



SIGAR

Testimony

Before the Subcommittee on Oversight and
Investigations, Committee on Armed Services
U.S. House of Representatives

Assessing the Capabilities and
Effectiveness of the Afghan
National Defense and Security
Forces

Statement of John F. Sopko,
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Chairwoman Hartzler, Ranking Member Speier, and Members of the Subcommittee,

I am pleased to be here today to discuss SIGAR's completed and ongoing work examining U.S. efforts to build, train, equip, and sustain the Afghan National Defense and Security Forces (ANDSF). Since SIGAR was created by Congress in 2008, the capability and effectiveness of the ANDSF has been one of our main concerns. Today's hearing could not come at a more important time or cover a topic of more relevance to the future success of the U.S. mission in Afghanistan.

Establishing security is essential not only for the survival of the Afghan state, but for the success of the reconstruction effort. Congress clearly holds the same view: 61% of the \$113 billion in U.S. reconstruction funding appropriated for use in Afghanistan has gone toward building self-sufficient Afghan security forces. To date, Congress has appropriated more than \$68 billion for this purpose.¹

My testimony today is based on SIGAR's substantial body of work on the U.S. effort to build, equip, train, and sustain the Afghan security forces. Since 2008, SIGAR has released 74 reports examining how funds appropriated for the ANDSF have been used and directed 167 recommendations to the Department of Defense (DOD) to improve U.S. efforts to build, train, equip, and sustain the ANDSF.

Deteriorating Security

We agree with the U.S. forces-Afghanistan (USFOR-A) and Resolute Support (RS) commander General John F. Campbell that Afghanistan is at an inflection point. As General Campbell said, "if we do not make deliberate, measured adjustments, 2016 is at risk of being no better, and possibly worse, than 2015." From all indications, the security situation is still deteriorating.² National Intelligence Director James Clapper testified this week that the intelligence community assesses "fighting in 2016 will be more intense than 2015, continuing a decade-long trend of deteriorating security."³ According to the United Nations, Afghanistan experienced record-high civilian casualties in 2015. The United Nations also says that 2015 may have been the worst year for conflict-induced displacement in Afghanistan since 2002. In September, a provincial capital, Kunduz, fell to the Taliban for the first time since 2001. According to news reports, Helmand province has come close to falling in recent months and Baghlan province is in danger. According to USFOR-A, nearly 30% of districts are outside of the government's direct control or influence.

However, it can be difficult to accurately describe the security situation quantitatively. While many figures and numbers used to describe the situation in Afghanistan have the outward appearance of quantifiable data, they are more often than not qualitative assessments using questionable definitions. As Dr. Anthony Cordesman at the Center for Strategic and

¹ SIGAR, *Quarterly Report to the United States Congress*, 10/30/2016, Appendix B.

² Congressional Quarterly Congressional Transcripts, *House Armed Services Committee Holds Hearing on the Situation in Afghanistan*, 2/2/2016, (Statement of U.S. Forces and Resolute Support Commander General John F. Campbell.)

³ Senate Armed Services Committee, Statement for the Record, James R. Clapper, "Worldwide Threat Assessment of the US Intelligence Committee," 2/9/2016, p. 26.

International Studies (CSIS) has pointed out, “there is no way to be sure of any figure like 70% [government controlled territory], or even to accurately estimate the size and location of the Afghan population.”⁴

The fall of Kunduz surprised some observers. However, in January 2014, the Center for Naval Analyses released a DOD-funded report that predicted the Taliban would keep pressure on the ANDSF, expand its influence in areas vacated by Coalition forces, encircle key cities, and conduct high-profile attacks in Kabul and other cities.⁵ These predictions, unfortunately, seem to have been prescient. The Kunduz attack also laid bare troubling gaps in the capabilities of Afghan security forces. While Afghan forces, aided by U.S. close-air support, were eventually able to clear the city of insurgents, the fact remains that the Afghans needed help from U.S. forces to retake Kunduz only 10 months after the end of U.S. combat operations.

The extremely precarious situation of the ANDSF in Helmand province in southern Afghanistan is another worrying development. In late December, Helmand’s deputy governor claimed that Taliban fighters were positioned to take control of the province. British forces were rushed to assist the Afghan Army in the crucial district of Sangin, which insurgents reportedly seemed close to taking over.⁶ In addition, U.S. air support was necessary to help clear a town in Helmand of insurgents just last month. Recognizing the mounting problems in Helmand, the incoming RS commander, General John W. Nicholson, said the ANDSF has begun to replace failed leaders, provide reinforcements, and dedicate other resources such as armed aircraft to the province.⁷ And now it is being reported that a battalion-sized contingent of U.S. soldiers are being sent to Helmand to bolster the Afghan National Army’s efforts.⁸ Coming so soon after the fall of Kunduz, news of the ANDSF’s problems in Helmand does not bode well for the future.

