

OFFICE OF THE SPECIAL INSPECTOR GENERAL FOR
AFGHANISTAN RECONSTRUCTION



FISCAL YEAR 2019

OMB SUBMISSION

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SPECIAL INSPECTOR GENERAL FOR AFGHANISTAN RECONSTRUCTION

1550 Crystal Drive, Suite 9000
Arlington, VA 22202

September 22, 2017

SUBJECT: Fiscal Year 2019 Budget Request

Pursuant to section 6(f) of the Inspector General Act of 1978, as amended, I am pleased to provide the Fiscal Year (FY) 2019 SIGAR budget request in the amount of \$54.9 million. SIGAR is the only inspector general with interagency authority to audit and investigate the activities of all U.S. government agencies and international organizations that receive U.S. funding for Afghanistan reconstruction. This budget request takes into account the continued need for oversight as the United States shifts from a time-based to a conditions-based strategy in Afghanistan, integrating diplomatic, economic, and military instruments of power. As of June 30, 2017, the United States had appropriated approximately \$119.74 billion for relief and reconstruction in Afghanistan since FY 2002, and nearly \$6 billion more has been requested for FY 2018.

SIGAR has requested this level of funding to ensure that it has sufficient resources to conduct audits and inspections, investigations, special projects and to support the Lessons Learned program. The Lessons Learned program will provide effective oversight of the past, present, and planned reconstruction programs. With approximately \$8.06 billion in unexpended funds for reconstruction as of June 30, 2017, rigorous and aggressive oversight is critical to ensure that U.S. taxpayer dollars are not subject to waste, fraud, and abuse. Managing and overseeing this massive, ongoing reconstruction effort is being left to a decreasing number of U.S. military and civilian personnel in Afghanistan. This is precisely why it is essential for SIGAR to remain in-country and continue to provide aggressive oversight of ongoing reconstruction projects and the billions of reconstruction dollars yet to be spent, while developing creative ways to operate in a more constrained environment.

SIGAR's presence in-country is essential to accomplishing its broad oversight mission. SIGAR is mandated by law to conduct audits and investigations of reconstruction programs and projects in Afghanistan until 180 days after the date when the unexpended portion of amounts made available for reconstruction fall to less than \$250 million. However, fulfilling our mission is getting more and more expensive due to large increases from Embassy Air for all in-country flights, as well as on-

going increases to shared services (ICASS costs) from the Department of State to remain safe and secure on the Kabul Embassy Compound.

Given the increasing security risks and travel restrictions, SIGAR has adopted innovative ways of conducting oversight in the Afghanistan security environment by entering into a cooperative agreement with a local Afghan non-governmental organization (NGO) and by collaborating with other agencies and research institutions to leverage geospatial and other analytical technologies.

In addition, SIGAR has developed a good working relationship with the National Unity Government of President Ashraf Ghani and Chief Executive Officer Abdullah Abdullah. One tangible result is that SIGAR is one of only two U.S. representatives invited to observe President Ghani's weekly in-person meeting with his cabinet to review procurement matters. This working relationship is being successfully fostered by regular in-person meetings to assist in the fight against fraud, waste, and corruption.

I appreciate your commitment to SIGAR's oversight mission and look forward to discussing our ongoing and planned efforts to protect U.S. reconstruction funds, assess program effectiveness, produce lessons learned, and hold implementing partners accountable.

Very respectfully,

A handwritten signature in blue ink, appearing to read 'John F. Sopko', is written over the typed name and title.

John F. Sopko
Special Inspector General for Afghanistan
Reconstruction

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Afghanistan Overview

The United States has provided approximately \$119.74 billion for the reconstruction of Afghanistan since FY 2002. (By comparison, the 1948-1952 Marshall Plan aid to reconstruct 16 European countries amounted to \$13.33 billion in nominal dollars, or roughly \$103.35 billion, as of mid-2014, adjusting for inflation per the federal GDP Deflator.) Reconstruction funds are being used to strengthen the Afghan security forces, build governing capacity, promote economic development, and counter the drug trade.

SIGAR Overview

The FY 2008 National Defense Authorization Act (Public Law 110-181) established the Special Inspector General for Afghanistan Reconstruction (SIGAR). The law directs SIGAR to independently and objectively conduct and supervise audits and investigations relating to the programs and operations funded with amounts appropriated or otherwise made available for the reconstruction of Afghanistan.

SIGAR has a unique mandate. It is the only inspector general focused solely on Afghanistan reconstruction. Unlike the other inspectors general, SIGAR is not part of another department or agency, but is independent. SIGAR is unique in its cross-agency authority to look across departmental boundaries and assess reconstruction projects and programs funded by the Department of Defense, Department of State, USAID, and all other U.S. agencies involved in Afghanistan. SIGAR is also unique in having more employees on the ground in Afghanistan than any other inspector general, including the largest single law-enforcement presence.

