



SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

John F. Sopko
Special Inspector General

January 16, 2014

General Joseph F. Dunford, Jr.
Commander, U.S. Forces-Afghanistan, and
Commander, International Security Assistance Force

The Honorable Robert F. Hale
Under Secretary of Defense (Comptroller)

The Honorable John McHugh
Secretary, U.S. Department of the Army

Dear General Dunford, Under Secretary Hale, and Secretary McHugh:

I am writing to request financial and performance information for the Commander's Emergency Response Program¹ (CERP) in Afghanistan. This information will help the Office of the Special Inspector General for Afghanistan Reconstruction (SIGAR) continue its ongoing oversight of CERP and facilitate SIGAR's contribution to the report mandated by Congress on CERP lessons learned and best practices.²

As part of SIGAR's mandate to track the obligation and expenditure of U.S. reconstruction funds in Afghanistan,³ SIGAR analysts recently determined that a significant portion of fiscal year (FY) 2013 CERP funds appropriated by Congress were never used. Specifically, the Department of Defense (DOD) only obligated \$43.5 million of \$200 million appropriated for CERP before the funds expired at the end of September 2013. This is not a new phenomenon. As the attached chart illustrates, over the past six fiscal years the DOD has used only 59 percent of the CERP funds provided by Congress.

There are likely many reasons why these funds were not used. For example, the accelerated U.S. troop drawdown may have reduced the need for these funds, or military commanders may have reduced the cost of various projects through effective oversight. Another factor may have been the overarching challenge of budgeting for small-scale reconstruction projects in an unpredictable conflict zone plagued by violence, corruption, and sustainability challenges. Fully understanding how these challenges affected not only financial planning for CERP but also the overall program will require a careful analysis of CERP performance data. That is why SIGAR is

¹ CERP enables U.S. military commanders in Afghanistan to respond to urgent humanitarian relief and reconstruction requirements in their areas of responsibility by supporting programs that will immediately assist the local population. Funding under this program is intended for small projects that are estimated to cost less than \$500,000 each.

² Public Law No. 113-66, Section 1211.

³ Public Law No. 110-181, Section 1229(i)(1).

also interested to see if CERP managers established performance metrics, collected performance data, and used performance data to properly manage individual projects and the overall program.

Although these are some of the many issues SIGAR and the DOD will analyze as part of the congressionally-mandated lessons learned report, SIGAR also needs to examine these issues to protect ongoing and future CERP projects from waste, fraud, and abuse. Therefore, I am formally requesting that you explain:

1. Why the DOD only executed 59 percent of its CERP funds from FY2008 through FY2013. Please include a detailed explanation of why the DOD only executed 18 percent of its FY2013 funds.
2. Whether expired CERP funds from FY2008 through FY2013 were reprogrammed for other purposes or returned to the U.S. Treasury.
3. Why the DOD requested \$60 million for CERP in FY2014, even though the U.S. military is significantly decreasing its presence in 2014. Please include a copy of the FY2014 budget justification and the backup documentation used to generate the budget request.
4. How the low execution rate for FY2013 affected the FY2014 budget request, if at all.
5. What changes the DOD intends to make to CERP, if any, as a result of the decision by Congress to only provide half (\$30 million) of DOD's FY2014 budget request.
6. The current plans and assumptions for the future use of CERP or any similar follow-on program in Afghanistan, assuming the U.S. government enters into a long-term Bilateral Security Agreement with the Government of the Islamic Republic of Afghanistan.

In addition, please provide the following documents:

1. Monthly commitment, obligation, and expenditure data for CERP from October 2004 through December 2013.
2. An unclassified listing of all CERP projects, whether nominated, on-going, or completed/closed, from October 2004 through December 2013. This list should include a) project number, b) project title, c) project description, d) funding source, e) project status, f) province, g) district, h) amount allotted, i) amount spent, j) amount obligated, k) project start date, l) project end date, and m) performance metrics.
3. Geospatial coordinates or military grid reference system location for each nominated, on-going, or completed/closed CERP project.
4. Afghan Development Reports for all CERP projects, whether nominated, on-going, or completed/closed, from October 2004 through December 2013.
5. A list of the performance metrics used to evaluate individual projects and the overall program.
6. All relevant CERP guidance documents issued since the inception of the program in Afghanistan. This includes Money As A Weapon System-Afghanistan (MAAWS-A) guidance, standard operating procedures, fragmentary orders (FRAGOs), operations orders (OPORDs), and headquarters directives that describe the administration and objectives of CERP.
7. All completed CERP lessons learned products produced by the DOD.

