

2 SIGAR OVERSIGHT



OVERSIGHT CONTENTS

Audits and Evaluations	18
Lessons Learned	25
Investigations	26
Other SIGAR Oversight Activities	30
SIGAR Budget	35
SIGAR Staff	35

Photo on previous page

Deputy Inspector General Gene Aloise gives the keynote address on lessons learned in Afghanistan at the Danish Institute for International Studies in Copenhagen. (SIGAR photo)

SIGAR OVERSIGHT ACTIVITIES

This quarter, SIGAR issued 10 products, including this quarterly report. SIGAR work to date has identified approximately \$3.97 billion in savings for the U.S. taxpayer.

SIGAR issued one performance audit report and two evaluations this quarter. The performance audit report found that despite more than 17 years and hundreds of millions of dollars spent to develop Afghanistan's extractives industry, U.S. efforts could not overcome numerous challenges, including (1) Afghanistan's inability to reform mineral policies and regulations; (2) frequent turnover of Afghan officials; (3) corruption and illicit artisanal and small-scale mining operations; (4) Afghanistan's suspension from the Extractive Industries Transparency Initiative; (5) lack of infrastructure; and (6) insecurity.

The first evaluation assessed the factors that contributed to the collapse of the Afghan government in August 2021, including chronic challenges to Afghan state authority and legitimacy since 2002, and the relative success or failure of U.S. reconstruction efforts to build and sustain Afghan governing institutions. In total, SIGAR identified six primary short- and long-term factors that contributed to the collapse of the government.

The second evaluation assessed the extent to which (1) the Taliban may have gained access to funds that U.S. agencies provided directly, or through multilateral trust funds, to the former Afghan government; (2) the Taliban has access to U.S.-funded defense articles and other equipment; and (3) DOD, State, and USAID plan to recover or secure U.S. funds and U.S.-funded defense articles and other equipment remaining in Afghanistan when the government collapsed. SIGAR found that the Taliban likely gained access to approximately \$57.6 million in funds that DOD, State, and USAID provided to the former Afghan government.

SIGAR completed six financial audits of U.S.-funded projects to rebuild Afghanistan that identified \$766,321 in questioned costs as a result of internal-control deficiencies and noncompliance issues. These financial audits identified a range of deficiencies by U.S. government contractors including Tetra Tech Inc., The Asia Foundation, and the Mine Clearance Planning Agency.

SIGAR OVERSIGHT ACTIVITIES

During the reporting period, SIGAR's criminal investigations resulted in one indictment, two criminal informations, one guilty plea, and \$10.8 million in U.S government cost savings. SIGAR initiated one case and closed one, bringing the total number of ongoing investigations to 35.

PERFORMANCE AUDITS AND EVALUATIONS

SIGAR conducts performance and financial audits of programs and projects connected to the reconstruction effort in Afghanistan. This quarter, SIGAR has 10 ongoing performance audits and evaluations, and 45 ongoing financial audits, as seen in Appendix C of this report. In the wake of the U.S. withdrawal and the collapse of the former Afghan government, SIGAR's independent and objective oversight of ongoing U.S. government funding and activities to support the people of Afghanistan is more vital than ever. U.S.-funded programs in Afghanistan, across multiple key sectors through the end of (at least) FY 2024 include support for girls' and women's rights, health care, food assistance, agriculture, education, and assisting internally displaced persons.

In response to Afghanistan's changing environment, SIGAR's Audits and Inspections Directorate has adapted and re-prioritized its oversight work to meet emergent programming priorities and address areas of interest and concern to Congress and to the American taxpayer. These include U.S. government support for Afghan women and girls, including activities to prevent gender-based violence, sanitation and public health, maternal and newborn health, economic support and stabilization, and human rights protections for vulnerable populations, including women, children, refugees, and internally displaced persons.

Additionally, SIGAR has long demonstrated the need for vigilant verification of third-party monitoring reporting, which remains relevant as U.S. implementing agencies continue to rely on third-party monitoring and evaluations for their in-country programming. Moreover, SIGAR has identified donor coordination as an area needing improvement, a particularly applicable concern given ongoing U.S. funding to international organizations. The Audits and Inspections Directorate will maintain vigorous oversight in both these areas to improve accountability and transparency, suggest process improvements, and generate lessons learned for other current and future overseas reconstruction and development efforts.