SIGAR is responsible for providing objective leadership and coordination of, and recommendations on, policies designed to promote economy, efficiency, and effectiveness in the administration of reconstruction programs and operations. SIGAR's work helps prevent and detect waste, fraud, and abuse in reconstruction programs and operations. SIGAR's mandate requires it to keep Congress and the Secretaries of State and Defense informed about problems and deficiencies relating to activities and oversight of the administration of the reconstruction efforts in Afghanistan.

Reconstruction, as defined in SIGAR's enabling legislation, includes any major contract, grant, agreement, or other funding mechanism entered into by any department or agency of the United States government that involves the use of amounts appropriated, or otherwise made available for the reconstruction of Afghanistan with any public or private sector entity to: (1) build or rebuild physical infrastructure in Afghanistan, (2) establish or reestablish political or societal institutions of Afghanistan, or (3) provide products or services to the people of Afghanistan. SIGAR also has the duties, responsibilities, and authorities of inspectors general under the Inspector General Act of 1978, as amended.

SIGAR staff, including investigators with the power of arrest, auditors, inspectors, attorneys, technicians, writers, program analysts, and other staff, work in both the United States and Afghanistan. SIGAR is headquartered in Arlington, Virginia. Stateside staff also operate in ports of entry, military bases, and other locations where cases such as smuggling and money laundering are under investigation, or where interviews and arrests are required. With the withdrawal of other oversight and law enforcement agencies from Afghanistan, SIGAR is now the largest oversight presence in Afghanistan, with more auditors and investigators in country than any other oversight agency. SIGAR's in-country staff are currently assigned to two locations: U.S. Embassy Kabul and Bagram Airfield.

The Special Inspector General has established six functional areas to carry out SIGAR's mission: (1) Audits and Inspections, (2) Special Projects, (3) Investigations, (4) Management and Support, (5) Research and Analysis, and (6) Lessons Learned.

AUDITS & INSPECTIONS

Audits and Inspections supports the SIGAR mission by conducting performance and financial audits of reconstruction programs, as well as by inspecting reconstruction sites. All audits are conducted in compliance with Generally Accepted Government Auditing Standards (GAGAS), commonly called "yellow book" standards, established by the Comptroller General of the United States. Performing audits according to these standards ensures the accuracy and credibility of findings, conclusions, and recommendations presented to the Congress and other decision-makers. All inspections are conducted in accordance with the *Quality Standards for Inspection and Evaluation*, published by the Council of the Inspectors General on Integrity and Efficiency.

SIGAR conducts a wide range of audits and inspections to fulfill its legislative mandate. These include audits of individual contracts and audits that examine program management and internal controls, as well as broad, comprehensive assessments of program direction and effectiveness. In most cases, these audits result in recommendations, which, if implemented, can save taxpayer dollars, increase accountability, or improve program efficiency and effectiveness. In addition, SIGAR's inspections of infrastructure in Afghanistan constructed using U.S. funds have found significant problems with agency contract management, adherence to engineering standards, and adequately maintaining facilities to ensure their long-term sustainability.

The principal goals of SIGAR's audits and inspections are to identify waste, fraud, and abuse associated with reconstruction contracts, grants, and cooperative agreements, and to make recommendations to improve the efficiency and effectiveness of reconstruction programs. SIGAR seeks to improve internal controls, accountability, management practices, and interagency coordination to promote effectiveness as well as to help Congress and the American public

determine if reconstruction programs are achieving their intended outcomes. To meet these objectives SIGAR maintains a diverse team of experienced auditors, analysts, and other staff.

SIGAR conducts audits in four broad reconstruction sectors:

- Security
- Development
- Governance
- Contract Administration

In each of these sectors, SIGAR assesses:

- Contracts and other financial instruments, focusing on cost, schedule, and outcomes; oversight; and sustainability
- Program management, including reconstruction strategy, planning, and oversight
- Operations, including internal controls and accountability

SIGAR also began its Financial Audit Program in FY 2012 using financial audit experts and contracted independent public accounting firms to conduct incurred-cost audits of high-risk reconstruction contracts. As of August 2017, SIGAR had completed 96 financial audits and has 31 ongoing audits that provide audit coverage of \$8.2 billion. Since the program's inception, SIGAR financial audits have identified nearly \$414.5 million in questioned costs. This program has become a key part of SIGAR's core auditing activities and is a critical function for SIGAR.

SPECIAL PROJECTS

The Special Inspector General for Afghanistan Reconstruction established the Office of Special Projects in FY 2013 to quickly obtain information necessary to fulfill SIGAR's oversight mandates and to inform agency heads and Congress of emergent problems in their agencies' programs and operations. Special Project reports and letters focus on providing timely, credible, and useful information to Congress and the American people, consistent with SIGAR's oversight duties.