Along with the Taliban stepping up attacks this winter, long after the period in which fighting has typically declined, other groups, such as al-Qaeda in the Indian Subcontinent (AQIS)—a relatively new offshoot of al-Qaeda that operates primarily in Afghanistan, Pakistan, and India—and the Islamic State of Iraq and the Levant-Khorasan Province (ISIL-K) have also expanded their presence in Afghanistan.⁹ In October of last year, General Campbell said a multi-day operation in Kandahar Province targeted what was “probably the largest” al-Qaeda training camp ever found in Afghanistan, a sprawling complex that covered over 30 square

⁴ Email from Dr. Anthony Cordesman, sent to SIGAR on 2/3/2016.

⁵ Center for Naval Analyses, “Summary of Independent Assessment of the Afghan National Security Forces,” 1/24/2014, p. 19.

⁶ *New York Times*, “British Forces Rush to Help Afghans Hold Off the Taliban in Helmand,” 12/22/15.

⁷ Advance Policy Questions for LTG John W. Nicholson, USA, Nominee to Commander, Resolute Support Mission and Commander, United States Forces Afghanistan, 1/28/2016.

⁸ *New York Times*, “U.S. to Send More Troops To Aid Afghan Forces Pressed by the Taliban, 2/10/16.

⁹ State, “Foreign Terrorist Organization Designation of ISIL-Khorasan (ISIL-K),” 1/14/2016; *Washington Post*, “‘Probably the largest’ al-Qaeda training camp ever destroyed in Afghanistan,” 10/30/2015.

miles.¹⁰ On January 8, a provincial council official warned that the ISIL-K presence in five Nangarhar districts may lead to the provincial takeover if the insurgents are not stopped.¹¹

To give you an example of the worsening security situation drawn from our own experience, when SIGAR began staffing its office at the Embassy in Kabul in 2009, our personnel could access many areas of the country and city, drive themselves in Kabul, Herat, Mazar-e Sharif, meet Afghans in their workplaces and take ground transportation from the airport to the Embassy. Now, nearly seven years later, Embassy personnel, including SIGAR and other oversight agencies, are largely restricted to the Kabul embassy compound and the few remaining RS bases, and, for nearly a year now, must take helicopters to and from the Kabul airport because of the growing security risk.

The lack of security has made it increasingly difficult for many U.S. and even some Afghan officials to get out to manage and inspect U.S.-funded reconstruction projects. Notwithstanding these obstacles, SIGAR, the largest U.S. oversight organization in Afghanistan, has managed to continue its work of overseeing U.S. programs and projects, partly through the creative use of local Afghan staff and civil-society organizations, and with the assistance of the U.S. military when available. SIGAR work to date has saved over \$2 billion for the U.S. taxpayer. In addition, we have built strong, cooperative working relationships with the RS and the Combined Security Transition Command-Afghanistan (CSTC-A), which has primary responsibility for the training and development of the Afghan security forces. Indeed, CSTC-A has agreed with and accepted many of SIGAR's recommendations. We continue to work with RS and CSTC-A to improve matters in many areas.

To be sure, the United States and its Coalition partners have accomplished much over the course of the past 15 years. After the fall of the Taliban in 2001, Afghanistan had no formal military or police forces. Now it has a well-equipped and well-staffed army, air force, and police force who report to a democratically elected government. And while those forces continue to face a determined insurgency, they have been fighting hard and taking significant casualties.

However, if recent developments are indicators of what is to come, we may not be on course to achieve and sustain for the long term the U.S. national security objectives which are to “deny al-Qaida a safe haven, deny the Taliban the ability to overthrow the government, and strengthen the capacity of Afghanistan’s security forces and government so that they can take lead responsibility for Afghanistan’s future.”¹²

Before I begin talking about some of the problems SIGAR has found over the years, I think I should remind people that Afghanistan is one of the most challenging places in the world to work and do business. The dangers we all face there are very real and our military as well as civilian employees and contractors have accomplished so much that it is impossible not to be proud—and humbled—by their efforts and great sacrifice.

¹⁰ *Washington Post*, “‘Probably the largest’ al-Qaeda training camp ever destroyed in Afghanistan,” 10/30/2015.

¹¹ *The Independent* (UK), “Helmand governor takes to Facebook to warn Afghan president of Taliban threat,” 12/20/2015.

¹² The White House, National Security Strategy, 5/2010, p. 20.

Key Challenges Facing ANDSF Development

I wish I could tell you today that U.S. funding to build, equip, train, and sustain the ANDSF has always been of good value to the U.S. taxpayer. However, SIGAR has found many instances when U.S. funding dedicated to the ANDSF was wasted, whether inefficiently spent on worthwhile endeavors or squandered on activities that delivered no apparent benefit.

