, and effectiveness in the administration of the programs and operations, and to prevent and detect waste, fraud, and abuse in such programs and operations.
- means of keeping the Secretary of State and the Secretary of Defense fully and currently informed about problems and deficiencies relating to the administration of such programs and operation and the necessity for and progress on corrective action.

Afghanistan reconstruction includes any major contract, grant, agreement, or other funding mechanism entered into by any department or agency of the U.S. government that involves the use of amounts appropriated or otherwise made available for the reconstruction of Afghanistan.

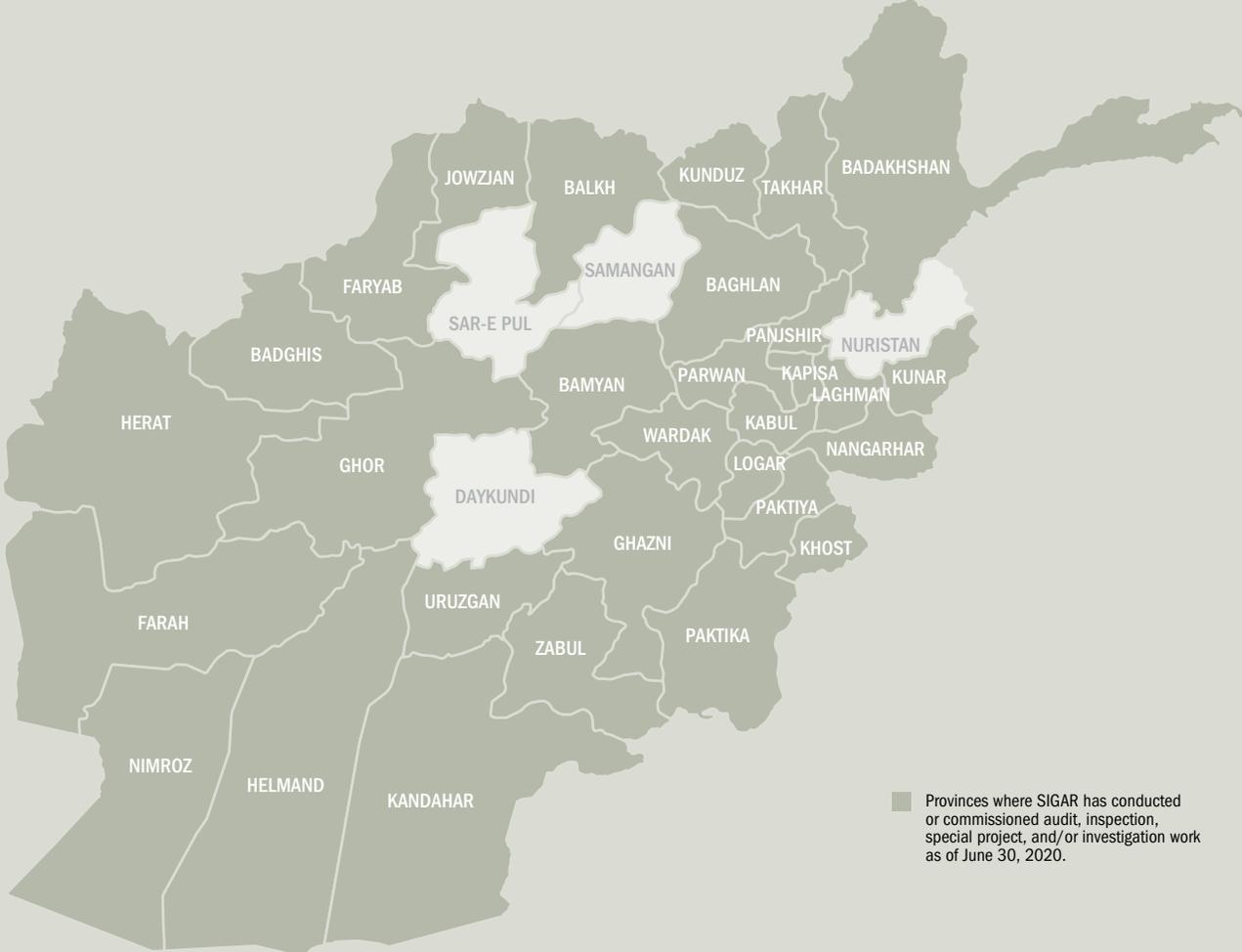
As required by the National Defense Authorization Act for FY 2018 (Pub. L. No. 115-91), this quarterly report has been prepared in accordance with the Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency.