Performance Audit Reports Issued

This quarter, SIGAR issued one performance-audit report. A list of completed and ongoing performance audits can be found in Appendix C of this quarterly report.

Performance Audit 23-10-AR: Afghanistan's Extractives Industry

U.S. Program Did Not Achieve Their Goals and Afghanistan Did Not Realize Widespread Economic Benefits From Its Mineral Resources

This audit's objectives were to determine (1) whether USAID, the U.S. Department of the Interior's U.S. Geological Survey (USGS), and the U.S. Department of Commerce's Commercial Law Development Program (CLDP) conducted required oversight of their extractives industry efforts in Afghanistan; and (2) whether the Extractives Technical Assistance (ETA) program and the Multi-Dimensional Economic and Legal Reform Assistance (MELRA) program achieved their goals and addressed prior challenges in building capacity in Afghanistan's extractives industry from January 2018 through September 2021.

SIGAR found that U.S. agencies did not perform required oversight of these programs and that USAID, USGS, and CLDP made progress toward but did not ultimately achieve program goals, due in part to the same challenges that plagued previous U.S. efforts in the sector. Afghanistan's extractives industry has never achieved its potential, despite U.S. government spending of nearly \$1 billion to fund critical mineral surveys, mineral exploration, regulatory reforms, and capacity development for the former Afghan government. While U.S. efforts led to significant information and data collected on Afghanistan's mineral deposits, the collapse of the former Afghan government negated all other progress made. USAID chose to continue supporting the development of Afghanistan's extractives industry, despite the failure of prior USAID and DOD programs to achieve their intended outcomes or address obstacles to success. The ETA and MELRA programs resulted in similarly marginal and unsustainable outcomes in building capacity in Afghanistan's extractives industry and reforming Afghanistan's extractives laws to better attract foreign investment.

Evaluation Reports Issued

This quarter, SIGAR issued two evaluation reports.

Evaluation 23-05-IP: Why the Afghan Government Collapsed

SIGAR evaluated the factors that contributed to the collapse of the Afghan government in August 2021, including chronic challenges to Afghan state authority and legitimacy since 2002, and the relative success or failure of U.S. reconstruction efforts to build and sustain Afghan governing institutions. SIGAR collected testimony from a diverse assortment of Afghan, American, and international interviewees who shared their insights on the downfall of the Islamic Republic.

SIGAR OVERSIGHT ACTIVITIES

SIGAR identified six factors that contributed to the collapse of the Afghan government, including (1) the Afghan government failed to recognize that the United States would actually leave; (2) the Afghan government's exclusion from U.S.-Taliban talks weakened and undermined it; (3) the Afghan government, despite its weakened position, insisted that the Taliban be effectively integrated into the republic, making progress on peace negotiations difficult; (4) the Taliban were unwilling to compromise; (5) former Afghan President Ashraf Ghani governed through a highly selective, narrow circle of loyalists, destabilizing the government at a critical juncture; and (6) the Afghan government's high level of centralization, endemic corruption, and struggle to gain legitimacy were long-term contributors in the collapse.

Evaluation 23-04-IP: U.S.-Provided Funds and Equipment to Afghanistan

An Assessment of Taliban Access to Assets Remaining in Country When the Afghan Government Collapsed

This report was conducted in response to a Congressional request to determine the extents to which (1) the Taliban may have gained access to funds that U.S. agencies provided directly, or through multilateral trust funds, to the former Afghan government; (2) the Taliban has access to U.S.-funded defense articles and other equipment; and (3) DOD, State, and USAID plan to recover or secure U.S. funds and U.S.-funded defense articles and other equipment remaining in Afghanistan when the government collapsed. SIGAR found that the Taliban likely gained access to approximately \$57.6 million in funds that DOD, State, and USAID provided to the former Afghan government. Although DOD reported that it left at least \$7.1 billion in U.S.-funded defense articles and equipment in Afghanistan when the U.S. departed, State provided SIGAR limited, inaccurate, and untimely information about the equipment and funds it left behind. The three agencies do not have plans to recover any of the funds or equipment identified.

