

SIGAR

Special Inspector General for
Afghanistan Reconstruction

JAN 30
2021

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 operations 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:

Afghan security-force members walk past a bombed truck in Kabul. (AFP photo by Zakeria Hashimi)



SPECIAL INSPECTOR GENERAL FOR
AFGHANISTAN RECONSTRUCTION

I am pleased to submit to Congress, and to the Secretaries of State and Defense, SIGAR's 50th quarterly report on the status of reconstruction in Afghanistan. This report will be the first for the new Administration and Congress, and it comes at a time when Afghanistan faces what many consider its most perilous moment since the United States first intervened in the country nearly twenty years ago.

Although almost exactly a year ago the United States entered with some fanfare into a withdrawal agreement with the Taliban, peace talks between the Islamic Republic of Afghanistan and the Taliban have so far yielded few substantive results. There has been no cease-fire agreement and high levels of insurgent and extremist violence continued in Afghanistan this quarter despite repeated pleas from senior U.S. and international officials to reduce violence in an effort to advance the peace process. According to U.S. Forces-Afghanistan (USFOR-A), the Taliban this quarter has carried out a “campaign of unclaimed attacks and targeted killings” of Afghan government officials, civil society leaders, and journalists. Nor is it evident, as SIGAR discusses in this report, that the Taliban has broken ties with the al-Qaeda terrorists who orchestrated the 9/11 attacks on the United States.

On November 17, Acting Secretary of Defense Christopher Miller announced that, on instructions from President Donald J. Trump, U.S. troop levels in Afghanistan would be reduced from the 4,000–5,000 reached in November, to 2,500 by January 15, 2021. The 2,500-troop level was not specified in the U.S.-Taliban agreement signed in February 2020 and defense officials acknowledge that this lower force level introduces some limitations on force capacity and on the train, advise, and assist mission. However, USFOR-A said this quarter that its ability to execute and/or oversee costly and necessary taxpayer-funded contracts to train and sustain the Afghan National Defense and Security Forces (ANDSF), and to provide them hundreds of millions of dollars' worth of equipment and direct-assistance funds has thus far not been adversely affected—an assurance that has been tested neither by time nor independent audit.

But time is critical. The new Administration and Congress have only three months to decide whether the United States will withdraw all U.S. troops by April 30, 2021, pursuant to the U.S.-Taliban agreement. As discussed in the report, Congress recently imposed detailed conditions for further reduction in troop levels in the National Defense Authorization Act for Fiscal Year 2021 passed on January 1, 2021.

Also in November, donor nations gathered virtually at a conference in Geneva, Switzerland, and pledged approximately \$3.3 billion in new development assistance for 2021 and expressed the potential for providing between \$12 billion and \$13.2 billion through 2024—a drop from the \$15.2 billion pledged for four years in the 2016 donors' conference. The amount pledged represents the bare minimum of what World Bank analysts say would be required to maintain Afghanistan as a viable state, due to the failing Afghan economy, which this report discusses in greater detail.

In this quarterly report, we also note that, despite Afghanistan's status as the world's leading opium producer, international donors at Geneva did not include poppy-cultivation estimates among the outcomes or targets outlined in the Afghanistan Partnership Framework (APF) agreed to at the conference. The APF is supposed to reflect a revised form of conditionality, so this would appear to be a missed opportunity for donors to demand measurement of an important crosscutting indicator of Afghanistan's enduring poverty, lawlessness, insecurity, and corruption.

This omission came as disagreements between Afghanistan's National Statistics and Information Authority and the United Nations Office on Drugs and Crime mean that no detailed, consistent, and public estimate for Afghanistan's opium cultivation has been published since the 2018 harvest. This assessment has been one of the most important tools used since 1994 by both the Afghan government and the international community to measure the extent of the narcotics problem and the impact of countermeasures to address this global threat.

Donor nations at the Geneva conference also missed an opportunity to strongly address the growing problems of corruption in Afghanistan. As highlighted by SIGAR since 2016, corruption is one of the major threats to developing a functional Afghan government and effective ANDSF to address the insurgency. The conference donors failed—again—to articulate specific, measurable actions that the Afghan government needs to perform to seriously address corruption. This quarterly report discusses that issue. More detail will appear in a forthcoming SIGAR audit report, which will be the third report on Afghanistan's anticorruption efforts requested by Congress.

During this quarter, SIGAR issued 10 products, including this report. SIGAR work to date has identified approximately \$3.82 billion in savings for the U.S. taxpayer.

SIGAR issued two performance-audit reports: a classified report reviewing efforts to build up the Afghan Air Force (AAF) and Special Mission Wing, and a report on DOD's transfer of military equipment to the Afghan government. SIGAR also issued an alert letter highlighting key challenges to ongoing anticorruption efforts.

SIGAR issued five financial-audit reports of U.S.-funded projects to rebuild Afghanistan that identified \$26,993,829 in questioned costs as a result of internal-control deficiencies and noncompliance issues. These financial audits covered a range of topics including USAID's Power Transmission and Connectivity Program, the U.S. Air Force's support for AAF C-130H airlift capabilities, and the State Department's Mine Detection Dog Center.

This quarter, SIGAR's Office of Special Projects issued one report examining ongoing efforts to counter cash smuggling at Hamid Karzai International Airport in Kabul.

During the reporting period, SIGAR criminal investigations resulted in three federal charges, three guilty pleas, one sentencing, and over \$190,000 in restitutions and forfeitures.

SIGAR has often pointed out in its oversight products and in editions of its biennial *High-Risk List* for Congress that many equipment acquisitions, construction projects, programs, and other aspects of reconstruction in Afghanistan are at risk of failure for lack of sustainability.

As the new Administration and Congress start to deal with the thorny issues related to Afghanistan, they should be aware that not only do those risks persist, but they now also extend to wider concerns that the Afghan state itself may be unsustainable without continued international engagement. These concerns include the possibly imminent withdrawal of U.S. and other foreign military personnel, the continuing decline in U.S. oversight capability in the country, the COVID-19 pandemic and other pressures on the Afghan economy, and the potential disruptions of a post-peace government that could weave former insurgents into the security apparatus and positions of authority.

The survival of a stable, peaceful, and democratic Afghan state has always been important for U.S. counterterrorism, security, diplomatic, and humanitarian objectives. But the leverage of a substantial foreign troop presence in Afghanistan for stability and a negotiated peace is rapidly diminishing. In the current volatile climate of uncertainty, U.S. reconstruction programs aimed at promoting economic development, rule of law, respect for human rights, good governance, and security for the Afghan people may become the primary lever of U.S. influence in the country, heightening the need to protect those programs against waste, fraud, and abuse with unrelenting and effective oversight.

As the largest U.S. oversight presence—and the only one with whole-of-government authority—SIGAR looks forward to working with the new Administration and Congress in this year of great portent for the U.S. mission in Afghanistan.