Source: Pub. L. No. 110-181, "National Defense Authorization Act for FY 2008," 1/28/2008, Pub. L. No. 115-91, "National Defense Authorization Act for FY 2018," 12/12/2017.

(For a list of the congressionally mandated contents of this report, see Appendix A.)

Cover photo:

An Afghan man has his temperature checked as a precaution against COVID-19 before entering a mosque in Kabul. (AFP photo by Wakil Kohsar)



■ Provinces where SIGAR has conducted or commissioned audit, inspection, special project, and/or investigation work as of June 30, 2020.



SPECIAL INSPECTOR GENERAL FOR
AFGHANISTAN RECONSTRUCTION

I am pleased to submit to Congress, and to the Secretaries of State and Defense, SIGAR's 48th quarterly report on the status of reconstruction in Afghanistan.

According to the Combined Security Transition Command-Afghanistan (CSTC-A), this has been “perhaps the most complex and challenging period in the last two decades” for the Afghan National Defense and Security Forces (ANDSF). Peace talks between the Taliban and the Afghan government have yet to begin, Taliban attacks on Afghan security forces have surged, and the COVID-19 pandemic has cast a huge shadow over Afghan daily life.

In addition, one of the long-standing impediments to overseeing U.S. funding for the ANDSF has been the questionable accuracy of the force's actual (assigned) personnel strength numbers. SIGAR and other oversight agencies have long concluded that knowing exactly how many personnel serve in the ANDSF is critical for informing funding decisions, especially on the hundreds of millions of dollars per year the United States spends on ANDSF salary and incentive payments. In Section One of this report, we examine the results of SIGAR's and the Department of Defense's (DOD) ongoing efforts to find and eliminate “ghost” soldiers and police within the ANDSF by improving its personnel-accountability systems.

This quarter, SIGAR issued 11 products. SIGAR work to date has identified about \$3.3 billion in savings for the U.S. taxpayer.

SIGAR issued a performance-audit report this quarter reviewing DOD's \$174 million ScanEagle Unmanned Aerial System program, and an evaluation report reviewing the status of SIGAR recommendations made to the United States Agency for International Development (USAID) over the past five years. SIGAR also issued two inspection reports examining the construction of the Afghan National Army and Train Advise Assist Command–Air Joint Air Force Hangar I Complex, and security upgrades at the Ministry of Interior headquarters complex.

SIGAR completed six financial audits of U.S.-funded projects to rebuild Afghanistan that identified \$9,141,944 in questioned costs as a result of internal-control deficiencies and noncompliance issues. These financial audits covered a range of topics including the State Department's Antiterrorism Assistance Program, support for humanitarian mine action and conventional-weapons destruction, and USAID's Afghanistan Health Sector Resiliency Project.

SIGAR's Office of Special Projects issued one report examining increased costs incurred by U.S. contractors in Afghanistan as a result of inconsistent work-visa policies and fees.

During the reporting period, SIGAR criminal investigations resulted in three criminal charges and two guilty pleas. SIGAR initiated three new cases and closed eight, bringing the total number of ongoing investigations to 123.

In these tumultuous times, SIGAR will continue to provide Congress and the Administration with the oversight work necessary to protect U.S. taxpayer dollars in Afghanistan.

Sincerely,

A handwritten signature in black ink, appearing to read 'John F. Sopko', with a long horizontal flourish extending to the right.

John F. Sopko

EXECUTIVE SUMMARY

This report summarizes SIGAR’s oversight work and updates developments in four major areas of reconstruction efforts in Afghanistan from April 1 to June 30, 2020.* It includes an essay examining ongoing challenges with overseeing the personnel-accountability system for the Afghan National Defense and Security Forces (ANDSF).

During this reporting period, SIGAR issued 11 audit and inspection reports, reviews, and other products assessing U.S. efforts to build the Afghan security forces, improve governance, facilitate economic and social development, and combat the production and sale of narcotics. In this period, SIGAR criminal investigations produced three criminal charges and two guilty pleas.

SIGAR OVERVIEW

AUDITS AND INSPECTIONS

This quarter, SIGAR issued one performance-audit report, one evaluation report, six financial-audit reports, and two inspection reports.