Financial Audits

SIGAR launched its financial-audit program in 2012, after the 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

SIGAR OVERSIGHT ACTIVITIES

inspector-general community to maximize financial-audit coverage and avoid duplicative efforts.

SIGAR’s financial audit program identifies questioned costs resulting from a contract or grant awardee’s lack of, or failure to comply with, internal controls, or a failure to comply with applicable requirements. The results of SIGAR’s financial audits, including any recommendations about questioned costs, are provided to the funding agencies to make final determinations on fund recovery. Since 2012, SIGAR’s financial audits have identified \$532 million in questioned costs and \$366,718 in unpaid interest on advanced federal funds or other revenue amounts owed to the government.

This quarter, SIGAR completed six financial audits of U.S.-funded projects to rebuild Afghanistan. An additional 45 ongoing financial audits are reviewing \$543 million in auditable costs, as shown in Table 2.1. A list of completed and ongoing financial audits can be found in Appendix C of this quarterly report.

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. As of December 31, 2022, funding agencies had disallowed \$29.3 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 have also identified and reported 704 compliance findings and 771 internal-control findings to the auditees and funding agencies.

Financial Audit Reports Issued

The six financial audits completed this quarter identified \$766,321 in questioned costs as a result of internal-control deficiencies and noncompliance issues. Due to the current security situation in Afghanistan, including threats from terrorist groups and criminal elements, the names and other identifying information of some implementing partners administering humanitarian assistance in Afghanistan have been withheld at the request of USAID and the award recipient.

Financial Audit 23-03-FA: State’s Justice Sector Support Program–Afghanistan

Audit of Costs Incurred by Tetra Tech Inc.

On August 28, 2017, State’s Bureau of International Narcotics and Law Enforcement Affairs awarded a five-year, \$116,494,908 contract to Tetra Tech Inc. to support the Justice Sector Support Program–Afghanistan. The program’s objective was to bolster the Afghan justice system’s capacity to administer justice in a sustainable, Afghan-led manner, with the goal

TABLE 2.1

SIGAR’S FINANCIAL AUDIT COVERAGE (\$ BILLIONS)	
223 completed audits	\$9.3
47 ongoing audits	.54
Total	\$9.84

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.

of ensuring self-sufficiency. State modified the contract 37 times; the total amount decreased to \$110,791,000, while the August 27, 2022, performance end date remained unchanged.

SIGAR's financial audit, performed by Davis Farr LLP, reviewed \$44,178,267 in costs charged to the contract from August 28, 2017, through April 30, 2021. Davis Farr identified one deficiency in Tetra Tech's internal controls. Davis Farr also identified one instance of noncompliance with the terms of the contract. Because of these issues, the auditors identified \$4,262 in total questioned costs.

Financial Audit 23-06-FA: USAID's Survey of the Afghan People Program

Audit of Costs Incurred by The Asia Foundation

On October 11, 2012, the USAID Mission to Afghanistan awarded a three-year, \$750,000 grant to The Asia Foundation in support of the Survey of the Afghan People program. The purpose of the program was to support and develop local capacity for public opinion research and to drive substantive policy discourse about development issues in Afghanistan. USAID modified the grant 21 times, increasing the total award amount to \$7,694,206, and extending the period of performance to October 10, 2022.

SIGAR's financial audit, performed by Castro & Company LLC, reviewed \$1,837,095 in costs charged to the grant from October 1, 2019, through September 30, 2021. Castro identified one deficiency in The Asia Foundation's internal controls and one instance of noncompliance with the terms of the grant. The auditors did not identify any questioned costs.

Financial Audit 23-07-FA: State's Weapons Removal and Abatement Program in Afghanistan

Audit of Costs Incurred by Mine Clearance Planning Agency

On December 22, 2014, State awarded a one-year, \$505,254 grant to the Mine Clearance Planning Agency (MCPA) to support the Weapons Removal and Abatement Program in Afghanistan. The program's initial objective was to support a non-technical survey to reduce the threat of mines and explosive remnants of war across 13 provinces in Afghanistan. State modified the grant three times and issued four additional grants to MCPA to continue and expand activities. The modifications and additional grants increased the total MCPA grant funding to \$7,504,109 and extended the period of performance through July 15, 2021.