Based on SIGAR's completed and ongoing work, we see five major challenges confronting U.S. efforts to develop the ANDSF:

- 1) Limited oversight visibility
- 2) Questionable force strength numbers
- 3) Unreliable capability assessments
- 4) Limited On-budget assistance capacity
- 5) Uncertain long-term sustainability

Limited Oversight Visibility

With fewer forces in theater, the United States military has lost much of its ability to collect reliable information and data on ANDSF capability and effectiveness. For years, U.S. and Coalition forces maintained a presence as high as 130,000 troops. There are now less than 13,000 U.S. and Coalition troops there as part of Resolute Support's train, advise, and assist mission. In SIGAR's latest quarterly report, USFOR-A reported that U.S. advisors have little or no direct contact with ANDSF units below the army corps and regional police headquarters level.¹³ This situation contrasts dramatically with the previous International Security Assistance Force (ISAF) mission (the predecessor to the RS mission), where many Coalition advisors were embedded with ANDSF tactical units, enabling them to offer real-time advice and make detailed observations of performance.

However, while such high-level assessments of ANDSF capabilities at the headquarters and corps level are still possible, assessments below those levels—for example at the brigade or battalion level—are beyond the capability of the United States and its Coalition partners. They simply do not have the presence to conduct such assessments. This is a serious concern because SIGAR and other U.S. oversight agencies have long questioned the reliability and accuracy of ANDSF assessments, at a time when those assessments had far more granularity than today.

With the greatly reduced Coalition troop strength, RS mission advisors rely almost exclusively on data provided by the Afghan ministries to evaluate the operational readiness and effectiveness of the ANDSF. In some ways, this is like the fox guarding the hen house, and, in this case, the hen house is billions of dollars in U.S. funds appropriated for the ANDSF.

¹³ USFOR-A, response to SIGAR data call, 12/4/2015.

SIGAR has seen the effect of the drawdown first hand as the quantity and quality of the information we receive—especially regarding the capability and effectiveness of the ANDSF. The data is less detailed and has less analytical value. For example, in response to a recent SIGAR request for information, USFOR-A gave a general assessment of the ANDSF performance as uneven, with numerous, high-profile tactical and operational setbacks detracting from its overall success in preventing the Taliban from achieving its strategic goals. ANDSF capability gaps in aviation, intelligence, logistics, maintenance, operational planning, and leadership persist. DOD assessed that the ANDSF continued to improve integration of indirect-fire and close-air attack capabilities, but that the ANDSF’s capacity to hold areas after initial clearing operations is uneven: they remain in a primarily defensive posture that limits their agility across the country.¹⁴ I worry that as the U.S. military draws down in the future and can only advise at the ministerial level, our ability to know what is happening in the field will be further degraded.

The fall of Kunduz after 14 years of U.S. support for the ANDSF deserves serious examination by the U.S. military. Yet, SIGAR was disturbed to learn that, according to a USFOR-A response to a SIGAR request for information, the RS mission did not conduct a comprehensive review of the Kunduz incident separate from that conducted by the Afghan government. With billions of dollars still in the funding pipeline, it is troubling to learn that the RS mission has not conducted its own independent review to consider whether our current “train, advise, and assist” effort is as effective as it should be, or whether changes need to be made.

Possible questions for Congress and U.S. policymakers include:

- Is the current level of U.S. military personnel in Afghanistan adequate to ensure that the ANDSF do not fail in their mission and to mitigate the risk to our substantial investment?
- To what extent can the U.S. military rely on the veracity and accuracy of the information it receives from the Afghan security ministries about ANDSF performance?

Questionable Force Strength Numbers

SIGAR has looked closely into the actual strength of the ANDSF. For years, the authorized strength of the ANDSF has been 352,000 soldiers and police officers.¹⁵ However, SIGAR’s work shows that while the ANDSF’s actual strength has approached the goal of 352,000 authorized personnel, it has never been fully achieved. Indeed, our work shows that neither the United States nor its Afghan allies truly know how many Afghan soldiers and police are available for duty, or, by extension, the true nature of their operational capabilities.

The importance of reliable Afghan National Army (ANA) and Afghan National Police (ANP) personnel data to the U.S. and Afghan governments, RS, and other donor nations supporting

¹⁴ USFOR-A, response to SIGAR data call, 12/4/2015.

¹⁵ DOD, *Report on Progress Toward Security and Stability in Afghanistan*, 12/2012, p. 56; USFOR-A, response to SIGAR data call, 12/14/2015.

the ANDSF cannot be overstated. Every professional standing military, security force, and police force begins each day identifying how many personnel are present for duty and what abilities they have, such as trained infantry, patrolmen, medics and mechanics. This data enables the commanders of these forces to determine their operational capabilities.