The **performance-audit report** examined the Department of Defense’s (DOD) lack of oversight and performance assessments for its \$174 million ScanEagle Unmanned Aerial System program.

The **evaluation report** found that the U.S. Agency for International Development (USAID) implemented more than 80% of recommendations from SIGAR’s Audits and Inspections Directorate over the past five years.

The six **financial-audit reports** identified \$9,141,944 in questioned costs as a result of internal-control deficiencies and noncompliance issues.

The **inspection reports** found:

- Construction and renovation of an Afghan National Army and Train Advise Assist Command-Air Joint Air Force Hangar generally met requirements and standards.
- Three potential security hazards at the Afghan Ministry of Interior headquarters were due to insufficient electrical power and inadequate maintenance.

SPECIAL PROJECTS

This quarter, SIGAR’s Office of Special Projects issued one **review**, which found:

- Inconsistent work-visa policies and fees imposed by the Afghan government significantly increased costs incurred by U.S. contractors in Afghanistan.

EXECUTIVE SUMMARY

LESSONS LEARNED

SIGAR's Lessons Learned Program has four projects in development: U.S. government support to elections; monitoring and evaluation of reconstruction contracting; efforts to advance and empower women and girls; and a report on police and corrections.

INVESTIGATIONS

During the reporting period, SIGAR investigations resulted in three criminal charges and two guilty pleas. SIGAR initiated three new cases and closed eight, bringing the total number of ongoing investigations to 123.

Investigations highlights include:

- Two individuals pleaded guilty to one-count criminal informations—charges made by a prosecutor rather than by

a grand jury—charging conspiracy to commit offenses against the United States. The individuals were employed by a U.S. government contractor to recruit candidates for positions as language interpreters working with the U.S. military. They circumvented procedures designed to ensure that candidates met minimum proficiency standards, which resulted in unqualified language interpreters being hired and later deployed alongside U.S. combat forces in Afghanistan. To carry out this scheme, they conspired with others to commit wire fraud and major fraud against the United States. To date, four coconspirators have pleaded guilty as a result of the SIGAR-led investigation.

* As provided in its authorizing statute, SIGAR may also report on products and events occurring after June 30, 2020, up to the publication date of this report. Unless otherwise noted, all afghani-to-U.S. dollar conversions used in this report are derived by averaging the last six months of exchange-rate data available through Da Afghanistan Bank (www.dab.gov.af), then rounding to the nearest afghani. Data is as of June 29, 2020.

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“NATO allies and partners remain firmly committed to Afghanistan’s long-term security and stability, through our Resolute Support training mission, and with funding.”

—*NATO Secretary General Jens Stoltenberg*

1 CHASING GHOSTS



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An Afghan National Army soldier stands in formation at a checkpoint in western Afghanistan. (U.S. Army Reserve photo by Spc. Jeffery J. Harris)

CHASING GHOSTS

ON THE TRAIL OF DOD'S PERSONNEL-ACCOUNTABILITY REFORMS FOR THE ANDSF

The United States has invested tremendous resources in a whole-of-government effort to develop accountable Afghan institutions that could outlast armed opposition groups like the Taliban. Nowhere has this challenge been more apparent than U.S.-led efforts to develop effective Afghan security forces. Heavily resourced and critical to the survival of the Afghan republic, these indigenous security forces are necessary to advance U.S. interests in the face of continuing violence.

Sustaining and developing Afghanistan's security forces costs the United States about \$4 billion to \$5 billion per year.¹ In 2015, Inspector General John F. Sopko told members of the House Oversight and Government Reform Committee "every dollar we spend now on training, advising, and assisting the Afghans, and on oversight must be viewed as insurance coverage to protect our nearly trillion dollar investment in Afghanistan since 2001." Failure to ensure that these funds are spent as effectively and efficiently as possible and used as intended, Sopko added, "decreases the chances that Afghanistan will become a secure and stable nation, thus risking all the United States, the Afghan government, and our allies have invested to date."²

But getting an accurate count of Afghan military and police personnel has always been difficult.³ For example, in 2013, before becoming president, Ashraf Ghani told Inspector General Sopko in a meeting at his residence that the United States government was still paying the salaries of soldiers, police, teachers, doctors, and other civil servants who did not exist.⁴

One of the enduring impediments to overseeing U.S. funding for the Afghan National Defense and Security Forces (ANDSF) has been the questionable accuracy of data on the actual ("assigned," as distinct from authorized) strength of the force. Oversight agencies have long concluded that knowing exactly how many personnel serve in the ANDSF is critical for informing funding decisions, especially on the hundreds of millions of dollars per year the United States spends on ANDSF salary and incentive payments.⁵



SIGAR audits staff review biometric identification cards used by ANDSF personnel. (SIGAR photo)

CHASING GHOSTS

But, contrary to SIGAR's expectations, these Department of Defense (DOD)-led ANDSF personnel accountability reform efforts seem to have limited influence on actual DOD decisions on ANDSF personnel expenditures and procurement of individual and unit items.