SIGAR's financial audit, performed by Crowe LLP, reviewed \$6,860,773 in costs charged to the grants from January 1, 2015, through July 15, 2021. Crowe identified nine deficiencies in MCPA's internal controls and nine instances of noncompliance with the terms of the grants. Because of these issues, the auditors identified \$362,346 in questioned costs.

Financial Audit 23-08-FA: USAID’s Emergency Lifesaving, Protection, and Early Recovery Assistance for Shock-Affected Populations Program in Afghanistan

Audit of Costs Incurred by [redacted]

On June 12, 2020, USAID awarded a \$8,250,000 grant to [redacted] to support the Emergency Lifesaving, Protection, and Early Recovery Assistance for Shock-Affected Populations Program in Afghanistan. USAID modified the agreement once, which did not change the total award amount or the period of performance. However, USAID issued a no-cost extension of the award that extended the period of performance from September 30, 2021, through December 31, 2021.

SIGAR’s financial audit, performed by Conrad LLP reviewed \$8,249,438 in costs charged to the grant from April 14, 2020, through December 31, 2021. Conrad identified five deficiencies in [redacted]’s internal controls and five instances of noncompliance with the terms of the grant. Because of these issues, the auditors identified \$49,383 in questioned costs.

Financial Audit 23-09-FA: USAID’s Building a Culture of Resilience and Saving Lives Through Integrated Emergency Response to Disaster Affected Populations in Afghanistan Program

Audit of Costs Incurred by [redacted]

On September 20, 2019, USAID awarded a one-year, \$6,000,000 grant to [redacted] in support of USAID’s Building a Culture of Resilience and Saving Lives Through Integrated Emergency Response to Disaster Affected Populations in Afghanistan program. The program’s purpose was to increase access to quality, comprehensive, and gender-sensitive support for disaster-affected people in targeted provinces of Afghanistan. USAID modified the grant twice; the modifications did not affect the total grant amount, but the period of performance end date was extended to March 23, 2021.

SIGAR’s financial audit, performed by Conrad LLP, reviewed \$5,995,116 in costs charged to the grant from September 24, 2019, through March 23, 2021. Conrad identified seven deficiencies in [redacted]’s internal controls and eight instances of noncompliance with the terms of the grant. Because of these issues, the auditors identified \$100,623 in questioned costs.

Financial Audit 23-11-FA: USAID’s Response to Shelter and Water, Sanitation and Hygiene Needs of Returnees in Afghanistan Program

Audit of Costs Incurred by [redacted]

On July 19, 2019, the USAID awarded a \$7,800,000 grant to [redacted] to support the Responding to Shelter and Water, Sanitation, and Hygiene Needs of Returnees in Afghanistan program. Among other program objectives, the grant supported vulnerable returnees, and internally displaced and natural disaster-affected households through transitional shelter. USAID modified the grant three times; the modifications did not affect the total grant amount, but the period of performance was extended from December 31, 2020, through February 28, 2022.

SIGAR’s financial audit, performed by Conrad LLP reviewed \$7,799,940 in costs charged to the grant from July 1, 2019, through February 28, 2022. Conrad identified three deficiencies in [redacted]’s internal controls and three instances of noncompliance with the terms of the grant. Because of these issues, the auditors identified \$249,707 in questioned costs.

Status of SIGAR Recommendations

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

From 2009 through December 2022, SIGAR issued 454 audits, alert letters, and inspection reports, and made 1,276 recommendations to recover funds, improve agency oversight, and increase program effectiveness.

SIGAR has closed 1,164 of these recommendations, about 91%. 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;” SIGAR closed a total of 245 recommendations in this manner. In some cases, these recommendations will be the subject of follow-up audit or inspection work.

SIGAR OVERSIGHT ACTIVITIES

SIGAR is also required to report on any significant recommendations from prior reports on which corrective action has not been completed. SIGAR works with agencies to obtain the sufficient, relevant information necessary to resolve recommendations. If documentation is insufficient or does not meet the intent of a recommendation, it remains open. This process continues until SIGAR receives the information necessary to close the recommendation.

This quarter, SIGAR continued to monitor agency actions on 112 open recommendations. Of these recommendations, 56 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). SIGAR continues to monitor implementation, and follow-up, as required. For recommendations that have not been resolved within two years, SIGAR notifies agencies that the recommendation will be closed as unimplemented unless resolution is reached within 90 days.