In his testimony before the full House Armed Services Committee last week, General Campbell gave an estimate that 70% of the problems facing the ANDSF result from poor leadership. But even the best military leaders in the world cannot do their jobs without a clear understanding each day of how many personnel, and with what skills, are present for duty.

In 2006, before SIGAR was created, the DOD and Department of State Inspectors General warned of inflated numbers among the ANP. A subsequent attempt by CSTC-A to verify the Ministry of Interior's payroll records by conducting a physical count of police personnel was unable to verify 20% of Afghan Uniformed Police and 13% of Afghan Border Police carried on the rolls.¹⁶

In 2009, GAO found that the United Nations Development Programme (UNDP) and U.S. contractors were unable to validate the existence or active status of 29,400 MOI and ANP personnel—representing more than a third of both groups at that time—due to a lack of cooperation from ANP commanders.¹⁷ At that time, GAO reported that a State Department cable said that police chiefs were inflating their numbers by “creating ghost policemen” in order to obtain illegal payments for those “ghost” personnel.¹⁸

During our 2011 audit of ANP personnel systems, SIGAR was unable to conclusively determine an accurate total for ANP personnel. In our report, we found that various sources of personnel data showed total reported numbers of ANP personnel ranging from 111,774 to 125,218, a division-sized discrepancy of 13,444 personnel.¹⁹

Since that time, DOD and CSTC-A responses to SIGAR requests for information on ANDSF numbers have raised even more questions. Over the course of several quarters, ISAF told SIGAR that ANDSF personnel numbers sometimes included civilians and sometimes did not. Moreover, large quarterly changes in the numbers of Afghan Army personnel at the headquarters level, as well as discrepancies in the data, further raised concerns.

A January 2015 SIGAR audit found that more than \$300 million in annual, U.S.-funded salary payments to the ANP were based on data that were only partially verified or reconciled. In other words, there was, once again, no assurance that personnel and payroll data were accurate. In fact, SIGAR found that nearly 20% of Afghan police personnel were at

¹⁶ SIGAR, *Afghan National Police: More than \$300 Million in Annual, U.S.-funded Salary Payments Is Based on Partially Verified or Reconciled Data*, Audit Report 15-26-AR, 1/2015.

¹⁷ GAO, *Afghanistan Security U.S. Programs to Further Reform Ministry of Interior and National Police Challenged by Lack of Military Personnel and Afghan Cooperation*, 3/2009.

¹⁸ GAO, *Afghanistan Security U.S. Programs to Further Reform Ministry of Interior and National Police Challenged by Lack of Military Personnel and Afghan Cooperation*, 3/2009.

¹⁹ SIGAR, *Despite Improvements in MOI's Personnel Systems, Additional Actions Are Needed to Completely Verify ANP Payroll Costs and Workforce Strength*, Audit Report 11-10-AR, 4/25/2011.

risk of not receiving their full salaries because they are paid in cash by an MOI-appointed “trusted agent,” a process that lacks documentation and accountability.²⁰

In an April 2015 audit, SIGAR found that there is still no assurance that ANA personnel and payroll data—which are tracked by the Ministry of Defense and the Afghan Army—are accurate.²¹ Instead, CSTC-A, and later the RS mission, relied on the Ministry of Defense and the ANA to collect and accurately report ANA personnel and payroll data. However, the ANA’s process for collecting unit-level attendance data, upon which all ANA personnel and payroll data is based, had limited oversight and weak controls, and was not consistently applied across ANA locations. There are no requirements that supervisory ANA officials verify attendance in lower-level units. U.S. and Coalition officials are not present during the attendance process, and command officials told SIGAR that they have limited knowledge of or influence over the process.

The only control in place at the unit level to ensure accurate ANA attendance reporting on a day-to-day basis—a roster each soldier is required to sign daily—was not consistently used across ANA locations. For example, officers used the roster, but enlisted personnel did not. This lack of verification of enlisted-personnel attendance provides minimal assurance that unit commanders are accurately reporting personnel attendance. These weaknesses in the ANA attendance data-collection process could result in personnel being paid for days not worked, either with or without knowledge of supervisory personnel.²²

Sadly, I was not surprised to read an Associated Press report just last month alleging that the actual number of ANDSF security forces in the embattled province of Helmand is far less than the official count because the rolls are filled with “ghost” soldiers and police officers.²³ The AP reported that a provincial council member estimated 40% of the security forces reportedly in Helmand do not exist, while a former provincial deputy police chief said the actual number in Helmand was “nowhere near” the 31,000 police on the registers. Most troubling was the AP’s report that an Afghan official estimated the total ANDSF number at around 120,000—less than half the officially reported 322,638 assigned personnel.²⁴

While I cannot verify these assertions—and I only mention them as troubling if they turn out to be true—SIGAR has long questioned the ANDSF’s actual personnel strength. The very real possibility of ghost soldiers in the ANDSF compromises their readiness, the perception of the ANDSF, and the Afghan government’s credibility.