I am submitting this request pursuant to my authority under Public Law No. 110-181, as amended, and the Inspector General Act of 1978, as amended. Please direct your staff to provide this information within 30 days of your receipt of this letter to my Director of Special Projects, Mr. Jack Mitchell, at 703-545-5964 or at john.h.mitchell161.civ@mail.mil. Please do not hesitate to contact him if you have any questions.

Thank you for your prompt attention to this matter. I look forward to your response and continuing to work with you in support of our nation's critical mission in Afghanistan.

Sincerely,



John F. Sopko
Special Inspector General
for Afghanistan Reconstruction

Enclosure: Chart – CERP Appropriations, Obligations, and Disbursements

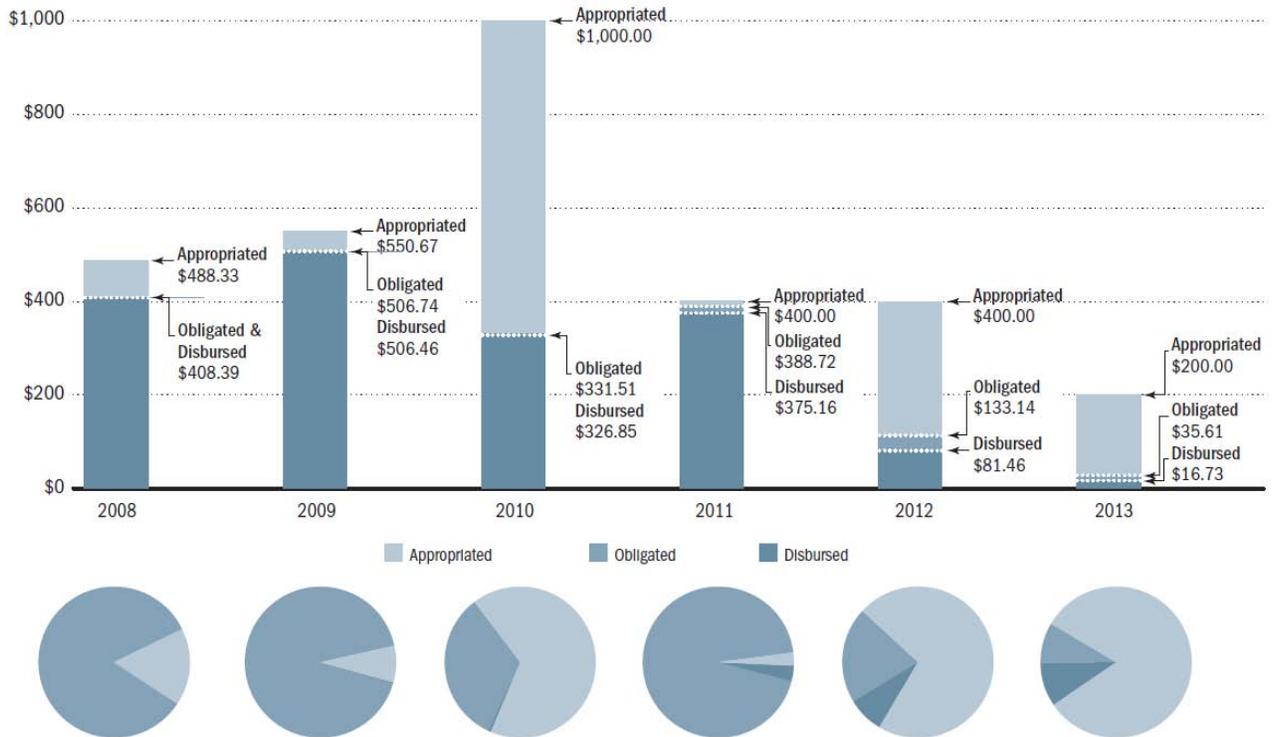
cc:

General Lloyd J. Austin III
Commander, U.S. Central Command

Ambassador James B. Cunningham
U.S. Ambassador to Afghanistan

Enclosure: CERP Appropriations, Obligations, and Disbursements

CERP FUNDS, CUMULATIVE COMPARISON (\$ MILLIONS)



Notes: Numbers have been rounded.
 Source: SIGAR analysis of DOD-provided financial data.