For a complete list of open recommendations, see www.sigar.mil.

LESSONS LEARNED

SIGAR's Lessons Learned Program (LLP) was created to identify lessons from the U.S. reconstruction in Afghanistan, and to make recommendations to Congress and executive branch agencies on ways to improve current and future reconstruction efforts. Unlike performance audits, which often look at a specific programs or projects, LLP reports provide in-depth reviews of major issues (such as corruption and gender equality) and large-scale efforts (such as security-sector assistance and counternarcotics) involving multiple U.S. agencies and programs over long periods of time. To date, the program has issued 12 reports. They offer detailed and actionable recommendations to policymakers and respond to the needs of U.S. implementing agencies—both in terms of accurately capturing their past efforts and providing timely and actionable guidance for future efforts. LLP reports have identified over 216 specific findings and lessons and made over 156 recommendations to Congress, executive branch agencies, and the previous Afghan government.

Lessons Learned Program Activities

This quarter, the Lessons Learned Program led cross-directorate work on two evaluation reports for Congress—one on why the Afghan government collapsed (issued in November 2022), and the second on the collapse of the Afghan National Defense and Security Forces (interim report issued in May 2022; final report due in February 2023).

Briefing for the U.S. Embassy in Somalia

On December 14, 2022, the U.S. Embassy in Somalia and Ambassador Larry Andre invited LLP team lead David Young to brief the embassy on lessons learned from stabilization efforts in Afghanistan. The briefing aimed to inform the U.S. government's support to the Somali government's ongoing offensive against al Shabaab.

INVESTIGATIONS

Following the U.S. withdrawal and the collapse of the former Afghan government, SIGAR's investigations and criminal inquiries into corruption-related theft of U.S. taxpayer monies spent in and on Afghanistan continue. SIGAR's Investigations Directorate (INV) investigates the misuse of reconstruction funds provided prior to and post-August 2021, and works with cooperating U.S. government partners to identify weaknesses in financial institutions that contribute to capital flight from Afghanistan and to access intelligence on illicit financial networks.

SIGAR INV pursues its work through several initiatives, including (1) identifying all financial institutions in Afghanistan that U.S. reconstruction funds were deposited into for an 18-month period prior to the collapse of the Afghan government; (2) working with financial agencies and law enforcement partners to identify monetary outflows from Afghanistan that may be connected to former Afghan government officials, politically connected individuals, and others involved in suspicious transactions, and identifying high value real estate purchased by such individuals in the United States or abroad for potential connection to capital flight and potential seizure; and (3) developing extensive networks and contacts to uncover the identity of individuals, entities, and shell corporations used by former Afghan government officials or politically connected individuals who may have benefited from the theft of reconstruction funds or capital flight from Afghanistan.

Investigations Directorate Results

During the reporting period, SIGAR's criminal investigations resulted in one indictment, two criminal informations, one guilty plea, and \$10.8 million in U.S government cost savings. SIGAR initiated one case and closed one, bringing the total number of ongoing investigations to 35 as shown in Appendix D.

To date, SIGAR investigations have resulted in a cumulative total of 168 criminal convictions. Criminal fines, restitutions, forfeitures, civil settlements, and U.S. government cost savings and recoveries total approximately \$1.67 billion.

SIGAR Assists Effort Leading to \$28 Million Savings for the U.S. Army

In October 2022, the U.S. Army Corps of Engineers general counsel secured the dismissal of a \$28 million appeal before the Armed Services Board of Contract Appeals, arising out of Abchakan Village real estate leases in Afghanistan.

As part of the overall effort to achieve this outcome, SIGAR Investigative Analyst Ajmal Mayar and former SIGAR Special Agent Marie Acevedo assisted in translating Afghan court decisions and tracking down and sharing information from Afghanistan. This victory saved the U.S. Army tens of millions of dollars and created legal precedent on the Act of State doctrine that will give the U.S. government an advantage at winning similar cases in the future.

Former U.S. Navy Reserves Officer Indicted for Special Immigration Visa Conspiracy Scheme

On November 28, 2022, in the U.S. District Court, District of New Hampshire, an indictment was filed against Jeromy Pittmann charging conspiracy to commit bribery and false writing, bribery, false writing, and concealment money laundering conspiracy.