Possible questions for Congress and U.S. policymakers include:

- Does the United States have an accurate understanding of the number of ANDSF troops?

²⁰ SIGAR, *Afghan National Police: More than \$300 Million in Annual, U.S.-funded Salary Payments Is Based on Partially Verified or Reconciled Data*, Audit Report 15-26-AR, 1/2015.

²¹ SIGAR, *Afghan National Army: Millions of Dollars at Risk Due to Minimal Oversight of Personnel and Payroll Data*, Audit Report 15-54-AR, 4/2015.

²² SIGAR Audit 15-54.

²³ Associated Press, “Afghan forces struggle as ranks thinned by ‘ghost’ soldiers,” 1/10/2016.

²⁴ Associated Press, “Afghan forces struggle as ranks thinned by ‘ghost’ soldiers,” 1/10/2016.

- Does the U.S. military have the ability to collect or verify the data that is needed to ensure that the number of personnel in the ANDSF is accurate and the money we are spending on their salaries and sustainment is not at risk to waste or fraud?

Unreliable Capability Assessments

While the personnel strength of the ANDSF is important, SIGAR is also concerned that other measures of ANDSF capabilities and effectiveness have never been very reliable and are getting worse. The RS mission's predecessor, ISAF, used several different assessment tools to measure ANDSF capability at the unit-level in areas such as leadership, command and control, equipment levels, and attrition. These assessments provide both U.S. and Afghan stakeholders—including the American taxpayers who pay the costs of recruiting, training, feeding, housing, equipping, and supplying Afghan soldiers and police officers—with updates on the status of these forces and the effectiveness of our \$68 billion investment in them. However, over the years, the amount of detail provided in these assessments has declined.

For example, in 2010, SIGAR released an audit in which we found that top-rated ANDSF units—units deemed capable of operating independently—could not sustain the gains they had made. The system used to rate the ANDSF overstated their operational capabilities and, in fact, created disincentives for ANDSF improvement. SIGAR auditors found significant levels of regression, or backsliding, in the capability levels of army and police units, due, in part, to the fact that once a unit achieved a top rating, Coalition forces withdrew assistance, such as force protection, supplies, and expertise.²⁵

Following SIGAR's audit, ISAF Joint Command (IJC) changed its system for rating the ANDSF. The previous system's top rating was "fully capable," but the new system top rating changed over time from "effective with advisors" to "independent with advisors."²⁶ Unfortunately each new system seemed to provide less detail than the one before and lower thresholds for determining the success of Afghan units.

In July 2012, the GAO raised concerns that the change of the title of the highest rating level from "independent" to "independent with advisors" was, in part, responsible for an increase in the number of ANDSF units rated at the highest level—suggesting that achieving independence proved too difficult whereas achieving independence but *with advisors* was an attainable goal.²⁷

In February 2014, SIGAR again audited the system used to assess ANDSF capability and, once again, found that the assessment tool used to rate the ANDSF was inconsistently applied and not useful. At that time, SIGAR found that the rating system's standard operating procedure did not provide clear guidance on the level of detail that was necessary to support a team's rating or what the team's subjective assessments should contain. This

²⁵ SIGAR, *Actions Needed to Improve the Reliability of Afghan Security Force Assessments*, Audit Report 10-11-AR, 6/29/2010.

²⁶ SIGAR, *Afghan National Security Forces: Actions Needed to Improve Plans for Sustaining Capability Assessment Efforts*, Audit Report 14-33-AR, 2/2014.

²⁷ U.S. Government Accountability Office, *Afghanistan Security: Long-standing Challenges May Affect Progress and Sustainment of Afghan National Security Forces*, GAO-12-951T, 7/24/2012.

unclear guidance led to disparities in the quantity and quality of information across assessments, and to inconsistencies in the evaluations of ANDSF units' capacity to man, train, and equip its forces.²⁸

Another example concerns the Afghanistan Human Resources Management Information System (AHRIMS). AHRIMS is a database that is intended to be the one-stop-shop for information on ANDSF personnel. CSTC-A has told SIGAR repeatedly of the progress the MOD and MOI has made in adding information to this database with 90% filled. In order to understand the state of recruitment and attrition, SIGAR asked DOD for reports from AHRIMS with the province of origin and education levels of ANDSF recruits and those who have left. Both these fields exist in the AHRIMS database. We wanted to see if the data could help tell what types of people were joining and leaving the ANDSF. When we asked for this information, however, DOD said the data we requested was unavailable. In this case, DOD appears to be failing to exploit the potential of the AHRIMS database.