Yours respectfully,

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 October 1 to December 31, 2020.*

During this reporting period, SIGAR issued 10 audit 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 federal charges, three guilty pleas, one sentencing, and over \$190,000 in restitutions and forfeitures.

SIGAR OVERVIEW

AUDITS AND INSPECTIONS

This quarter, SIGAR issued two performance-audit reports, one alert letter, and five financial-audit reports.

The **performance-audit reports** included:

- a classified report reviewing efforts to build up the Afghan Air Force and Special Mission Wing
- a report on DOD's transfer of military equipment to the Afghan government and challenges to end-use monitoring

The **alert letter** highlighted key challenges to ongoing anticorruption efforts in Afghanistan and provided recommendations to international donors.

The five **financial-audit reports** identified \$26,993,829 in questioned costs as a result of internal-control deficiencies and noncompliance issues.

EXECUTIVE SUMMARY

SPECIAL PROJECTS

This quarter, SIGAR's Office of Special Projects issued one **review** which found that customs officials at Hamid Karzai International Airport failed to enforce controls against cash smuggling, and have not even connected U.S.-provided cash-counting machines to the internet.

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 federal charges, three guilty pleas, one sentencing, and over \$190,000 in restitutions and forfeitures. SIGAR initiated two new cases and closed 24, bringing the total number of ongoing investigations to 96.

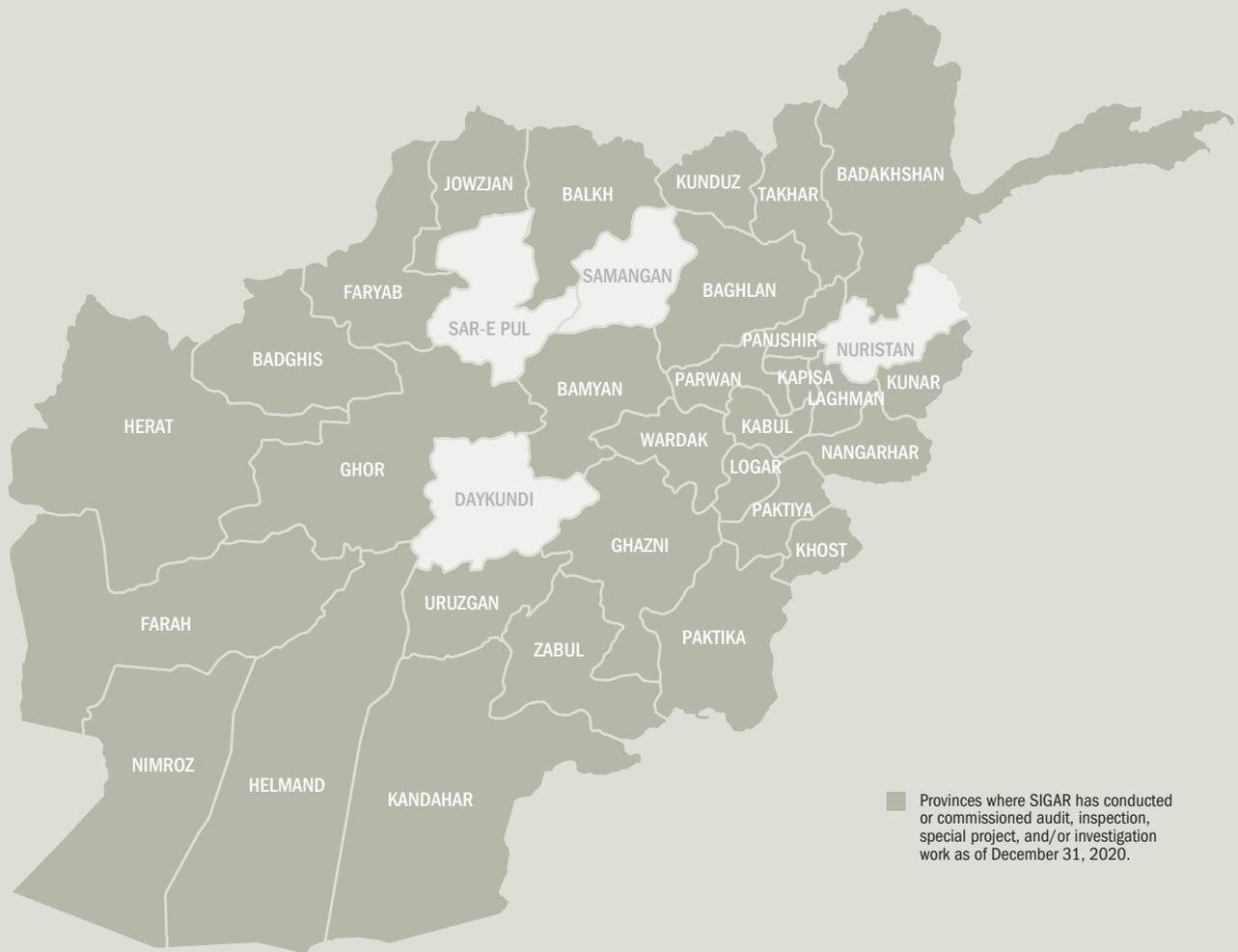
Investigations highlights include:

- the arrest of a U.S. defense contractor executive for perpetrating a scheme to defraud the U.S. government of millions of dollars through false invoices
- the arrest of an Afghan national in connection with the attempted exportation of 41.37 kg of gold as part of a money-laundering scheme
- the guilty plea of a U.S. contractor who stole \$775,000 from the State Department

RESEARCH & ANALYSIS

SIGAR's Research & Analysis Directorate issued its 50th *Quarterly Report to the United States Congress*, which summarizes SIGAR's oversight activities in the quarter, provides an overview of current U.S. reconstruction efforts in Afghanistan, and includes a detailed account of all U.S. funds appropriated, obligated, and disbursed for these activities.

* As provided in its authorizing statute, SIGAR may also report on products and events issued or occurring after December 31, 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 XE Currency Charts (www.xe.com), then rounding to the nearest afghani. Exchange-rate data is as of December 28, 2020.



■ Provinces where SIGAR has conducted or commissioned audit, inspection, special project, and/or investigation work as of December 31, 2020.