The Afghan Allies Protection Act of 2009 authorized the issuance of Special Immigrant Visas (SIVs) to Afghan nationals who worked with the U.S. Armed Forces in Afghanistan as interpreters or translators. Among other requirements, an Afghan national applying for an SIV under this program had to submit a letter of recommendation from a person associated with the U.S. government in a specified supervisory or senior position. The U.S. Department of State National Visa Center, located in Portsmouth, New Hampshire, was responsible for reviewing SIV applications. As part of its procedures for processing an SIV application, it was practice for State to request verification from the recommender.

Pittmann is a U.S. citizen who resided in Naples, Italy, and Pensacola, Florida, and served as an Officer in the U.S. Navy Reserves for approximately 20 years, including in Afghanistan. In his capacity as Naval Officer, Pittmann prepared approximately 24 false letters of recommendation for Afghans whose SIV applications had been submitted to State for processing. He received bribe money from an Afghan co-conspirator for each false letter of recommendation submitted to State.

Former Construction Specialist Pleads Guilty to Special Immigration Visa Fraud

On November 28, 2022, in the U.S. District Court, District of New Hampshire, Mike Baum entered a guilty plea to a criminal information charging one count of visa fraud.

The Afghan Allies Protection Act of 2009 authorized the issuance of SIVs to Afghan nationals who worked with the U.S. Armed Forces in Afghanistan as interpreters or translators. Among other requirements, an Afghan national applying for a SIV under this program had to submit a letter of recommendation from a person associated with the U.S. government in

a specified supervisory or senior position. The State Department National Visa Center, located in Portsmouth, New Hampshire, was responsible for reviewing SIV applications. As part of its procedures for processing a SIV application, it was practice for State to request verification from the recommender.

During 2020 and 2021, Baum, a former construction specialist residing in California, knowingly presented to State a document required by the immigration laws and regulations that contained a false statement. Specifically, in exchange for monetary payments, Baum signed multiple letters of recommendation in support of SIV applications for Afghan nationals whom Baum falsely claimed to have supervised while deployed to Afghanistan. After the applications were submitted, Baum falsely verified the authenticity of the letters in response to inquiries from the National Visa Center. Baum will be sentenced on March 2, 2023.

Former Construction Manager Pleads Guilty to Bribery and Visa Fraud Conspiracies

On December 22, 2022, in the U.S. District Court, Northern District of Georgia, a criminal information was filed against Orlando Clark charging one count of conspiracy to bribe a public official and one count of conspiracy to commit visa fraud. On January 4, 2023, Clark pleaded guilty to both charges.

Clark was a construction manager for a U.S. company which helped manage the U.S. government's contract awards in Afghanistan. He and his co-conspirators manipulated the procurement of government contracts to increase contract values and facilitate bribes. To conceal bribe payments, Clark and a co-conspirator registered fictitious limited liability companies (LLCs) in Georgia, opened bank accounts in the names of the fictitious LLCs, deposited bribe payment proceeds into the accounts, and created false invoices to make it appear they were involved in a car-exporting

SIGAR OVERSIGHT ACTIVITIES

business in the United Arab Emirates. Clark and his co-conspirator sent approximately 22 wire transfers totaling approximately \$255,000 in bribe payments through the fictitious LLCs and provided intentionally misleading information to banks concerning the purpose of the wires. In total, they steered approximately 10–12 U.S. government contracts to Afghan companies and received \$400,000 in bribe payments.

Additionally, between 2015 and 2020, Clark signed over 10 letters of recommendation in support of SIV applications for Afghan nationals whom he falsely claimed to have supervised while deployed to Afghanistan. He stated in the letters, without any factual basis, that he had no reason to believe that the individuals posed a threat to U.S. national security. He received \$1,500 in bribe payments for each letter of recommendation.

Clark is scheduled to be sentenced on April 12, 2023, and faces a maximum penalty of five years in prison on each charge.

United Nations Development Program Removes Afghan Contractors from Consideration for \$10.8 Million in Contract Awards

In December 2022, the United Nations Development Programme (UNDP) removed two Afghan business entities from consideration for contract awards worth a combined total of \$10.8 million. The removal from funding consideration was based on information provided by SIGAR.