SIGAR and other agencies, including DOD, have long been concerned that they lack accurate information about the actual strength of the ANDSF. Since 2011, SIGAR and DOD's Office of Inspector General (DOD OIG) have reported that neither Afghan nor U.S. authorities could verify the accuracy of the ANDSF personnel data or payroll systems.⁶ This concern continues.

The consequence, SIGAR noted in 2015, was that "neither the United States nor its Afghan allies truly know how many Afghan soldiers and police are available for duty, or, by extension, the true nature of their operational capabilities."⁷

Anecdotal reports suggested a dire situation. A Combined Security Transition Command–Afghanistan (CSTC-A) payroll assessment of Afghan police in Uruzgan Province in 2010 found that time and attendance records were photocopied and resubmitted rather than generated fresh each month, or were based on phone calls rather than traceable documentation.⁸ In January 2016, the head of Helmand's provincial council told the Associated Press that he estimated some 40% of the Afghan security forces supposedly in the province did not exist.⁹ Just this quarter, CSTC-A told SIGAR that a recent Afghan government assessment¹⁰ in Kandahar, Zabul, Helmand, and Uruzgan Provinces reported that 50% to 70% of police positions were "ghost soldiers"—fictitious entries.¹¹ These stories and many others like them prompted SIGAR to focus attention on this critical matter.

The importance of accuracy for pay, supply, capability assessment, and actual combat readiness was underscored in 2014 as the commander of U.S. Forces–Afghanistan, General John F. Campbell, warned publicly that DOD was losing field-level "touch points" at lower echelons of the Afghan security forces that facilitated oversight.¹² Inspector General Sopko, too, highlighted the implications of the shrinking number of "oversight bubbles" (e.g., areas where U.S. personnel are able to operate as the U.S. government has the ability to provide both adequate security and rapid emergency medical support) as U.S. and Coalition forces were handing lead responsibility for security to Afghan forces.¹³

SIGAR's reviews during this period spurred necessary DOD reforms. As a DOD official wrote, "the referenced SIGAR audits did in fact lead DOD to undertake an effort to build from scratch an enterprise information system for the [Ministry of Defense] MOD and [the Ministry of the Interior] MOI that would address the accountability challenges identified in those audits."¹⁴ The result was a new integrated electronic system—the Afghan Personnel and Pay System (APPS)—intended to deliver more accurate and reliable strength numbers.¹⁵

CHASING GHOSTS

An important aspect of APPS is that CSTC-A and the Afghan government concurrently undertook what is known as a Personnel Asset Inventory (PAI)—a continuous process of physically counting personnel; correcting the employment status of personnel retired, separated, or killed in action; and biometrically enrolling (via finger print, iris, and face scans) personnel who were not yet enrolled.¹⁶ These renewed PAI efforts should establish a more rigorously supported baseline for ANDSF personnel estimates.¹⁷

Through subsequent years' quarterly reports, SIGAR reported on the progress and challenges in developing and implementing APPS. Repeated delays were a problem, with CSTC-A saying that it is difficult to develop and implement software with the myriad challenges present in Afghanistan.¹⁸ APPS was originally scheduled to be deployed for the MOD in July 2018 and for the MOI in November 2018. DOD told SIGAR in October 2019 that CSTC-A had been basing its MOD funding decisions on APPS starting in September 2018. In June 2020, however, DOD said that APPS did not “begin to fully drive [MOD] pay until September–October 2019,” a full year later.¹⁹