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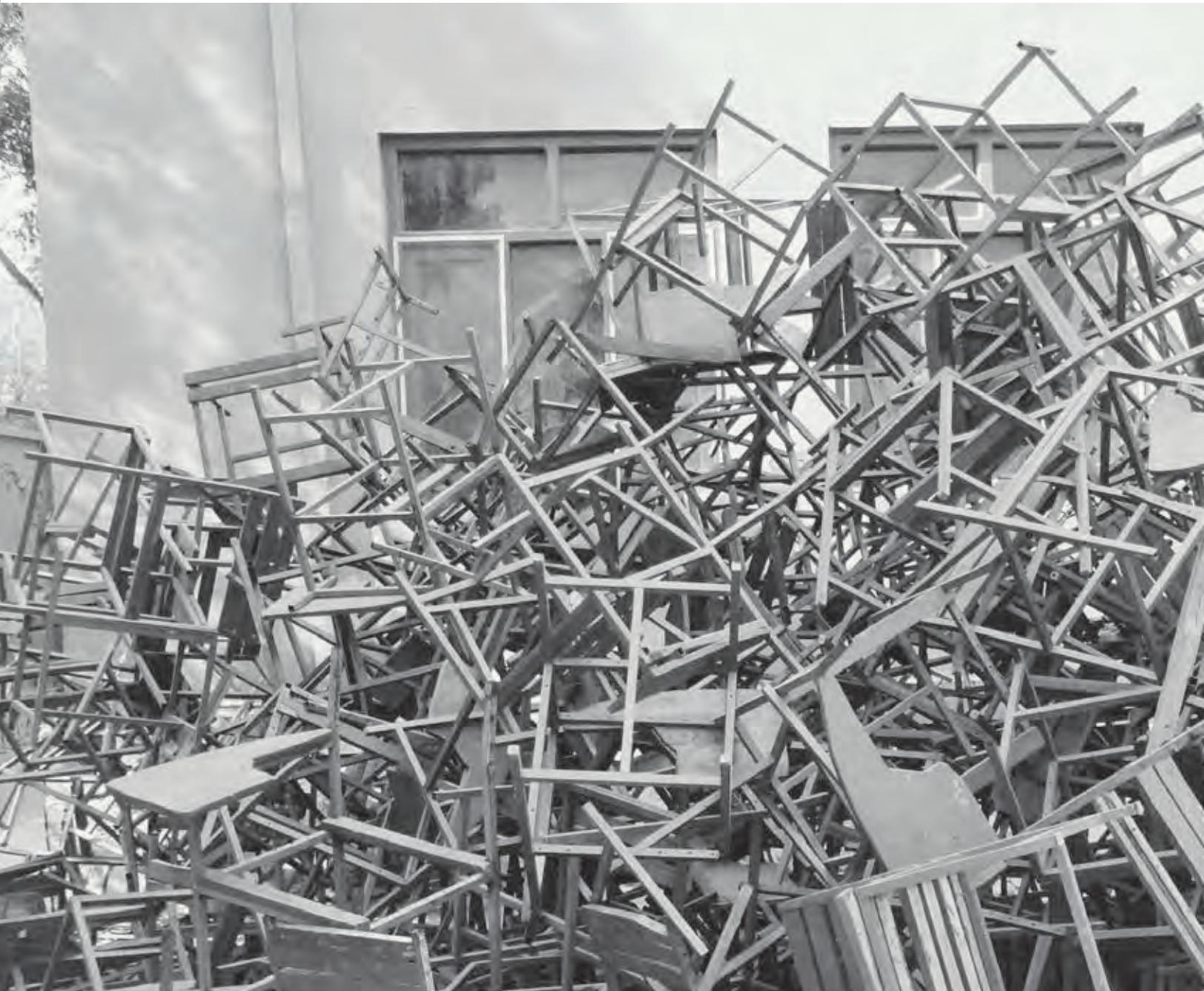
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“As the footprint of U.S. agencies continues to shrink, it will become more important that the U.S. and other donors perform aggressive and effective oversight of its dollars and programs through the inclusion in funding agreements of measurable and verifiable benchmarks with tangible outcomes, periodic reassessment of both the goals of funding and the needs of the Afghan people, and high-level political buy-in from all sides.”

—*SIGAR Inspector General John F. Sopko*

1 SIGAR OVERSIGHT



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Scrapped chairs pile up in USAID-funded school. (SIGAR photo)

SIGAR OVERSIGHT ACTIVITIES

This quarter, SIGAR issued 10 products. SIGAR work to date has identified approximately \$3.82 billion in savings for the U.S. taxpayer.

SIGAR issued two performance-audit reports: a classified report reviewing efforts to build up the Afghan Air Force (AAF) and Special Mission Wing, and a report on DOD's transfer of military equipment to the Afghan government. SIGAR also issued an alert letter highlighting key challenges to ongoing anticorruption efforts.

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This quarter, SIGAR's Office of Special Projects issued one review, which examined ongoing efforts to counter cash smuggling at Hamid Karzai International Airport in Kabul.

During the reporting period, SIGAR criminal investigations resulted in three federal charges, three guilty pleas, one sentencing, and over \$190,000 in restitutions and forfeitures.

AUDITS

SIGAR conducts performance and financial audits of programs and projects connected to the reconstruction effort in Afghanistan. This quarter, SIGAR has 20 ongoing performance audits and 36 ongoing financial audits.

Performance Audit Reports Issued

This quarter, SIGAR issued two performance-audit reports: a classified report reviewing efforts to build up the Afghan Air Force and Special Mission Wing, and a report on DOD's transfer of military equipment to the Afghan government. SIGAR also issued an alert letter highlighting key challenges to ongoing anticorruption efforts. A list of completed and ongoing performance audits can be found in Appendix C of this quarterly report.

PERFORMANCE AUDITS ISSUED

- SIGAR 21-11-AR: Military Equipment Transferred to the Afghan Government: DOD Did Not Conduct Required Monitoring to Account for Sensitive Articles
- SIGAR 21-14-C-AR: Afghan Air Forces: DOD Has Taken Steps to Develop Afghan Aviation Capability but Continued U.S. Support is Needed to Sustain Forces

ALERT LETTER ISSUED

- Alert Letter 21-09-AL: Afghanistan's Anti-Corruption Efforts

FINANCIAL AUDITS ISSUED

- Financial Audit 21-07-FA: Department of State's Demining Activities in Afghanistan: Audit of Costs Incurred by the Mine Detection Dog Center
- Financial Audit 21-08-FA: Department of Defense's Cooperative Biological Engagement Program to Enhance Biosafety and Biosecurity in Afghanistan: Audit of Costs Incurred by CH2M Hill Inc.
- Financial Audit 21-10-FA: USAID's Power Transmission Expansion and Connectivity Project: Audit of Costs Incurred by Da Afghanistan Breshna Sherkat
- Financial Audit 21-12-FA: Department of the Air Force's Support for the Afghan Air Force's C-130H Airlift Capability: Audit of Costs Incurred by AAR Government Services Inc.
- Financial Audit 21-13-FA: USAID's Strong Hubs for Afghan Hope and Resilience Program: Audit of Costs Incurred by DAI Global LLC

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SIGAR OVERSIGHT ACTIVITIES

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SPECIAL PROJECT ISSUED

- Review 21-15-SP: Hamid Karzai International Airport: Despite Improvements, Controls to Detect Cash Smuggling Still Need Strengthening

QUARTERLY REPORT ISSUED

- SIGAR 2021-QR-1: Quarterly Report to the United States Congress, January 30, 2021