Key principles that sustain SIGAR's high standards include maintaining personal independence, enhancing professional development, evaluating the sufficiency and appropriateness of evidence, objectively reporting the results of our work, and incorporating appropriate quality controls throughout the engagement process.

Special Projects may issue products or letters resulting from an issue that arises during an ongoing audit, investigation, inspection, recommendation follow up, or any topic that needs to be completed or addressed quickly, or for which additional oversight is warranted. The products and letters are intended to inform the agency about an issue(s) requiring immediate attention, obtain

information on a specific issue, and/or communicate the results of work stemming from information provided by SIGAR's investigators, inspectors, auditors, or a hotline inquiry/complaint.

Since its establishment, the Office of Special Projects has produced 137 products, including reports, inquiry letters, alert letters, and fact sheets, and suggested 85 actions to agencies to improve management of reconstruction funds and program effectiveness. Our high visibility work over the past year alone has alerted U.S. agencies to unsafe schools and health facilities that put lives at risk, highlighted inefficient and improper requirements generation and contracting practices, identified unrealistic and unmet program objectives, and directly led to Congressional hearings addressing issues of fraud, waste, and abuse of U.S. taxpayer money spent on Afghanistan reconstruction activities.

INVESTIGATIONS

Investigations supports SIGAR's mission by investigating potential criminal and civil misconduct associated with the reconstruction program in Afghanistan. SIGAR has the lead role in investigating criminal activity related to reconstruction funds. The investigators are focused primarily on financial crimes, including contract fraud, procurement fraud, corruption in federal contracting, and money laundering. SIGAR conducts all investigations in accordance with the requirements of Federal criminal law and the Federal Rules of Evidence.

SIGAR investigators work in close cooperation with SIGAR's audit and inspection teams to detect possible criminal activity related to the reconstruction effort. In addition, SIGAR operates an Investigative Case Management System (ICMS) designed to record all activity regarding investigations of fraud, waste or abuse. SIGAR investigators and analysts use ICMS to organize this information, develop cases, refer cases to the Department of Justice for adjudication, prosecute offenders, and recover diverted United States funds. The Hotline operation uses ICMS to record more than 450 complaints received annually. These complaints originate from traditional sources such as email, phone, the SIGAR Website and from SIGAR's Facebook and Twitter advertisements published in Dari and Pashto, the two predominant languages of Afghanistan (visit www.sigar.mil/HOTLINE for information).

SIGAR Investigations aggressively pursues the enhancement and quality of its investigations by ensuring that all investigations are reviewed for the inclusion of asset forfeiture and money laundering violations, when appropriate, in addition to substantive offenses. SIGAR agents receive reoccurring legal training and case reviews to ensure that the strategic direction set forth by the SIGAR IG is met. The mandate is to incorporate Asset Forfeiture and Money Laundering sanctions in SIGAR cases where appropriate.

Examples of recurring training:

- Specified Unlawful Activities (SUA's)
- Asset Forfeiture Statutes and case law

- Money Laundering Statutes and case law
- Asset identification and removal
- Bulk Cash Smuggling
- Structuring
- Currency Reporting Statutes and case law
- Extraterritorial Jurisdiction, Venue, and Repatriation of Assets
- Suspicious Activity Reports (SARS)
- Statute of limitations

SIGAR works cooperatively with law enforcement counterparts in foreign countries, and throughout the U.S., in pursuit of illegally obtained proceeds associated with U.S. reconstruction funds provided to Afghanistan.

SIGAR continues to maintain the investigative information technology solution contract, e-Discovery, for accessing large amounts of data in a meaningful way. The e-Discovery system helps investigators locate and organize information in a collaborative fashion with both the investigative team consisting of forensic auditors, analysts, and prosecutors, and participating law-enforcement agencies. The e-Discovery system expedites the review of voluminous amounts of investigative data from multiple sources and file formats while keeping track of their source of origin and assists with locating evidence to substantiate or refute allegations of criminal activity. There are currently 8.4 million records in SIGAR's e-Discovery system. This technology was successfully deployed in FY 2013 and is a key tool for SIGAR. Plans for FY 2019 include migrating the data to an updated joint review software platform, which contains an integrated advanced text analytics software product, and upgrading existing hardware for increased storage and quicker response times for data searches.

SIGAR cooperates with other federal law-enforcement agencies in Afghanistan and in the U.S. to maximize resources and to ensure that all allegations of the misuse of U.S. taxpayer dollars are pursued. In 2013, the Virginia State Police sponsored SIGAR to gain access to the National Crime Information Center (NCIC). This system allows SIGAR to communicate with any law-enforcement agency, track stolen property and access criminal histories. SIGAR maintains close working relationships with financial based law enforcement entities such as DHS/HSI International Bulk Cash Smuggling Center, FinCEN, FinTRACA (AF), NCA (UK), City of London Police (U.K.), and many others to identify the movement of illegal proceeds with a nexus to Afghanistan.

