



SIGAR

**Office of the Special Inspector General
for Afghanistan Reconstruction**

June 6, 2014

The Honorable Ray Mabus
Secretary of the Navy

Dear Secretary Mabus:

I am writing concerning eight patrol boats that are currently being stored at Naval Weapons Station Yorktown. In April 2014, I sent an inquiry letter to the Commander of the Combined Security Transition Command—Afghanistan (CSTC-A) concerning the procurement of these boats for the Afghan National Police (ANP).

I became concerned about this procurement action following a review of email correspondence indicating that these patrol boats were bought, but never delivered to the ANP. Subsequent interviews with Defense Security Cooperation Administration and Navy International Programs Office (NIPO) personnel confirmed that the patrol boats were procured by NIPO in coordination with CSTC-A at a cost of more than \$3 million in October 2010 using the Afghan Security Forces Fund (ASFF). Less than nine months later CSTC-A cancelled the requirement. The patrol boats were almost fully built at the time of the cancellation and would have been unusable unless completed. After the patrol boats were completed, they were transferred to storage facilities at Naval Weapons Station Yorktown in 2011.

I would like to inquire about what the Navy intends to do with these boats. It is my understanding that the National Defense Authorization Act for Fiscal Year 2014, Section 1531 (Pub. L. No. 113-66) gives the Department of Defense the legal authority to treat such equipment as DOD stocks. As DOD stocks, these patrol boats could be sold, transferred to another U.S. government agency or international partner (including the Afghan National Security Forces), or disposed of in some other way. To clarify these matters, please provide the following information:

- The Navy's plans for disposing of the patrol boats.
- The cost of storing the patrol boats since they were delivered to Naval Weapons Station Yorktown, and the funding source for the storage costs.

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.

Thank you very much for you cooperation in this matter. Please provide this information no later than June 27, 2014, to Jack Mitchell, Director of the Office of Special Projects, at [REDACTED] or [REDACTED]. Please do not hesitate to contact him should you have any questions.

Sincerely,



John F. Sopko
Special Inspector General
for Afghanistan Reconstruction

Enclosure: I: SIGAR-14-54-SP Inquiry Letter: ANP Patrol Boats
II: CSTC-A Memorandum of Request to the Department of the Navy requesting the procurement of the patrol boats for the Afghan National Police

ENCLOSURE I: SIGAR-14-54-SP INQUIRY LETTER: ANP PATROL BOATS



SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

April 24, 2014

Major General Kevin R. Wendel
Commanding General, Combined Security Transition
Command – Afghanistan/Ministerial Advisory Groups

Dear General Wendel:

I am writing to request information on a \$3 million procurement of patrol boats for the Afghan National Police (ANP) initiated by the Combined Security Transition Command-Afghanistan (CSTC-A) in 2010. The purpose of this request is to learn more about the initial purpose of the procurement and why it was apparently cancelled after only nine months. Additionally, I would like to confirm whether the U.S. government has been paying storage and related expenses for these boats for the last 3 years, even though the boats now have no apparent planned use.

In a memorandum of request (MOR) dated October 12, 2010 (enclosure I), CSTC-A requested that the U.S. Department of the Navy purchase eight rigid-hulled inflatable boats (RHIBs) for use by the ANP to patrol the Amu Darya river between Northern Afghanistan and Uzbekistan (see figures 1 and 2). According to the MOR, the total cost of the patrol boats, including spare parts and technical assistance, would come to just over \$3 million.

In response to the MOR, the Navy procured the patrol craft using the Afghanistan Security Forces Fund (ASFF). According to documents obtained by my office, CSTC-A cancelled the requirement for the patrol boats in July 2011 and requested that the contract be terminated and that the disbursed funds be returned. However, because 80 percent of the funds had been disbursed by the time the requirement was cancelled and the boats were nearly finished, it was decided that the contract should be allowed to proceed to completion. According to officials at the Defense Security Cooperation Agency (DSCA), the patrol boats were manufactured and delivered to the Navy in 2011 and have been in storage at the Naval Weapons Station/Cheatham Annex, Yorktown, Virginia ever since.