As we are seeing now in Helmand province and in other areas where the ANDSF is struggling to maintain security, it is critical that we—both the United States and our Afghan partners—have a sound understanding of ANDSF capabilities. It is for this reason that the recent press statement by Resolute Support's deputy chief of staff for communications, Brigadier General Wilson Shoffner, is so profoundly disturbing. On January 19, he told reporters that one of the major efforts that will occur over the winter "is the rebuild of the Afghan national army's 215th Corps." The 215th Corps is dedicated to securing the hotly contested province of Helmand and the province of Nimroz.

What was more troubling was his statement that the 215th "is not one of the corps where we have a permanent [train, advise, and assist mission], but it's one of the areas where we do the expeditionary advising."²⁹ According to General Shoffner, "expeditionary advising" involves RS sending out teams to advise ANDSF corps "on-site for a period of days or a period of weeks."³⁰ The arrival of the new U.S. forces in Helmand province may resolve this situation for now, but the results of the "expeditionary advising" have not been encouraging.

Possible questions for Congress and U.S. policymakers include:

- Does the United States have a clear, accurate, and useful understanding of the ANDSF's capabilities?
- Can the U.S. military devise assessment tools that would be more useful and accurate?

²⁸ SIGAR, *Afghan National Security Forces: Actions Needed to Improve Plans for Sustaining Capability Assessment Efforts*, Audit Report 14-33-AR, 2/2014.

²⁹ DOD, Department of Defense Press Briefing by Gen. Shoffner via Teleconference from Afghanistan, 1/19/2016.

³⁰ DOD, Department of Defense Press Briefing by Gen. Shoffner via Teleconference from Afghanistan, 1/19/2016.

Limited On-Budget Assistance Capacity

SIGAR has long been concerned about the risk to U.S. funds provided to the ANDSF in the form of on-budget assistance, which include direct assistance (also referred to as bilateral or government-to-government assistance) and assistance provided through multi-donor trust funds before reaching the Afghan government. The major multi-donor trust fund for the ANDSF is the Law and Order Trust Fund Afghanistan (LOTFA) managed by the United Nations Development Programme to pay police salaries. Since 2002, the United States has contributed \$1.5 billion to LOTFA.

Since 2010, the United States has been gradually increasing the amount of on-budget assistance to the Afghan Ministries of Defense and Interior. In 2015, DOD provided approximately \$2 billion in on-budget assistance to the ANDSF. On-budget assistance is intended to allow the Afghans more freedom to manage their own budget and to build their capacity for doing so. However, this commitment to increase on-budget assistance, whether directly or through multilateral trust funds, has led to reduced U.S. control and visibility over these funds.

In a review of DOD's safeguards for funds provided to the MOD and MOI, SIGAR identified a number of weaknesses that increased the risk that on-budget funds provided to the ANDSF through a Ministry of Finance account at Afghanistan's central bank were particularly vulnerable to waste, fraud, and abuse. At the time of SIGAR's review in November 2013, CSTC-A's process did not provide its trainers and decision makers with an overall understanding of each ministry's financial management capacity, or help them identify risks associated with capacity weaknesses.

According to CSTC-A, once funds enter the Afghan government's bank account, oversight becomes considerably more challenging. CSTC-A compares data reported on the Afghanistan Financial Management Information System (AFMIS) against approved amounts in its commitment letters with the ministries. CSTC-A also uses audits designed to detect and correct improper spending to monitor high-risk areas such as fuel and pay. Based on the results of those efforts, CSTC-A employs a process by which its financial contributions are withheld until Afghan ministries can demonstrate that they have corrected identified weaknesses. Nevertheless, SIGAR's work has uncovered several cases in which the MOD and the MOI were incapable of managing on-budget assistance.

In January 2013, a SIGAR audit found that CSTC-A lacked sufficient accountability in the process used to order, receive, and pay for petroleum, oil, and lubricants for Afghan Army vehicles, generators, and power plants. This lack of accountability increased the risk that U.S. funds and fuel will be stolen. Specifically, SIGAR found that CSTC-A records relating to fuel purchases paid for between March 2010 to February 2011 were missing; data on fuel purchases covering the period March 2011 to March 2012 was inaccurate and incomplete; and CSTC-A could not account for fuel that was spilled or lost. In addition, CSTC-A's processes for price approval, ordering, receipt, delivery and payment of fuel were beset by major vulnerabilities. For example, CSTC-A approved payments for fuel without verifying vendors' statements that they had made deliveries in full and of acceptable quality. In addition, fuel orders were not based on required consumption data and did not follow the

authorized process.³¹ This audit followed the work of SIGAR investigators who had previously found that CSTC-A's lack of record retention meant the U.S. government could not account for \$201 million in fuel purchased for the Afghan Army.³²

Despite these difficulties, CSTC-A has since turned responsibility of managing ANA fuel over to the MOD. Unfortunately, SIGAR's work has identified new problems with the MOD's ability to manage and account for on-budget assistance used to pay for fuel. In 2015, a SIGAR investigation uncovered corruption in the award of a nearly \$1 billion, multi-year Afghan MOD fuel contract.