As part of its continuous efforts to protect U.S. taxpayer dollars, SIGAR is assisting the UN vet entities that support UN humanitarian programs in Afghanistan. SIGAR is uniquely positioned, based on its extensive investigative knowledge and experience, to provide the UN with credible information to prevent funds from being disbursed to implementers and contractors with a history of waste, fraud, and abuse.

In October 2022, the head of the UNDP in Afghanistan recognized SIGAR's contributions that led to the cancelation of \$10.8 million in contracts, commending SIGAR for "the valuable information provided to us on dozens of entities and persons;" information that "has been extremely beneficial in supporting our threat identification and risk avoidance measures."

SIGAR continues to assist the UN in this important effort.

OTHER SIGAR OVERSIGHT ACTIVITIES

Special Inspector General Sopko Meets with German Member of Parliament Ralf Stegner to Discuss Committee of Inquiry on Afghanistan

On October 26, 2022, Special Inspector General Sopko met with Dr. Ralf Stegner, a German parliamentarian and Chair of the German Bundestag's First Committee of Inquiry on Afghanistan. The Committee was established

SIGAR OVERSIGHT ACTIVITIES

in July 2022 to examine the circumstances of Germany’s withdrawal from Afghanistan in 2021. IG Sopko and Dr. Stegner discussed the purpose and scope of the Committee’s work, as well as how SIGAR could assist in that effort. They also discussed the possibility of Inspector General Sopko testifying before the Committee as an expert witness.

Special Inspector General Sopko Remarks at the United States Institute of Peace

On December 6, 2022, Special Inspector General Sopko was invited to speak at an event at the United States Institute of Peace entitled “Filling the Security Gap: International Approaches to Policing in Conflict.” The event was held to discuss best practices in policing and police capacity building in conflict-affected settings. It included speakers from the NATO Stability Policing Centre of Excellence, the United Nations Police Division, and the European Union Rule of Law Mission in Kosovo. Inspector General Sopko’s remarks focused on the findings of SIGAR’s report entitled *Police in Conflict: Lessons Learned from the U.S. Experience in Afghanistan*, focusing on the need to fully understand the history of policing in a country where international donors are trying to rebuild a police force, the importance of maintaining deployable police assistance units who have specialized expertise, and how the failure to build a credible Afghan civilian police force, free from corruption, ultimately undermined the democratically-elected Afghan government.



Deputy Inspector General Gene Aloise gives the keynote address on lessons learned in Afghanistan at the Danish Institute for International Studies in Copenhagen. (SIGAR photo)



Special Inspector General John Sopko gives the keynote address on stability policing in Afghanistan at an event hosted by John Jay College of Criminal Justice. (SIGAR photo)

Special Inspector General Sopko Meets with German Member of Parliament Peter Beyer to Discuss Study Commission on Afghanistan

On December 7, 2022, Special Inspector General Sopko met with Peter Beyer, a German parliamentarian who serves as the spokesperson and group coordinator for the German Bundestag's Study Commission on Afghanistan. Established in 2022, the Commission is tasked with examining Germany's involvement in Afghanistan from 2001 to 2021 to identify lessons that can be applied to future foreign and security policies. IG Sopko and MP Beyer discussed SIGAR's Lessons Learned Program and its reports and how SIGAR could be helpful to the Commission's work.

Panel Discussion on Post-War Ukraine

On December 7, 2022, Special Inspector General Sopko participated in a panel discussion on how to ensure maximum transparency and accountability of the post-war reconstruction and recovery of Ukraine, utilizing SIGAR's institutional knowledge from 15 years of oversight. The panel,

sponsored by Transparency International Ukraine, the Open Contracting Partnership, and USAID’s Support to Anti-Corruption Champion Institutions program was part of the International Anti-Corruption Conference in Washington, DC.

Inspector General Sopko’s remarks focused on the lessons learned from over two decades of reconstruction in Afghanistan and how they are applicable to Ukraine. In particular, he noted that oversight needs to begin as soon as the money begins to flow, and that oversight of reconstruction spending is both a whole-of-government (across U.S. government agencies) and whole-of-governments (across multiple countries and international organizations) effort, emphasizing that coordination among all the various donor entities is critical.