An August 2019 DOD OIG audit on the planning and initial implementation of the APPS found that, as of December 2018, APPS still had incomplete and inaccurate ANDSF personnel listings and was still missing system capabilities required by the contract. This audit, focused mainly on a \$26.2 million contract to develop the APPS software, raised worrying concerns. As the DOD OIG wrote, APPS was a “system that cannot communicate directly with Afghan systems, relies on the same manually intensive human resource and payroll processes that the system was designed to streamline, and does not accomplish the stated objective of reducing the risk of inaccurate personnel records or fraudulent payments through the use of automated controls.”²⁰ By way of dissent, a DOD official criticized the report's findings in recent communications with SIGAR for this Quarterly Report, saying that the system was incomplete at the time of the audit.²¹

SIGAR hoped that with time the combined APPS/PAI initiative would provide DOD a more accurate accounting of the real strength of the ANDSF that would ultimately position it to make better-informed funding and other decisions. SIGAR deferred judgment until APPS matured sufficiently.

These hopes were buoyed when, in October 2019 during a visit to Kabul, Inspector General Sopko heard from CSTC-A Commander Lt. Gen. James Rainey that his command had saved \$79 million after APPS helped them eliminate 50,000 ghost soldiers. Inspector General Sopko welcomed this news and promised to dispatch staff to learn more about the implications of this reported success.²²

Also in October, CSTC-A provided SIGAR with ANDSF assigned-personnel estimates derived from APPS that indicated 58,478 fewer personnel were in the force than had been reported a year earlier under the previous system.²³ The correlation of this difference with Lt. Gen. Rainey's “ghost soldiers” estimate was striking, but CSTC-A personnel at the time, said that



IG Sopko reviews a Personnel Asset Inventory (PAI) at the Afghan National Army 209th Corps. (SIGAR photo)

CHASING GHOSTS

comparing these data would “result in skewed or distorted data analysis.”²⁴ Given these conflicting views, CSTC-A appears to have been uncertain how best to interpret the new perspective on ANDSF assigned strength emerging from the APPS/PAI process.

Around the same time, SIGAR’s Investigations Directorate found that MOD and MOI officials created fraudulent payroll records to obtain payments to nonexistent ANDSF personnel. Working jointly with Afghan investigators and SIGAR auditors, SIGAR investigations staff have assisted the Afghan government in an attempt to return ill-gotten funds and prosecute Afghan officials in Afghan courts. In doing so, SIGAR has identified a number of sophisticated schemes to divert payroll funding, and several hundred police personnel records that have been tampered with that are linked to ghost personnel. Further, sources told SIGAR that Afghan government auditors responsible for overseeing MOI funding and documentation have been negligent in their assigned duties and have resisted follow-up audits.²⁵

The following sections describe SIGAR’s initial observations and its continuing questions. They reflect several quarters of DOD responses to SIGAR data calls, two SIGAR staff visits to Afghanistan (December 2019 and March 2020), and other communications. The narrative traces DOD claims of success, acknowledges DOD progress and cost-savings, and summarizes our current understanding and the continuing questions that will inform future SIGAR work.

TRUST BUT VERIFY

“Trust but verify” is the mantra of the oversight community, and is the spirit in which SIGAR approached DOD’s claims of APPS-driven force-strength clarity and associated benefits.

The first step was to ascertain the nature and breadth of the cost savings realized due to having more accurate ANDSF strength numbers. Reflecting on years of SIGAR work, the SIGAR team logically assumed that improved estimates of actual, assigned ANDSF personnel would have implications for several types of costs:

- **Wages and salaries:** The costs most directly responsive to changes in personnel count should be wages and salaries. If there are fewer reported police and soldiers, spending on their salaries and wages should decline (net of pay-grade increases, bonuses, and such, all other things being equal). As shown in Table 1, CSTC-A provided preliminary APPS data in June 2019 based on May counts showing approximately 15% fewer Afghan soldiers and police than reported under the previous systems. Asked about the gulf between the numbers, CSTC-A said that it “does not expect that the APPS-reported data will ever equal the amount that was self-reported [by the Afghans],” adding that it “cannot categorize the excess individuals as ‘ghost’ personnel, because it is

CHASING GHOSTS

TABLE 1

DIFFERENCE BETWEEN APPS-DERIVED ANDSF ASSIGNED STRENGTH AND PRE-APPS ANDSF ASSIGNED STRENGTH					
Month(s) Strength was Reported	Apr/May		Jul	Oct/Nov	Jan
Averaged 2015-2018 assigned strength estimate (pre-APPS, manually reported assigned strength)	320,372		314,699	313,270	319,515
	May 2019	Apr 2020	Jul 2019	Oct 2019	Jan 2020
APPS-derived assigned strength estimate (slotted and eligible for pay)	272,465	288,418	253,850	272,807	281,807
Difference (Manually reported vs APPS strength)	(14.95%)	(9.97%)	(19.34%)	(12.92%)	(11.80%)