This case is especially significant because it shows how much good can come when SIGAR, the U.S. military, and the Afghan government cooperate toward achieving a common goal. The breakthrough in this case came after SIGAR and CSTC-A briefed President Ashraf Ghani on February 1, 2015, that four contractors had engaged in price-fixing, bid-rigging, and bribery prior to the award of the MOD fuel contract, criminally increasing its cost to the Afghan government and the American taxpayer by more than \$214 million.

Following the briefing, President Ghani immediately suspended the MOD officials involved in the fuel contract award, cancelled the entire contract, warned the contractors involved of possible debarment, and assigned an independent Afghan investigator to look into the award of the MOD fuel contract, as well as that of an additional 11 MOD contracts for other commodities. Such rapid and decisive action sends a strong signal in a country routinely rated as one of the world's most corrupt.

And finally, in September 2015, SIGAR issued an alert letter to DOD warning that the ANDSF had been operating since 2011 with insufficient cold-weather clothing, which can impair effectiveness and downgrade performance. The shortages developed after CSTC-A transferred responsibility for ordering uniforms to the MOD and MOI. In 2013, CSTC-A refused to reimburse the ministries for purchases made that were not in compliance with U.S. law. Since then, the ministries have awarded no new contracts to buy winter uniforms.³³

Possible questions for Congress and U.S. policymakers include:

- Is CSTC-A doing as much as necessary to oversee the MOD and MOI's use of on-budget funding, especially in light of its own historic challenges in administering such programs?
- Are the MOD and MOI meeting the conditions required to receive on-budget U.S. funding? Are those conditions sufficient or are more—or more robust—conditions needed? Is CSTC-A actually enforcing those conditions and holding MOD and MOI accountable?

³¹ SIGAR, Afghan National Army: Controls over Fuel for Vehicles, Generators, and Power Plants need strengthening to Prevent Fraud, Waste, and Abuse, Audit Report 13-4-AR, 1/2013.

³² SIGAR Investigative Report 13-1.

³³ SIGAR Alert Letter 15-86-AL.

Uncertain Long-term Sustainability

In his testimony, General Campbell said the authorized level of the ANDSF is going to need to remain at 352,000 at least through 2020. The estimated cost of such a force is \$5.4 billion per year. As Gen. Campbell pointed out, Afghanistan is nowhere near being able to pay for security forces of this size. According to DOD, while the Afghan government has increased its contributions to their security budget, the Afghan government has not even been able to make the contribution of \$500 million per year it agreed to at the 2012 NATO Summit in Chicago. Additionally, the Afghan economy is not expected to grow quickly enough in the next five years to cover a significantly larger share of ANDSF costs than it is currently paying. The United States and its allies plan to meet to discuss how to share the burden of financing the ANDSF in Warsaw this summer. But this year the United States contributed \$4.1 billion, and even with U.S. funding of this magnitude, SIGAR's work shows that the ANDSF is unable to sustain itself in many areas.

For example, the ANDSF relied for many years on the U.S. military for air support to its fighting forces. In 2016, the Afghans still lack the air assets they need to protect and support their own forces. The impact of the lack of a well-equipped and capable Afghan Air Force became all too clear on September 28, 2015, when the city of Kunduz fell to the Taliban. Despite the end of U.S. combat operations and a transition to a mission focused on training, advising, and assisting, U.S. forces were once again called upon to provide air support to Afghan forces.³⁴

Both the United States and Afghanistan have long recognized the importance of developing air power. However, despite the fact that this was pointed out as a critical capability gap, the Afghan Air Force is still far from fully capable, let alone self-sustaining.

One of DOD's plans to close the Afghan Air Force's capability gaps was to provide it with 20 A-29 Super Tucanos. The Tucano is a single-prop, aerial reconnaissance aircraft that can be armed to provide fire support for ground troops. While a contract was signed to build these A-29s in November 2011, a legal challenge from another company prevented the winning contractor from meeting their initial delivery date of April 2013.³⁵ Because of this, the first four A-29s were not delivered to Afghanistan until January 15, 2016—a year after the drawdown of U.S. forces in Afghanistan.³⁶ Another four are expected to be delivered by May—the last ones for this year. However, as General Campbell said recently, it will take three years before the Air Force is equipped and fully capable of providing close-air support. He also said that it takes about three years to train a pilot.³⁷

³⁴ *Washington Post*, "Obama apologizes to aid group for US attack on Afghan clinic," 10/8/2015.