PERFORMANCE AUDITS ISSUED

- SIGAR 21-14-C-AR: Afghan Air Forces: DOD Has Taken Steps to Develop Afghan Aviation Capability but Continued U.S. Support is Needed to Sustain Forces
- SIGAR 21-11-AR: Military Equipment Transferred to the Afghan Government: DOD Did Not Conduct Required Monitoring to Account for Sensitive Articles

Performance Audit 21-14-C-AR: [Classified] Afghan Air Forces: DOD Has Taken Steps to Develop Afghan Aviation Capability but Continued U.S. Support is Needed to Sustain Forces

Unclassified summary: Since 2010, the United States has spent over \$8.5 billion to support and develop the Afghan Air Force (AAF) and the Special Mission Wing (SMW). Together, the AAF and SMW comprise Afghanistan's air forces. According to the Department of Defense (DOD), the Afghan air forces provide "critical capabilities," and enhancing and growing the air forces are a priority for the Afghan National Defense and Security Forces. DOD noted that the fiscal year 2021 AAF sustainment budget request is \$534 million, nearly 64% of the Afghan Security Forces Fund budget request for the AAF and just over 13% of the total fiscal year 2021 Afghan Security Forces Fund request.

This classified report examined the extent to which DOD's efforts have resulted in a professional and sustainable AAF and SMW. SIGAR found that DOD has taken steps to develop sustainable Afghan air forces but will need to provide continued contractor logistics support for years. The reduction of U.S. and Coalition Forces will increase DOD's reliance on contractors to develop a sustainable AAF and SMW. However, this reliance poses additional operational challenges and risks for the United States as well as the potential for waste due to the challenging oversight environment. Further, the potential withdrawal of contractors from Afghanistan, in addition to U.S. and Coalition Forces, may leave the AAF and SMW without the support needed to sustain and develop the Afghan air forces if DOD does not identify alternative sources of support. SIGAR also found that the AAF has not developed a recruiting strategy and the SMW does not have a recruiting policy or recruiting strategy, which may hamper their ability to recruit qualified personnel in the future. In addition, SIGAR found that DOD cannot verify that Afghan air forces personnel, such as pilots and maintainers, are placed in positions that utilize their unique training, even though DOD provides financial incentives to personnel in such positions. Moreover, neither DOD nor the Afghan air forces have prioritized the training or development of personnel in support positions, which comprise the majority of the authorized positions in the air forces even though those positions are essential to overall success and sustainability to the Afghan air forces.

The report includes three recommendations to the Combined Security Transition Command-Afghanistan Commander, TAAC-Air Commander, and NATO Special Operations Component Command-Afghanistan Commander to assist the sustainment of the Afghan air forces at all levels. SIGAR recommends that the commands coordinate with the AAF and SMW to develop and implement formal recruiting strategies and personnel placement procedures, to include personnel and position qualification verification; incorporate support personnel and their training requirements, including institutional training, into the Afghanistan Master Training Plan; and finalize

a mitigation plan to ensure the continuation of essential maintenance, operation, and advisory support to the AAF and SMW should the U.S. and Taliban agreement require the withdrawal of contractors from Afghanistan.

Performance Audit 21-11-AR: Military Equipment Transferred to the Afghan Government

DOD Did Not Conduct Required Monitoring to Account for Sensitive Articles

SIGAR found that DOD did not meet enhanced end-use monitoring (EUM) requirements to account for all sensitive defense articles transferred to the Afghan government. The requirements are designed to minimize national-security risks by preventing the diversion or misuse of defense articles that incorporate sensitive technology. SIGAR also found that DOD met the more general requirements for its routine oversight of nonsensitive defense articles, but had weaknesses with data reconciliation related to its EUM activities in Afghanistan.

Defense Security Cooperation Agency (DSCA), the DOD agency responsible for overseeing the department's worldwide EUM program, requires that enhanced EUM efforts include inventorying 100% of applicable articles by serial number every 365 days. Combined Security Transition Command-Afghanistan (CSTC-A) did not meet this requirement because it inventoried only 40% of applicable articles during the 365-day period from May 2019 through April 2020. According to CSTC-A officials, the command has never met its 100% inventory requirement and is unlikely ever to do so because the security situation in Afghanistan prevents some inventories from taking place. DSCA and CSTC-A officials also agreed that DOD's EUM program was not designed to operate in combat environments, such as Afghanistan.

Without required inventories of approximately 60% of enhanced EUM-designated transferred articles—among the most sensitive of all defense articles transferred to the Afghan government—CSTC-A lacks a complete account of articles in use by the Afghan National Defense and Security Forces (ANDSF). Consequently, sensitive technology remains susceptible to theft or loss and CSTC-A is less able to verify that ANDSF units are using these articles in accordance with their transfer agreements.

CSTC-A's standard operating procedures also require it to reconcile discrepancies between its EUM inspection reports and the data in the Security Cooperation Information Portal (SCIP). However, SIGAR found discrepancies between data from CSTC-A and data in SCIP. Records for 33 routine EUM checks conducted since the beginning of FY 2017 were included in SCIP, but CSTC-A's documentation showed that at least 62 checks had taken place. Similarly, the data in SCIP show that enhanced EUM checks covered at least 6,012 articles in FY 2019, but CSTC-A's records showed only 4,253 articles covered during this period. By not updating and reconciling SCIP data with CSTC-A documentation, the command may lack access to an accurate, readily available inventory of all active articles that are supposed

SIGAR OVERSIGHT ACTIVITIES

to be in the ANDSF's possession. As a result, it may be difficult for CSTC-A to account for potential theft, loss, or misuse of these items.

Finally, SIGAR found that a lack of communication between DOD and State hindered reporting and investigation into a potential end-use violation in Afghanistan. State is the lead agency for investigating potential violations and determining whether they are substantial violations that must be reported to Congress. Both DSCA's EUM requirements and CSTC-A's standard operating procedures require the agencies to report potential violations to State and support State in its investigations.

SIGAR recommends that the DSCA Director work with the commanders of U.S. Central Command and CSTC-A to (1) implement modifications to enhanced EUM procedures or requirements applicable to Afghanistan that take into account the country's combat environment, for example by requiring that sensitive equipment regularly rotate through maintenance facilities or other central hubs where U.S. personnel have increased opportunities for oversight; (2) determine whether changes in the end-use status of defense articles transferred to the Afghan government that are subject to routine EUM should be tracked in SCIP's EUM module; and (3) if DOD decides to use SCIP's EUM module to track such changes, modify EUM procedures or requirements applicable to Afghanistan to require tracking. This report also recommends that the CSTC-A Commander (4) modify CSTC-A's EUM standard operating procedures to require that SCIP data be reconciled in a timely manner with information from documentation generated through the command's EUM checks.

