

United States Senate

WASHINGTON, DC 20510

March 20, 2009

President Barack Obama
1600 Pennsylvania Ave.
Washington, D.C., 20500

Dear President Barack Obama,

This year will be another critical year for the fledgling democracy in Afghanistan, which is holding its Presidential elections in August. We appreciate the attention you have given to the unfinished work that still needs to be done there to rebuild the country and to make certain it never again becomes a haven to al Qaeda, the Taliban, or other enemies of security and liberty.

Given the importance of Afghanistan reconstruction programs, we urge you to make every effort to ensure the Special Inspector General for Afghanistan Reconstruction (SIGAR) is fully staffed with qualified investigators and auditors including those with Afghanistan experience and knowledge, engineering backgrounds, and other expertise useful for thoroughly investigating contractor waste and agency mismanagement. In order to finish what we started in Afghanistan, we need a strong and effective SIGAR that will uncover past waste and fraud, recover funds lost to corruption and mismanagement, and ensure government agencies and contractors do a better job of following through with promised improvements to the lives of the Afghan people.

Since 2001, Congress has appropriated over \$32 billion for Afghanistan reconstruction. There have been incidents of waste, mismanagement, fraud, and corruption that have undermined these efforts. This resulted in the U.S. government making promises to the people of Afghanistan for healthcare, education, and other quality-of-life improvements that were never met, delivered late, or failed to meet expectations. In a 2004 memo to USAID, for example, then Ambassador to Afghanistan, Zalmay Khalilzad, warned that USAID's "problems are beginning to interfere with the credibility of the U.S. Mission in Afghanistan, and require immediate corrective attention."¹

In 2007, the Senate Homeland Security and Governmental Affairs Committee held a hearing entitled, "Deconstructing Reconstruction: Problems, Challenges, and the Way Forward in Iraq and Afghanistan." The Committee explored the difficulties the U.S. government has experienced while executing reconstruction and stabilization programs in Afghanistan during this hearing.

At the hearing, there were documents submitted for the record that illustrate these difficulties

¹ Khalilzad, Zalmay, "Strengthening USAID Communications in Afghanistan," memo to Jim Beaver and Bob Wilson of USAID, May 3, 2004.

and challenges.² Among the documents is a 2004 progress report from a USAID contractor responsible for constructing clinics and schools throughout Afghanistan. The contractor's progress report claimed that it was 50 percent or more complete with construction of several of the buildings. Photographs—also submitted for the record—that were taken by local Afghan officials the day after this report was filed, however, show that nothing more than cement slabs or piles of bricks were in place.

According to reports, once the construction of these schools and clinics was completed behind schedule and with fewer schools than what was originally promised to Afghanistan, many of the roofs buckled after the first snow fall due to substandard workmanship.³ To this date, we are still uncertain whether the contractor paid for the repairs or if the cost was passed on to the U.S. taxpayer, and the contractor and USAID officials involved were rewarded with larger contracts and promotions.

On February 12, 2009, the Government Accountability Office (GAO) testified before a House Oversight and Government Reform subcommittee. During the hearing, GAO reported that the Defense Department purchased thousands of weapons, worth approximately \$120 million. The weapons were intended for the Afghanistan National Security Forces, but due to mismanagement, these weapons are unaccounted for and potentially in the hands of enemies.

Congress created the Special Inspector General for Afghanistan Reconstruction (SIGAR) in 2008 to conduct investigations of these types of contractor fraud and mismanagement cases and U.S. agency mismanagement, which were rarely investigated by relevant IGs. Among other missions, SIGAR is charged with conducting investigations of potential illegal or unethical actions of federal employees and contractors and then making referrals, as necessary, to the Department of Justice for prosecutions, recovery of lost funds, and other remedies.⁴

The Special Inspector General was sworn in to office on July 22, 2008. Since then, SIGAR has issued two quarterly reports that provide background on U.S. funding for reconstruction in Afghanistan and review activities, findings, and recommendations of other IGs. These reports do not include any original audit or investigative work by SIGAR. The organization has not fully staffed its auditor and investigator positions, in part due to the absence of hiring authority that would allow it to quickly hire experienced, well-qualified individuals for these positions. In fact, as of the beginning of February, SIGAR's staff consisted of 17 executive positions, including one auditor, two inspectors, and no investigators. Also as of the beginning of February, there was only one full-time advisor at SIGAR who is a subject matter expert on the operations and funding of the U.S. mission in Afghanistan.

² "Example of USAID and IRD's failure to properly monitor the performance of Louis Berger Group (LBG)," submitted for the record by Senator Tom Coburn at the Senate Homeland Security and Governmental Affairs Committee hearing, "Deconstructing Reconstruction: Problems, Challenges, and the Way Forward in Iraq and Afghanistan," March 22, 2007.

³ Stephens, Joe and David Ottaway, "Rebuilding Plan Full of Cracks," *Washington Post*, 20 November 2005.

⁴ Section 1229, Public Law 110-181.

We have introduced legislation (S. 615) that will provide SIGAR with the authority to hire auditors, inspectors, and investigators quickly by granting SIGAR temporary hiring authority. Currently, the Special Inspector General for Iraq Reconstruction (SIGIR) uses this hiring flexibility, and the Senate recently passed legislation which would provide this authority to the Special Inspector General for the Troubled Asset Relief Program (SIGTARP). As part of our shared commitment to conduct rigorous oversight of Afghanistan reconstruction, we hope that you will support this legislation to ensure SIGAR has the adequate staff to be able to effectively conduct rigorous and complete oversight.

Once SIGAR has full staffing authority, we expect it will thoroughly and expeditiously meet its objectives to improve management and accountability over U.S. appropriated and other funds made available that are obligated and/or expended by U.S. and Afghan agencies and their contractors. Specifically, its mission is to prevent fraud, waste, and abuse by identifying weak internal controls and investigating potential corruption and wrongdoing; to improve the effectiveness of the overall reconstruction strategy and its component programs; to provide accurate and balanced information, observations, and recommendations; and to otherwise advance U.S. interests in reconstructing Afghanistan. We expect these objectives will be met by conducting independent audits, inspections, and investigations. Shortly after the enactment of this legislation, we expect SIGAR will be able to complete its hiring and identify the high-risk contracts and grants to begin auditing and investigating. Additionally, we expect that by July 2009, which is one year after SIGAR took office, it should have multiple audits and investigations underway and ideally have already completed some.

An effective SIGAR is one of the best ways to bring independent accountability and transparency to our efforts in Afghanistan. Providing additional hiring authority and insisting on timely and thorough reviews of contracts and grants should help ensure our money is being spent in effective manner, which is necessary for not only the sake of our national security, but for the betterment of the Afghan people as well.

Thank you again for your time and attention to this important matter.

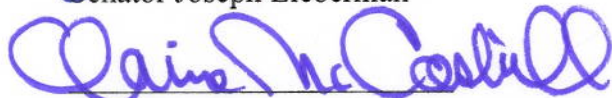
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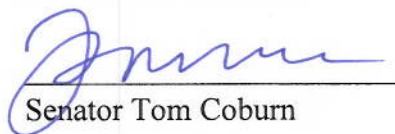
Senator Joseph Lieberman



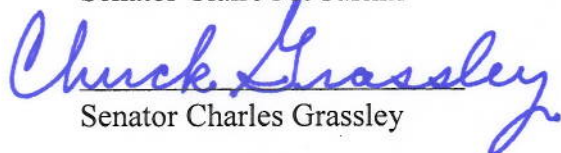
Senator Susan Collins



Senator Claire McCaskill



Senator Tom Coburn



Senator Charles Grassley