Note: The pre-APPS “average assigned strength estimate” represents the manually reported assigned-strength estimate for each quarter and was determined by averaging the assigned-strength reported to SIGAR and published in each Quarterly Report during the four years from 2015 through 2018. Although efforts were made to faithfully include the same ANDSF components year-on-year, in some cases this was not possible. For example, in a small number of cases, ANDSF civilians were included in the ANDSF assigned-strength figures whereas in most quarters, ANDSF civilians are not included in published ANDSF strength. In comparison to the four-year average of manually reported strength, the “APPS-derived assigned strength estimate” represents only a single snapshot of the ANDSF “assigned strength” reported to SIGAR for publication. Further, “APPS-derived assigned strength” is most appropriately defined as those police or soldiers slotted in APPS and eligible for pay.

Source: SIGAR Quarterly Reports 2015–2020.

not known why the Afghan reported numbers are higher.”²⁶ Assigned-strength numbers in APPS continued to increase as records were corrected and additional personnel were enrolled, but as also shown in Table 1 APPS-sourced ANDSF strength is still about 10% lower than reported under the previous personnel system for the same time the previous year.²⁷

- **Individual equipment and clothing:** If there are fewer police and soldiers who require uniforms and individual equipment, the need to restock the depots should decrease. Equipment attrition should reflect the current number of personnel, the number of personnel entering the security forces requiring new kit, and the intensity of operations, as this will likely increase wear and tear.²⁸ However, high ANDSF casualties since 2014 speak to the intensity of the fight in the past several years,²⁹ likely increasing the need to procure individual equipment and uniforms.
- **Unit equipment and consumables:** Indirectly, assigned strength estimates could inform the composition of organizations and units (companies, battalions, brigades, divisions, and corps) that represent the aggregation of individuals into a larger whole. These units—and their unit-level equipment and associated consumables such as fuel and ammunition—require sufficient numbers of capable individuals to operate and employ these unit-level assets.³⁰ If units are seriously understrength, it may be necessary to collapse an unsustainably high number of organizational structures that lack the necessary critical mass into fewer, more rational units. In such a scenario, fewer unit-level assets and consumables are necessary as there are fewer units. In addition to ascertaining the overall size of the ANDSF, it would be

CHASING GHOSTS



IG Sopko meets with ANDSF officers before a briefing on Personnel Asset Inventory (PAI). (SIGAR photo)

necessary to understand the distribution of individuals across the units, as well as the operational tempo of these units, to fully appreciate the implications of APPS-derived personnel data on unit-level equipment requirements.

DOD’s account of events, as SIGAR understood it before the field trips, was that DOD—encouraged by SIGAR pay and personnel audits—developed and deployed APPS, which then provided DOD with a more precise and accurate understanding of Afghan police and soldier numbers, unit assignment, and individual function.³¹ This improved understanding, in turn, enabled DOD to adjust their spending decisions and initially save \$79 million after eliminating 50,000 illegitimate “ghost soldiers.”³² This data-driven accounting of events was very appealing.

With this narrative in mind, SIGAR dispatched teams to Afghanistan in December 2019 and March 2020 to learn more about CSTC-A’s use of the more precise and accurate APPS-derived ANDSF personnel estimates. The results inspired some optimism and raised some questions.

Kicking the Tires, Testing the Effect of APPS

Wages and Salaries

Wages and salaries seemed the most obvious opportunity to find APPS-driven savings. Despite CSTC-A’s initial claims, however, there does not yet appear to have been a positive APPS-driven effect on actual wage and salary payments.