³⁵ *Beechcraft Defense Company LLC v. United States and Sierra Nevada Corporation*, (United States Court of Federal Claims 2013).

³⁶ *United Press International*, "Afghanistan receives A-19 Super Tucano aircraft," 1/19/2016.

³⁷ CQ Congressional Transcripts, Senate Armed Services Committee Holds Hearing on the Situation in Afghanistan, 2/4/2016.

On a positive note, I understand that the 14 MD-530 helicopters now in Afghanistan are being flown throughout the country in combat and show great promise in building the capacity of the Afghan Air Force.³⁸

SIGAR also has found significant instances of waste and squandered opportunities in the critical area building up the Afghan Air Force. One of the most egregious was DOD's \$486 million purchase of 20 G222 medium-lift cargo planes for the Afghan Air Force. Due to poor planning, poor oversight, poor contract management (including possible fraud), and a misunderstanding of aircraft capabilities, those aircraft could not even meet operational requirements in the Afghan setting. The program was ended in March 2013 after experiencing continuous and severe operational difficulties, including a lack of spare parts. Sixteen of those 20 aircraft were sold for scrap metal for six cents a pound or \$32,000 in 2013.³⁹ SIGAR is investigating this procurement.

Possible questions for Congress and U.S. policymakers include:

- Is the United States taking prudent actions to ensure the ANDSF is sustainable?
- If the United States agrees to provide upward of \$4 billion per year to support the ANDSF for the next four years, are we doing as much as we can to provide oversight of that funding?

Conclusion

Security is the most critical component of U.S. efforts to rebuild Afghanistan. Without good security, our \$113 billion investment in reconstruction—and our incalculable investment in the lives lost by American, Afghan, and Coalition troops—is at terrible risk.

These five challenges of limited oversight visibility, questionable force strength, unreliable capability assessments, limited on-budget assistance capacity, and uncertain long-term sustainability of Afghan forces identified through SIGAR's audit work, call into question the capability and effectiveness of the ANDSF—both now and in the future—and raise concerns about our efforts to give them the tools and resources they need to fight on their own.

U.S. military leaders have long suggested that the ANDSF will need significant help in the future if they are to succeed. While the United States and its allies have promised continued financial assistance for the ANDSF, under the current plan to continue cutting U.S. force strength in 2016, the ANDSF will be increasingly left without the ability to call on U.S. and Coalition military components for help. Furthermore, without the strong monitoring and

³⁸ CQ Congressional Transcripts, House Armed Services Committee Holds Hearing on the Situation in Afghanistan, 2/2/2016.

³⁹ SIGAR, *Scrapping of G222 Aircraft Inquiry Letter*, Special Project 15-02-SP, 10/3/2014.

mentoring arm of U.S. and Coalition troops to help, it is increasingly unlikely they will develop into a robust and sustainable force.⁴⁰

SIGAR has found that the capability of ANDSF units regressed when deprived of U.S. or Coalition assistance. This was highlighted in 2010 in one of SIGAR's first audits. And, as evident by the reintroduction of U.S. troops into Helmand, it may be happening now to the Afghan Army's 215th Corps. While it is vital that the ANDSF continue to receive financial assistance if they are to survive, they also need robust oversight—not only by inspectors general, but by the military personnel. For it is the U.S. military who can help them, as General Joseph Dunford put it, in “maturing the systems, the processes and the institutions necessary to support a modern national army and police force.”⁴¹

As an Inspector General, my job is to give Congress and the Administration my unvarnished assessment of how we are progressing to meet our reconstruction goals. Although the ANDSF has fought valiantly this first year, the information we have suggests that Afghan forces are facing a crisis because they still lack the capability to effectively hold off the insurgency on their own. SIGAR's work provides little confidence that the ANDSF's capability and effectiveness will increase on its own without continued U.S. and Coalition assistance. As SIGAR's body of work demonstrates, the less oversight, the less likelihood of success.

Thank you for the opportunity to testify today. I look forward to addressing your questions.

⁴⁰ *New York Times*, “General Says 20,000 Troops Should Stay in Afghanistan,” 3/05/2013; *New York Times*, “NATO Plans Assistance to Afghanistan After Combat Role Ends,” 2/22/2013; *RS News*, “Troop Contributing Nations,” 12/2015; USFOR-A, response to SIGAR data call, 12/4/2015.

⁴¹ SIGAR, *Actions Needed to Improve the Reliability of Afghan Security Force Assessments*, Audit Report 10-11-AR, 6/29/2010; *Military.com*, “‘Corrupt’ Afghan Army Leaders Hinder Fight in Helmand Province,” 01/20/2016; DOD, “Work Remains to Ensure Afghan Progress Endures, Dunford Says,” 3/13/2014.