Figure 2 – Region where patrol boats were intended to operate



Figure 1 - One of the patrol boats purchased for the ANP

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Arlington, Virginia 22202

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Arlington, Virginia 22202-3940

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I would appreciate answers to the following questions raised by this procurement decision and subsequent cancellation:

- How many boats and other watercraft do the Afghan National Security Forces currently operate? What kinds of missions are these boats and other watercraft involved in?
- What was the initial operational requirement for these boats? Was a concept of operations (CONOPS) written for the employment of these boats?
- Which Afghan and coalition organizations reviewed and approved the requirement and CONOPS for these boats?
- Did CSTC-A evaluate whether the initial operational requirement was feasible prior to procuring the patrol boats?
- How many patrol boats did that initial requirement call for and what was the cost estimate for the boats and initial spare parts?
- Please provide a breakdown of the \$3 million dollars expended for these boats.
- Were any of these ANSF funds returned? The MOR states that the boats were required by the ANP Tashkil.¹ What was the justification for including this capacity on the Tashkil? Does CSTC-A review the feasibility of Tashkil requirements before filling them?
- Was the Afghan Ministry of Interior (MOI) involved with this procurement? If so, how?
- Why did CSTC-A cancel the requirement for the patrol boats only nine months after the MOR was issued? Who cancelled the requirement? Were MOI officials involved in the cancellation decision or notified of the cancellation after the fact? Did they concur with the decision?
- Was the DOD Afghanistan Resources Oversight Council (AROC)² involved in the cancellation decision? If so, please describe the role it played in the decision making process?
- How much has it cost the U.S. government to store and maintain these boats, and what are future storage and maintenance costs expected to be?
- Are there any current plans for the ANSF or the U.S. government to use the patrol boats? If not, will they just remain in storage or will they be disposed of in some way?
- Has CSTC-A conducted any review as a result of the procurement? If so, what were the findings of that review?

Please provide your response no later than May 9, 2014. Should you have any questions or concerns, please contact Mr. Jack Mitchell, Director, Office of Special Projects, at [REDACTED] or [REDACTED].

Sincerely,



John F. Sopko
Special Inspector General
for Afghanistan Reconstruction

Enclosure: CSTC-A Memorandum of Request to the Department of the Navy requesting the procurement of the patrol boats for the Afghan National Police

¹ The Tashkil is an Afghan government Ministry of Interior document that dictates the force structure, personnel end strength, command relationships, and unit/staff functions and mission descriptions for the ANP.

² The AROC is responsible for approving all financial and activity plans for the Afghanistan Security Forces Fund (ASFF).

ENCLOSURE II: CSTC-A MEMORANDUM OF REQUEST TO THE DEPARTMENT OF THE NAVY REQUESTING THE PROCUREMENT OF THE PATROL BOATS FOR THE AFGHAN NATIONAL POLICE

MOR # 10S-E2P-916



NATO TRAINING MISSION – AFGHANISTAN
 COMBINED SECURITY TRANSITION COMMAND – AFGHANISTAN
 KABUL, AFGHANISTAN
 APO, AE 09356

REPLY TO ATTENTION OF:
 NTM-A/CSTC-A, SAO-A FMS

12 October 2010

Department of the Navy
 Navy International Program Office
 2521 Clark Street, Suite 800
 Arlington, Va 22202-3928

SUBJECT: New Case for the CONUS Procurement of Boat, Patrol (7m RIB) Trailers and 4 extra engines for the Afghan National Police (ANP)

1. Request the purchase of the below items in the quantities listed in the MOR column.

Item	Tashkil	Acquired			MOR	Total	Tashkil Fill
		Issued	On Hand	On Order			
Boat, Patrol	8	0	0	0	8	8	100%

2. Request release of \$ 3,019,668 (fees included) from the FY10 Afghan Security Forces Fund (ASFF).
 The total case value is \$ 3,019,668.