ALERT LETTER ISSUED

· Alert Letter 21-09-AL: Afghanistan's Anti-Corruption Efforts

Alert Letter 21-09-AL: Afghanistan's Anti-Corruption Efforts

On November 23 and 24, 2020, the U.S. government and more than 70 other donors participated in a conference to make key funding decisions regarding international support for the Afghan government. In light of this significant event, this alert letter to the Department of State, the Department of Defense, and the U.S. Agency for International Development details the status of Afghanistan's fight against corruption and is intended to help ensure that decisions regarding future assistance address the challenges to meaningful reform SIGAR has observed and reported over the years.

Past donor conferences have played an important role in advancing Afghanistan's anticorruption and government-reform efforts. In July 2012, the Afghan government and international donors agreed to the Tokyo Mutual Accountability Framework which established mutually agreed-upon goals and indicators, committed donors to channeling more of their aid through Afghanistan's national budget, and established a Joint Coordination and Monitoring Board to assess progress.

In September 2015, the Tokyo Mutual Accountability Framework was consolidated with the Afghan National Unity Government's

SIGAR OVERSIGHT ACTIVITIES

comprehensive reform agenda and renamed the Self-Reliance through Mutual Accountability Framework, which was updated and endorsed at the Brussels Conference in October 2016. In November 2018, Afghanistan agreed to the Geneva Mutual Accountability Framework (GMAF), which laid out deliverables for the Afghan government in several categories, including a category on anticorruption, governance, rule of law, and human rights.

SIGAR’s two previous anticorruption assessments, as well as ongoing work on a third, have shown that the Afghan government has taken limited steps to curb systemic corruption and that more tangible action is required. The Afghan government often takes paper or process steps, such as drafting regulations or holding meetings, rather than concrete actions that would reduce corruption, such as arresting or enforcing penalties on powerful Afghans. SIGAR’s work has repeatedly identified the impunity of powerful Afghans as an ongoing issue, and the Afghan government continues to face challenges with the extradition, arrest, and prosecution of corrupt individuals. Furthermore, this work has found that the Afghan government is most likely to take meaningful action when donors are engaged and call for reforms to curb systemic corruption.

Given that international donors were expected to pledge billions of dollars in additional funding at the November 2020 donor conference, and that their contributions make up 75% of the Afghan government’s national budget, this letter highlighted key issues from SIGAR’s prior reports and ongoing work related to the Afghan government’s progress in combating corruption. The letter called on donors to include measurable and verifiable benchmarks with tangible outcomes, periodic reassessments of their programs, and high-level political buy-in from all sides in their funding pledges.

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.

This quarter, SIGAR completed five financial audits of U.S.-funded projects to rebuild Afghanistan, in addition to 36 ongoing financial audits with over \$524 million in auditable costs, as shown in Table 1.1. A list of completed and ongoing financial audits can be found in Appendix C of this quarterly report.

TABLE 1.1

SIGAR’S FINANCIAL AUDIT COVERAGE (\$ BILLIONS)	
178 completed audits	\$8.50
36 ongoing audits	0.52
Total	\$9.02

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

Source: SIGAR Audits and Inspections Directorate.

FINANCIAL AUDITS ISSUED

- Financial Audit 21-10-FA: USAID’s Power Transmission Expansion and Connectivity Project: Audit of Costs Incurred by Da Afghanistan Breshna Sherkat
- Financial Audit 21-12-FA: Department of the Air Force’s Support for the Afghan Air Force’s C-130H Airlift Capability: Audit of Costs Incurred by AAR Government Services Inc.
- Financial Audit 21-08-FA: Department of Defense’s Cooperative Biological Engagement Program to Enhance Biosafety and Biosecurity in Afghanistan: Audit of Costs Incurred by CH2M Hill Inc.
- Financial Audit 21-07-FA: Department of State’s Demining Activities in Afghanistan: Audit of Costs Incurred by the Mine Detection Dog Center
- Financial Audit 21-13-FA: USAID’s Strong Hubs for Afghan Hope and Resilience Program: Audit of Costs Incurred by DAI Global LLC.

SIGAR OVERSIGHT ACTIVITIES

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 (1) ineligible costs (violation of a law, regulation, contract, grant, cooperative agreement, etc. or an unnecessary or unreasonable expenditure of funds); and (2) unsupported costs (those not supported by adequate documentation or proper approvals at the time of an audit).

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 nearly \$500 million in **questioned costs** and \$364,907 in unremitted interest on advanced federal funds or other revenue amounts payable to the government. As of December 31, 2020, funding agencies had disallowed more than \$27.9 million in questioned amounts, which are thereby 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 also have identified and reported 574 compliance findings and 623 internal-control findings to the auditees and funding agencies.

Financial Audit Reports Issued

The five financial audits completed this quarter identified \$26,993,829 in questioned costs as a result of internal-control deficiencies and noncompliance issues.

Financial Audit 21-10-FA: USAID's Power Transmission Expansion and Connectivity Project

Audit of Costs Incurred by Da Afghanistan Breshna Sherkat

On December 5, 2012, USAID awarded \$698.9 million through an implementation letter to Da Afghanistan Breshna Sherkat (DABS), Afghanistan's national utility, to support the Power Transmission Expansion and Connectivity project. The purpose of the project was to support the Afghan government in providing affordable, reliable, accessible, and sustainable power, and to promote political, economic, and social development. The project was implemented through a partnership between USAID, DABS, the Afghan Ministry of Finance, and the Ministry of Energy and Water. After three modifications to the letter, total funding increased to \$830 million, and the period of performance was extended from December 31, 2016, to December 31, 2018.

SIGAR's financial audit, performed by Crowe LLP, reviewed \$186,707,186 in total costs incurred by DABS for funds received under the implementation letter from January 1, 2013, through December 31, 2018. The auditors found five material weaknesses and four significant deficiencies in DABS's internal controls and seven instances of noncompliance with the terms of the letter. Crowe identified \$15,991,544 in questioned costs charged to the implementation letter related to these issues.

Financial Audit 21-12-FA: Department of the Air Force's Support for the Afghan Air Force's C-130H Airlift Capability

Audit of Costs Incurred by AAR Government Services Inc.

On June 5, 2017, the U.S. Department of the Air Force's Life Cycle Management Center awarded AAR Supply Chain Inc. (AAR) a task order in support of the Afghan Air Force's C-130H airlift operational capabilities. The objectives of the task order were to support and sustain up to four C-130H aircraft in Kabul, Afghanistan, and provide on-call support at other locations. Total funding for the task order included \$12,425,998 in cost-reimbursable items and \$10,847,508 in firm-fixed-price line items. The task order was modified three times, with no change to total funding or the period of performance, which began on July 30, 2017, and ended on July 29, 2018. On January 8, 2019, the task order was transferred from AAR to AAR Government Services Inc.

SIGAR's financial audit, performed by Crowe LLP, reviewed \$5,689,922 in reimbursable costs within the period from July 30, 2017, through July 29, 2018. The auditors identified three material weaknesses in AAR's internal controls and three instances of noncompliance with the terms of the task order. Crowe identified \$6,184,524 in questioned costs related to these issues.