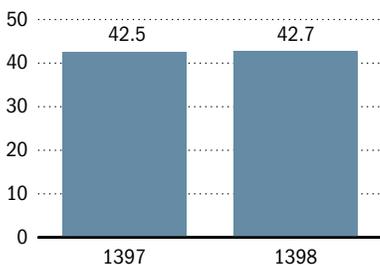
While CSTC-A repeated the claim in December 2019 that \$79 million had been saved due to APPS implementation,³³ by January 2020, they clarified that the \$79 million was a future cost-avoidance estimate, not an actual cost-savings amount, which they said would be “impossible to predict.”³⁴ During SIGAR’s March 2020 trip, CSTC-A officials said they no longer supported the \$79 million estimate, as the savings initially claimed were subsequently offset by a nearly equal cost increase from the addition of about 50,000 personnel to APPS records in the intervening time.³⁵ According to a senior CSTC-A official, while APPS is “not a money-saving program [per se] . . . we saved money by scrubbing [ANDSF] personnel records and removing records that were not verifiable.”³⁶

Because the U.S. has robustly funded MOD salaries and incentives during the implementation of APPS, SIGAR analyzed whether CSTC-A-reported decreases in APPS-derived estimates of MOD actual strength correlated roughly with a commensurate decrease in Afghan government-reported expenditures for MOD salary and incentive payments.³⁷

Figure 1 shows the results of SIGAR’s analysis of data from the Afghanistan Financial Management Information System (AFMIS). There

FIGURE 1

MOD WAGES AND SALARIES EXPENDITURES FY 1397 AND 1398 (IN AFGHANI BILLIONS)



Note: CSTC-A funding was determined from data available in the Afghanistan Financial Management and Information System (AFMIS) for Afghan fiscal years 1397 and 1398. For this analysis, AFMIS fund codes 10040, 10042, 10043, 10044, 10045, and 10046 were assigned to CSTC-A for expenditures.

Source: SIGAR analysis of MOF-provided AFMIS data exported 1/18/2020 and 4/14/2020; SIGAR analysis of USAID-provided AFMIS data exported 1/12/2019.

was no obvious overall drop in MOD wages and salaries. For example, in Afghan fiscal year (AFY) 1397 (December 2017 through December 2018), before APPS implementation, CSTC-A is credited with roughly 42.7 billion afghani for MOD salary and incentive-pay expenditures compared to about 43.4 billion afghani in AFY 1398 (December 2018 through December 2019).³⁸

As noted, DOD's changing timelines for APPS implementation complicated SIGAR's process for assessing APPS impact on ANDSF wages and salaries. For example, CSTC-A told SIGAR in October 2019 that the MOD began generating payroll data using APPS in July 2019.³⁹ However, in June 2020, CSTC-A said that it was not until September–October 2019 that APPS fully drove ANA pay.⁴⁰ So only the last two to three months of the Afghan fiscal year could be analyzed for the effect of the more reliable APPS-derived numbers.

Additionally, during the recent APPS development and deployment, MOD went through several changes that likely affected MOD salaries and incentives, most notably absorbing approximately 31,500 former MOI Afghan Border Police and Afghan National Civil Order Police elements⁴¹ and a 5% base salary increase for MOD in AFY 1398 (December 2018 through December 2019).⁴² These two events may have led to increased MOD wage and salary expenditures, potentially offsetting any APPS-derived savings.⁴³ Further, a senior CSTC-A official said a more professional Afghan security force trained in high-risk areas (including special operations forces, explosive-ordnance disposal, and helicopter pilots) is more expensive. “We very well may be paying fewer people more because they are trained and employed in high-hazard areas,” he concluded.⁴⁴

Exchange rates also affect costs for the U.S. government maintaining a relatively constant amount of support of MOD wages and salaries. The afghani has depreciated against the U.S. dollar,⁴⁵ meaning the relatively stable afghani trend likely cost the U.S. government fewer dollars to maintain.

In its analysis of AFMIS data, SIGAR found no obvious support for the claim that APPS had an effect on MOD salaries and incentives.⁴⁶ While DOD insists APPS has “saved” money, they have not provided SIGAR the necessary evidentiary support for that claim.⁴⁷

Individual Equipment, Clothing, and Small Arms

For individual equipment and clothing, CSTC-A officials acknowledged that APPS-derived data could better inform their decisions. Outside of generalities/hypotheticals, CSTC-A did not provide SIGAR with specific examples of APPS-derived data being used in decision-making. From our conversations, it appeared the more influential data were the number of on-hand equipment and clothing items reported in supply inventory systems like CoreIMS.⁴⁸ While APPS apparently provided some basis to support or challenge equipment requests and facilitated cross-leveling items

CHASING GHOSTS



Members of SIGAR's Research and Analysis Directorate during their December 2019 trip to Kabul. (SIGAR photo)

between units,⁴⁹ it appeared to serve as a secondary data source.⁵⁰ CSTC-A told SIGAR that the number of Afghans who have served in the ANDSF is much higher than the number of personnel presently in service (assigned strength), meaning higher costs as so many individuals enter and leave the service. While CSTC-A did not explain why this would drive up costs,⁵¹ attrition of personnel presumably is associated with some loss of the individual's items, necessitating new purchases.