MOR Number	Above the Line Cost		Admin Surcharge	Transportation	MOR Value	Total Case Value
	Basic Cost	CAS				
10-E2P-916	\$ 2,709,977	\$ 38,275	\$ 102,979	\$ 206,712	\$ 3,079,668	\$ 3,019,668

3. **Justification:** This request for equipment is LAW the 134 K Tashkil for the ANP and is designed to meet fielding requirements in June 2011.

4. **Funding:** Funding for this MOR is supported by the FY 10S spend plan.

5. **Transportation:**

a. Boats will be shipped via DTS. CSTC-A requests "Enhanced Physical Security" on all surface shipment items for this portion of the case. Specifically, CSTC-A requires the shipper to use only ST-675-1 tags.

b. In addition to required documentation, these items must be shipped with a placard no smaller than 11"x 17" on all visible sides of the pallet or container, showing in clear, bold English letters:

"These items are allocated for the Afghan National Police. Case Designator [XX-X-XXX]

c. Request delivery of vehicles to the ANP Vehicle Depot in Kabul, Afghanistan.

	June
Boat, Patrol	8

6. Request Field Service Representative (FSR) arrive approximately 30 days after the boats arrive in Kabul Afghanistan. The FSR will spend approximately 6 weeks in Afghanistan with a week in each of the following cities: Heratyn, AyKhanom, Khan Bandar and Abrishime. All transportation on and life support inside Afghanistan will be provided by coalition forces. The training will encompass the reactivation and testing of the systems as well as basic boat operations and maintenance at each location.

7. The total value of this MOR cannot be exceeded without authorization from the Security Assistance Office-Afghanistan (SAO-A). SAO-A prior approval is required to adjust quantities or change requirements.

8. POC for this case will be Maj. Brian P. Phillips, DSN [REDACTED]

CHRISTOPHER M. O'BRIEN
Major, U.S. Army
Chief, ANP FMS Branch, SAO-A

MICHAEL T. POWERS
GS 15, DOD
Comptroller, CJ 8, CSTC-A

MARK F. CONROE
Colonel, U.S. Army
Director, SAO-A

JOHN G. FERRARI
Colonel, U.S. Army
Deputy Commander for Programs

13 OCT 2010

Attachment:

1. Line Cost Detail

- cc: DSCA, ATTN: Brett Floro, [REDACTED]
- USASAC, ATTN: Mike Williams, [REDACTED]
- USASAC, ATTN: Lil Wisson, [REDACTED]
- NAVSEA, PEO SHIPS: [REDACTED]

MOR # 10S-E2P-916

Attachment 1 -- Line Item Cost Detail

Item Description	QTY	Unit Cost	Above the Line Cost	CAS 1.5%	Admin Fee 3.8%	Trans	Total Cost
Boat, Patrol	8	\$ 265,250.00	\$ 2,153,381.00	\$ 31,380.00	\$ 81,828.44	\$ 131,463.01	\$ 2,366,672.45
Spare Parts	1	\$ 333,200.00	\$ 338,198.00	\$ 4,998.00	\$ 12,851.52	\$ 75,249.06	\$ 426,298.58
Tech Assist	1	\$ 90,000.00	\$ 90,000.00	\$ -	\$ 3,420.00	\$ -	\$ 93,420.00
In Country Training	1	\$ 126,500.00	\$ 128,398.00	\$ 1,897.60	\$ 4,879.11	\$ -	\$ 133,277.11
			\$ 2,709,977.00	\$ 38,275.50	\$ 102,979.07	\$ 206,712.07	\$ 3,019,668.13

Boat, Patrol includes trailer.
 Spare parts included one extra engine per boat.
 Tech Assist will spend 6 weeks in Afghanistan.