Financial Audit 21-08-FA: Department of Defense's Cooperative Biological Engagement Program to Enhance Biosafety and Biosecurity in Afghanistan

Audit of Costs Incurred by CH2M Hill Inc.

On July 22, 2013, the Defense Threat and Reduction Agency within the Department of Defense awarded an \$11,850,127 task order under a cost-plus-award-fee contract to CH2M Hill Inc. to support the Cooperative Biological Engagement program's efforts to enhance the Afghan and Iraqi governments' biosafety and biosecurity capabilities. After 11 modifications, the task order's total funding decreased to \$10,403,756 and the period of performance was extended from January 19, 2015, to March 31, 2017.

SIGAR's financial audit, performed by CohnReznick LLP, reviewed \$6,649,119 in costs charged to the task order from July 19, 2013, through March 31, 2017. The auditors found two material weaknesses and two significant deficiencies in CH2M's internal controls and four instances of noncompliance with the terms of the task order. CohnReznick identified \$4,418,512 in questioned costs charged to the task order related to these issues.

Financial Audit 21-07-FA: Department of State’s Demining Activities in Afghanistan

Audit of Costs Incurred by the Mine Detection Dog Center

On April 1, 2013, the Department of State’s Bureau of Political-Military Affairs, Office of Weapons Removal and Abatement awarded the Mine Detection Dog Center a series of three grants to clear land mines throughout Afghanistan. The grants’ goal was to conduct community-based demining activities to allow internally displaced Afghans to return home. The initial grant was for \$1 million. State modified the first two grants 12 times, but did not modify the third. The cumulative value of the three grants was \$5,259,325, and the period of performance was extended from April 1, 2013, to September 26, 2018.

SIGAR’s financial audit, performed by Williams, Adley & Co.-DC LLP reviewed \$5,259,325 in costs charged to the grants from April 1, 2013, through September 26, 2018. The auditors identified three material weaknesses in internal controls, two significant deficiencies in internal controls, four internal control deficiencies, and seven instances of noncompliance with the terms of the grant and applicable laws and regulations. Williams Adley identified \$399,249 in questioned costs charged to the grants related to these issues.

Financial Audit 21-13-FA: USAID’s Strong Hubs for Afghan Hope and Resilience Program

Audit of Costs Incurred by DAI Global LLC

On November 30, 2014, USAID awarded a cost-plus-fixed-fee contract for \$73,499,999 to DAI Global LLC to support the Strong Hubs for Afghan Hope and Resilience program. Its objective was to create well-governed Afghan municipalities capable of meeting the needs of growing urban populations. The contract included a period of performance from November 30, 2014, through November 29, 2017. USAID modified the contract 12 times, which decreased the funding to \$72 million and extended the end date to November 29, 2019.

SIGAR’s financial audit, performed by Davis Farr LLP (Davis Farr), reviewed \$11,598,960 in costs charged to the contract from December 1, 2018, through November 29, 2019. The auditors did not identify any material weaknesses or significant deficiencies in the auditee’s internal controls, or any instances of noncompliance with the terms and conditions of the contract. Accordingly, the auditors did not identify any questioned costs.

INSPECTIONS

SIGAR issued no inspection reports this quarter. A list of ongoing inspections can be found in Appendix C of this quarterly report.

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 89 recommendations contained in 32 performance-audit, inspection, and financial-audit reports.

From 2009 through December 2020, SIGAR issued 401 audits, alert letters, and inspection reports, and made 1,123 recommendations to recover funds, improve agency oversight, and increase program effectiveness.

SIGAR has closed 1,043 of these recommendations, about 93%. Closing a recommendation generally indicates SIGAR's assessment that the audited agency either has 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 68 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 80 open recommendations. Of these recommendations, 21 have been open for more than 12 months 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.

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 on all facets of Afghanistan reconstruction. The directorate comprises 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.

This quarter, SIGAR's Office of Special Projects issued one review. A list of completed Special Projects can be found in Appendix C of this quarterly report.

Review 21-15-SP: Hamid Karzai International Airport Despite Improvements, Controls to Detect Cash Smuggling Still Need Strengthening

This review is a follow-up of SIGAR's 2012 report on the use of cash-counting machines at Hamid Karzai International Airport in Kabul, Afghanistan.

SPECIAL PROJECT REVIEW ISSUED

- Review 21-15-SP: Hamid Karzai International Airport: Despite Improvements, Controls to Detect Cash Smuggling Still Need Strengthening

SIGAR OVERSIGHT ACTIVITIES

In that report, SIGAR found that customs officials rarely used the machines, and did not record and send serial number data to the proper Afghan authorities. SIGAR also reported that senior government officials and other individuals with political influence, designated by the Office of the President as very important persons (VIP), were exempted from the customs process.

The objectives of the follow-up review were to (1) determine whether customs officials are using the cash-counting machines to help Afghan officials and their international partners track the serial numbers of cash leaving Afghanistan, and (2) evaluate the controls in place at the airport to prevent cash, bearer-negotiable instruments such as cashier's checks or bonds, precious and semiprecious stones, artifacts, and gold from being smuggled out of the country.

SIGAR found that customs officials are not regularly using the cash-counting machines to track cash leaving Afghanistan; in fact, the machines were still not connected to the internet, nearly a decade after the U.S. government installed them.

SIGAR found that the security and screening procedures for non-VIP passengers have improved. Non-VIP passengers go through an extensive screening process including five checkpoints, managed by four different Afghan government entities and a private security company. The government has posted its anti-money-laundering law requirements at the entrance to the boarding area and outside the customs office in the non-VIP terminal to inform passengers leaving Afghanistan that they must submit forms at the customs office to declare possession of more than \$10,000 in cash, bearer-negotiable instruments, precious and semiprecious stones, and gold, and cannot take more than \$20,000 in cash or bearer-negotiable instruments out of the country. Customs officials provide passengers with declaration forms to declare cash or bearer-negotiable instruments in excess of \$10,000.

VIP passengers are transported directly to the VIP terminal where their luggage is scanned, but there are no signs showing cash-export limitations, no declaration forms provided to passengers, and no cash-counting machines. VVIP (very very important persons) passengers arriving at the VIP terminal are not screened and can be transported directly to the plane for boarding.

To improve screening procedures and prevent cash smuggling out of Hamid Karzai International Airport, SIGAR suggests that the Afghan government: (1) fully integrate cash-counting machines with functioning internet capability into the normal customs process both at the non-VIP and VIP terminals and serial numbers captured for use by the Financial Transactions and Reports Analysis Center of Afghanistan (FinTRACA) and its international partners; and (2) strengthen controls at the VIP terminal by requiring all VIP and VVIP passengers to fill out customs declaration forms, and having airport staff count any cash declared and send serial numbers to FinTRACA.