Large Unit Items and Consumables

DOD told SIGAR there was no relationship between ANDSF personnel estimates and unit-level equipment and consumables. CSTC-A officials said the decision to stop procuring major end-items (such as the HMMWV tactical wheeled vehicle, popularly known as a "Humvee") was the result of a policy decision by Lt. Gen. Rainey.⁵²

SIGAR's sense from its discussions in Afghanistan is that Lt. Gen. Rainey's command team proved more skeptical of ANDSF requests, more tolerant of the risk of ANDSF failures if necessary for reforms and savings, and more focused on making do with existing stock through maintenance rather than new procurements than some previous commands.⁵³

Asked whether the APPS-derived personnel data informed DOD's decision-making on major end items and consumables like ammunition or fuel, DOD's Office of the Undersecretary of Defense for Policy (OUSD-P) insisted that the answer was "No."⁵⁴ OUSD-P said procurements were driven by operational tempo, by the official organizational structure of the ANDSF and associated equipment authorizations (tashkil), and by assessments of existing stock.⁵⁵

A CONFUSING PATH ENDS IN PERSISTING QUESTIONS

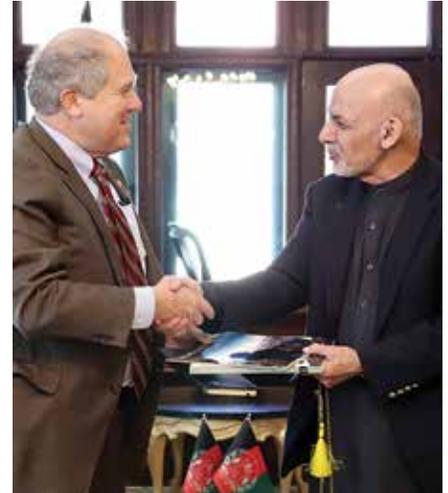
In 2019, CSTC-A reported \$621 million in actual savings and cost avoidance following a review of foreign military sales (FMS) contracts. According to CSTC-A, these savings were not due to APPS, but the result of a more skeptical CSTC-A command team (represented by a group they called the "angry council of colonels") taking a "wire brush" to previously unchallenged advisor contracts. As the CSTC-A director of staff put it, "do we really need two [contracted] advisors or will one do?" Asked whether APPS helped inform these savings, CSTC-A cited other influences.⁵⁶ Nonetheless, CSTC-A told SIGAR that "APPS will be another tool for CSTC-A and the ANDSF to use for future decisions" and that the system has had "a strong positive impact" on identifying ghost soldiers.⁵⁷

CHASING GHOSTS

Despite assertions of incipient success and hopes built up over the years, including claims of actual cost savings due to improved data from APPS, SIGAR has been unable to validate the efficacy of the APPS reform process.

It is possible that APPS, accompanied by continual efforts to physically validate a reasonable sample of ANDSF personnel serving at their duty stations, may allow DOD to reduce its actual MOD salary expenditures. It is also possible that APPS may assist DOD in further refining its decisions around individual equipment and clothing and the force structure of the ANDSF to better reflect what is possible given the challenges facing a voluntary force in the midst of an intense, long-running war rather than what is imagined in DOD-developed organizational charts.⁵⁸ All this and more may already be taking place. If so, DOD has not provided the necessary evidentiary support to confirm that they have realized any of these possibilities.

Nailing down accurate numbers for the ANDSF remains important for ensuring adequate support, for reducing the risk of waste, for informing assessments of ANDSF's capabilities, and for maintaining visibility into the use of American taxpayers' money. SIGAR will therefore initiate additional oversight work to advance its understanding of this critical issue.



IG Sopko meets with Afghan President Ashraf Ghani. (Afghan government photo)

“[Corruption] is the most insidious threat the Afghan government faces because it saps the support of citizens who are trying to go about their daily work, feed their families, and live free of fear and intimidation.”

—*Inspector General John F. Sopko*