Inspector General Sopko also emphasized the need for oversight bodies to gain access to records—including those of international organizations and of the host-country—as well as the imperative to measure project outcomes (actual results) rather than just project outputs, such as the number of schools rebuilt. Other panelists included the Deputy Minister of Infrastructure of Ukraine, and representatives from the European Commission, Transparency International Ukraine, the Open Contracting Partnership, and the USAID Support to Anti-Corruption Champion Institutions program.

Deputy Inspector General Gives Keynote Address at the Danish Institute for International Studies

On December 9, 2022, in Copenhagen, Denmark, SIGAR participated in a symposium at the invitation of the Danish Institute for International Studies (DIIS). Deputy Inspector General Gene Aloise delivered the keynote address at the symposium entitled “20 Years of Engagement: Learning from Afghanistan.” DIIS is examining Denmark’s efforts in Afghanistan, including the nature of its withdrawal and the reasons why the Taliban were able to take over the country despite two decades of international investment. The symposium gathered representatives from the United States, UK, Germany, Netherlands, Norway, and Sweden to discuss lessons learned on Afghanistan from past studies, and coordinate on major, ongoing, government-mandated research projects addressing what went wrong in Afghanistan.

Deputy Inspector General Aloise presented key takeaways from SIGAR’s reports on the collapse of the Afghan government, the collapse of the Afghan security forces, and *What We Need to Learn*, the latter of which focused on the overall lessons for the United States after 20 years of reconstruction. He emphasized 10 lessons in particular, ranging from the U.S. failure to formulate a coherent, realistic strategy, to poor monitoring and evaluation. His formal presentation concluded with a “lesson of lessons” that any future reconstruction mission similar in scale and ambition to

that in Afghanistan is likely to be difficult, costly, and defined by the very real possibility of an unfavorable outcome. Director of the Research and Analysis Directorate Deborah Scroggins and Lessons Learned Project Lead Daniel Fisher provided additional lessons and observations to the group as speakers in a Q&A session. Through its participation in the symposium, SIGAR shared unique and important insights gained from 15 years of Afghanistan oversight to assist international partners as they undertake their own oversight efforts.

Special Inspector General Sopko Gives Keynote Address on Stability Policing in Afghanistan

On December 13, 2022, Special Inspector General Sopko gave the keynote address at an event entitled “Stability Policing in Afghanistan: Did NATO Miss an Opportunity?” sponsored by the John Jay College of Criminal Justice at the City University of New York. The event centered on Inspector General Sopko’s presentation of the findings from SIGAR’s Lessons Learned Program report *Police in Conflict: Lessons from the U.S. Experience in Afghanistan*. Other speakers included Colonel Giuseppe De Magistris, the Director of the NATO Stability Policing Centre of Excellence, and Dr. John Hussey, Adjunct Professor at John Jay College, an expert in developing the rule of law in failed and fragile states.

SIGAR OVERSIGHT ACTIVITIES

SIGAR BUDGET

SIGAR is currently funded under H.R. 2617, the Consolidated Appropriations Act, 2023, signed into law on December 29, 2022. This bill provides \$35.2 million (fully funding SIGAR’s revised budget request) to support SIGAR’s oversight activities and products by funding SIGAR’s Audit and Inspections, Investigations, Management and Support, Research and Analysis Directorates, and Lessons Learned Program. In addition, the Joint Explanatory Statement (JES) accompanying the bill directs that “the Secretary of State and USAID Administrator shall work with SIGAR to resolve any disputes related to SIGAR’s ongoing investigatory and audit work, consistent with prior fiscal years.” The JES further directs “the Special Inspector General, the Secretary of State, and the USAID Administrator [to] brief the Committees on Appropriations on the status of cooperation not later than 60 days after the date of enactment of [the] Act and every 90 days thereafter until September 30, 2023.”

SIGAR STAFF

With 133 employees on board at the end of the quarter, SIGAR had six fewer staff members than reported in the last quarterly report to Congress. There were no SIGAR employees in Afghanistan during this reporting period.

“We support the Afghan people’s calls for girls and women to return to work, school, and university, and for women to continue to play essential roles in humanitarian and basic needs assistance delivery, and we urge the Taliban to respect the political, economic, social, and cultural rights of women and girls in Afghanistan.”

— *Joint Statement from 16 Foreign Ministers*