SIGAR OVERSIGHT ACTIVITIES

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 issued seven reports. Four reports are currently in development. Topics are U.S. government support to elections, monitoring and evaluation of reconstruction contracting, efforts to advance and empower women and girls, and police and corrections.

INVESTIGATIONS

During the reporting period, SIGAR's criminal investigations resulted in three federal charges, three guilty pleas, one sentencing, and over \$190,000 in restitutions and forfeitures. SIGAR initiated two new cases and closed 24, bringing the total number of ongoing investigations to 96.

To date, SIGAR investigations have resulted in 158 criminal convictions. Criminal fines, restitutions, forfeitures, civil settlements, and U.S. government cost savings and recoveries total over \$1.6 billion.

Former Company Executive Officers Charged for Scheme to Defraud U.S. Government

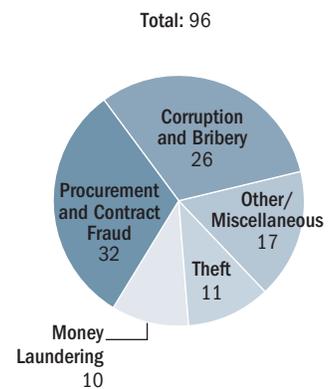
On October 27, 2020, in the Northern District of Alabama, a criminal information (a prosecutor's accusation, as distinct from a grand-jury indictment) was filed against Keith Woolford, charging him with one count of conspiracy. On November 17, 2020, also in the Northern District of Alabama, a nine-count indictment was filed charging Woolford's co-conspirator, Paul Daigle, with one count of conspiracy, four counts of wire fraud, and four counts of false claims.

Daigle and Woolford were executives for AAL USA, a Department of Defense subcontractor engaged in the repair and maintenance of aircraft in Afghanistan under contracts issued from Red Stone Arsenal, Huntsville, Alabama. CEO Daigle and CFO Woolford perpetrated a scheme to fill contract labor positions with employees who did not meet the education requirements, and in some cases, with employees who were not actually assigned work on the contract. As part of the fraud, in order to satisfy the requirements of the labor categories contained in the statement of work for a U.S. government contract, they instructed employees to obtain fake college degrees from an online diploma mill.

As result of the scheme, false invoices were created and passed to the prime contractor and then on to the U.S. government for payment. Through prime contractor Lockheed Martin, Woolford submitted to the United States multiple invoices for payment, including one for approximately \$1,872,280. Woolford knew the invoice contained materially false information because

FIGURE 1.1

SIGAR INVESTIGATIONS:
NUMBER OF OPEN INVESTIGATIONS



Source: SIGAR Investigations Directorate, 1/4/2021.

it incorporated inflated hourly rates for nonqualifying labor, and contained a false certification that the billed services had been performed.

The investigation is being conducted by SIGAR, Defense Criminal Investigative Service, and the U.S. Army Criminal Investigations Division Major Procurement Fraud Unit.

Afghan National Arrested in Connection with Money Laundering Conspiracy

On October 13, 2020, SIGAR was informed that on September 7, 2020, the Afghanistan Major Crimes Task Force (MCTF) Corruption Investigation Unit Team 1 arrested Abdul Aziz Sarwari (a U.S. Green Card holder) at Hamid Karzai International Airport, pursuant to an arrest warrant issued by the Anti-Corruption Justice Center (ACJC). Sarwari is awaiting further adjudication.

The arrest is in connection with the attempted exportation of 41.37 kg of gold involving Sarwari and co-conspirators Bashir Sediqi, Rafi Baha, Mohammad Zarif Baha, and Tamin Sediqi. In August 2017, SIGAR special agents at Bagram Airfield encountered Bashir Sediqi as he was attempting to depart Afghanistan via DFS Airline with the 41.37 kg of gold. After an initial interview, Bashir Sediqi turned the gold over to SIGAR. SIGAR and the MCTF then initiated an investigation that uncovered money-laundering violations. The investigation identified numerous other trips whereby Bashir Sediqi and Sarwari illegally transferred gold out of the country. It was determined that by use of a fraudulent document obtained by Baha, hundreds of millions of dollars in gold were smuggled out of Afghanistan.

As previously reported, Bashir Sediqi and Rafi Baha were prosecuted in October 2019 for violating Afghanistan anti-money-laundering and criminal-income law relating to the scheme. The ACJC Primary Court Delegation ordered the gold, worth \$1.9 million, to be confiscated, in accordance with Afghanistan criminal code.

U.S. Contractor Pleads Guilty to Submitting False Claims to Steal State Department Funds

On December 4, 2020, in the United States District Court for the District of Columbia, Oyetayo Fagbenro pleaded guilty to a criminal information charging one count of submitting false claims in connection with his role in a scheme to divert hundreds of thousands of dollars in State Department funds to his own use.

Between 2010 and 2015, the State Department awarded three grants for the construction of media centers at Afghan universities to HUDA Development Organization, an Afghan non-governmental organization controlled by Fagbenro. Between September 2010 and August 2012, Fagbenro received approximately \$6.9 million for these projects. During that period, Fagbenro admitted he sent approximately \$1.38 million from Afghan

accounts funded by the State Department to people he knew and by entities he controlled in the United States and other countries. Of the \$1.38 million, Fagbenro admitted sending approximately \$775,000 to friends, relatives, and corporate entities he controlled that had no connection to the purposes of the grants. In addition, he admitted that in December 2012, he filed a document with the State Department for one of the grants, certifying he had spent the funds properly and that he needed additional funds to complete the project. Both statements were false. As a result of Fagbenro's fraudulent activities, the financial loss to the State Department was approximately \$775,000.

Sentencing is scheduled for February 12, 2021. SIGAR and the State Department Office of Inspector General investigated the case.

Former Employees of U.S. Contractor Prosecuted for Theft Conspiracy

On October 13, 2020, Varita V. Quincy pleaded guilty to one count of conspiracy to defraud the United States and to commit theft of property of value to the United States, one count of theft of property of value to the United States, and one count of false statements.

On November 19, 2020, in the Eastern District of Virginia, Quincy's co-conspirator, Larry Green, was sentenced to 41 months' imprisonment and two years' supervised probation. He was ordered to pay restitution totaling \$179,708 and a forfeiture of \$11,480.

During 2015, Green and Quincy participated in an organized theft ring responsible for the theft of equipment, including generators and vehicles, from Kandahar Airfield, Afghanistan. They carried out the theft during the course of their duties while employed by a U.S. government contractor. In furtherance of the scheme, they caused fraudulent official documents to be filed with the U.S. military at Kandahar Airfield.

Suspensions and Debarments

This quarter, SIGAR's suspension and debarment program referred 19 individuals and 34 companies for 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 1076, encompassing 582 individuals and 494 companies to date.

As of December 31, 2020, SIGAR's efforts to utilize suspension and debarment to address fraud, corruption and poor performance in Afghanistan have resulted in a total of 141 suspensions and 582 finalized debarments/special entity designations of individuals and companies engaged in U.S.-funded reconstruction projects. An additional 31 individuals and companies have entered into administrative compliance agreements with the U.S.

SIGAR OVERSIGHT ACTIVITIES

government in lieu of exclusion from contracting since the initiation of the program.

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 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 its referrals to agencies, SIGAR provides the basis for a suspension or debarment decision, as well as supporting documentation in case the contractor challenges the decision. As SIGAR is an oversight agency without contracting responsibility, SIGAR does not have its own suspension and debarment official. Instead, SIGAR refers all suspensions and debarments to other agencies for adjudication, resulting in a high degree of interagency coordination. This operational necessity to work with other agencies fosters information-sharing and coordination, enhancing SIGAR’s program.

SIGAR’s suspension and debarment program addresses three challenges posed by U.S. policy and the contingency 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. To address these issues, in 2011, SIGAR embedded two attorneys experienced with suspensions and debarments within its Investigations Directorate, to provide oversight over case development and guidance on the use of the suspensions and debarments. This integration enables them to identify individuals, organizations, and companies accused of criminal activity or poor performance at an early stage of an investigation, resulting in the development of detailed referral packages.

SIGAR’s suspension and debarment referrals constitute the basis for the majority of suspension and debarment actions taken by all agencies in Afghanistan. SIGAR’s use of suspension and debarment has previously been recognized by the Council of Inspectors General on Integrity and Efficiency through recognition by a Special Act Award for Excellence in October 2014 and identification as an agency “best practice” during SIGAR’s peer review in 2017. Going forward, SIGAR will continue to use suspension and debarment referral opportunities to maintain the integrity of the acquisition process and protect U.S. taxpayers’ investment in Afghanistan from waste, fraud, and abuse.

LEGISLATIVE UPDATE

H.R. 133, CONSOLIDATED APPROPRIATIONS ACT, 2021

On December 27, 2020, President Trump signed into law H.R. 133, the Consolidated Appropriations Act, 2021, which provides funding for the federal government through September 30, 2021. The bill provides \$54.9 million for SIGAR's operations for fiscal year 2021.

The bill also provides \$3 billion for the Afghanistan Security Forces Fund (ASFF) for fiscal year 2021, and rescinds \$1.1 billion from the \$4.2 billion ASFF appropriation for fiscal year 2020. The bill further requires that not less than \$20 million from the ASFF be made available for recruitment and retention of women in the Afghan National Defense and Security Forces (ANDSF), and for recruitment and training of female security personnel.

H.R. 133 specifies that civilian assistance for Afghanistan shall be made available for programs that implement and support comprehensive strategies to combat corruption in Afghanistan, with an emphasis on public disclosure of government receipts and expenditures, and on prosecution and punishment of corrupt officials, among other purposes. Further provisions require the Secretary of State to promote and ensure the meaningful participation of Afghan women in intra-Afghan negotiations, and directs the Secretary of State to provide greater information on the U.S.-Taliban peace agreement and on Taliban adherence to agreed-upon conditions. The State Department is also directed to develop a multiyear diplomatic and development strategy for Afghanistan, to include a component to protect and strengthen Afghan women and girls' welfare and rights, and a description of the anticipated U.S. diplomatic and military presence in Afghanistan over a multiyear period and related strategy for mitigating and countering ongoing terrorist threats and violent extremism.

H.R. 6395, WILLIAM M. (MAC) THORNBERRY NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2021

On January 1, 2021, the Senate, by the required two-thirds majority, voted to override President Trump's December 23, 2020, veto of the conference report (H. Rept. 116-617) to accompany H.R. 6395, the William M. (Mac) Thornberry National Defense Authorization Act (NDAA) for Fiscal Year 2021. The House had previously voted to override the President's veto on December 28, 2020. With the Senate's vote to override, the bill was enacted into law.

QUARTERLY HIGHLIGHT

The conference report had authorized \$4 billion for the Afghanistan Security Forces Fund (ASFF) in fiscal year 2021, with the goal that at least \$29.1 million, and no less than \$10 million, be used for programs and activities for the recruitment, integration, retention, training, and treatment of women in the ANDSF, and for the recruitment, training, and contracting of female security personnel for future elections.

The conference report limits the availability of funds to reduce the total number of U.S. armed forces deployed to Afghanistan below 2,500 (or, if higher, the total number deployed on the date of enactment of the Act) until the Secretary of Defense, in consultation with the Secretary of State and Director of National Intelligence, submits a report on the effect a further reduction of U.S. forces would have on U.S. counterterrorism objectives, on an enduring diplomatic solution in Afghanistan, and on ANDSF capabilities. The report provides that the President can waive the limitation in the interest of national security.

The conference report also requires increased information sharing from the Secretary of State, in consultation with the Secretary of Defense, on the status of the February 29, 2020, U.S.-Taliban agreement and the extent to which the Taliban are upholding commitments made in that agreement or any subsequent agreement.

The conference report further directs the Secretary of State, in consultation with the USAID Administrator, to develop a strategy for post-conflict engagement on human rights in Afghanistan, with a particular focus on the human rights of women and girls.

Finally, the conference report modifies the semiannual *Enhancing Security and Stability in Afghanistan* report produced by the Department of Defense by requiring reporting on civilian casualties and by requiring DOD to include a section providing a district-level stability assessment displaying insurgent control versus Government of Afghanistan control and influence of districts to include district, population, and territorial control data. In 2018, DOD stopped producing such an assessment, which SIGAR had reported in its quarterly reports to Congress. Both new sections are to be made publicly available by DOD.

SIGAR OVERSIGHT ACTIVITIES

SIGAR BUDGET

SIGAR is funded through September 30, 2021, under H.R. 133, Consolidated Appropriations Act, 2021, signed into law on December 27, 2020. This Act provides \$54.9 million to support SIGAR's oversight activities and products by funding SIGAR's Audits and Inspections, Investigations, Management and Support, and Research and Analysis Directorates, and the Lessons Learned Program.

SIGAR STAFF

SIGAR's staff count has remained steady since the last report to Congress, with 184 employees on board at the end of the quarter. SIGAR has 23 billets assigned to the U.S. Embassy Kabul, Afghanistan with 10 of those positions encumbered. Because of the COVID-19 pandemic and other uncertainties in Afghanistan, decisions on returning the other employees are on hold. SIGAR also employed six Afghan nationals in its Kabul office to support the Forward Operations, Investigations, and Audits Directorates. SIGAR supplemented its resident staff this quarter with one employee on short-term temporary duty to Afghanistan.

“The price for leaving too soon or in an uncoordinated way could be very high ... Afghanistan risks becoming once again a platform for international terrorists to plan and organize attacks on our homelands. And ISIS could rebuild in Afghanistan the terror caliphate it lost in Syria and Iraq.”

— *NATO Secretary General Jens Stoltenberg*