SIGAR continues working with the Federal Bureau of Investigation's (FBI) Terrorist Screening Center (TSC) to enable information sharing between SIGAR's Investigations Case Management System (ICMS) and the Terrorist Screening Database (TSDB). This ensures that data gathered about individuals and companies that have been the subject of criminal investigations in Afghanistan is preserved and made available to relevant agencies tasked with vendor vetting, preventing threat finance, targeting international money laundering, issuing visas and other travel documents, and other governmental functions.

SIGAR maintains a permanent, full-time presence at the Joint Operation Center of the International Contract Corruption Task Force (ICCTF) in Washington, D.C. The ICCTF is the principal coordinating

body for U.S. law enforcement organizations investigating fraud and corruption relating to U.S. funds in overseas contingency environments. SIGAR utilizes its ICCTF relationship to deconflict investigations with the Lead Inspector General. Additionally, through an interagency agreement with the Department of Justice, SIGAR employs three trial attorneys and a paralegal full time within the Department of Justice to prosecute SIGAR/ICCTF matters relating to Afghanistan.

SIGAR has assigned a Special Agent to the United States Special Operations Command (SOCOM), Transnational Threats Unit. This SOCOM presence provides SIGAR with access to information needed to track money movements into and out of Afghanistan, to help detect criminal activities involving reconstruction funds.

MANAGEMENT AND SUPPORT

As a temporary independent Inspector General Office, SIGAR faces unique challenges in attracting retaining and maintaining the dedicated professionals the SIGAR mission requires, and establishing the optimal environment for them to succeed. Management and Support provides the daily business operations necessary to advance SIGAR's mission. This is accomplished through four key areas: Human Resources; Budget; Security and Safety Management; and Information Technology.

SIGAR's Human Resources office is responsible for recruitment and retention, pay and benefits, training and mentoring, equal employment opportunity, and work force management. The Budget office handles budget formulation and execution, managerial accounting, internal contract execution, program performance, travel and transportation, payment processing, the purchase card program, and the internal control program. The Security and Safety Management office is responsible for personnel security, physical security, information security, industrial security, communications security, property book management, logistics, facility management, and the safety program. The Information Technology office manages the implementation and maintenance of high quality Information Technology (IT) systems, guided by industry best practices, that allow SIGAR personnel to accomplish their oversight mission in the most effective and efficient manner. Travel is performed in compliance with the Joint Travel Regulation (JTR). Contracting is performed in compliance with the Federal Acquisition Regulation (FAR).

Management and Support's goals are to:

- Provide exemplary personnel, security, financial, contractual, and information technology support to SIGAR's workforce
- Recruit and retain highly qualified personnel to advance SIGAR's mission
- Assist the SIGAR workforce in maintaining and enhancing their professional skills

RESEARCH AND ANALYSIS

The Research and Analysis team produces SIGAR's statutorily required quarterly report to Congress; provides writing, research, and editorial support for the SIGAR agency, and maintains extensive data on the reconstruction effort in Afghanistan.

As mandated by Section 1229 of the National Defense Authorization Act, SIGAR must submit a comprehensive report on the status of the reconstruction effort to the United States Congress 30 days after the end of each fiscal year quarter. In preparation for those reports, SIGAR issues a data call to U.S. implementing agencies requesting specific information on the status of reconstruction programs each quarter. In addition to publishing this information in the quarterly report to Congress, SIGAR uses this data to help develop audits and inspections.

SIGAR's reports to Congress provide an update on SIGAR oversight activities and detailed information, including appropriations and obligations of funds. SIGAR also reports on oversight activities of the Inspectors General of the Departments of State and Defense, the U.S. Agency for International Development, and the Government Accountability Office. As of July 2017, SIGAR has issued 36 quarterly reports, available online at www.sigar.mil. The next quarterly report to Congress will be issued October 30, 2017.

LESSONS LEARNED

In FY 2015, SIGAR established a Lessons Learned Program (LLP) to capitalize on SIGAR's unique interagency oversight mandate. LLP is developing a series of reports to draw on the lessons of over 15 years of U.S. reconstruction work in Afghanistan that are designed to help inform future decision-making. To do this, SIGAR has brought in subject matter experts with unique, on-the-ground experience in Afghanistan to conduct research and analysis, and produce reports on lessons learned from the overall reconstruction effort. These reports will draw on the work of SIGAR's audits, inspections, and investigations, and the work of other oversight agencies to analyze what did and did not work and why, for the benefit not only of U.S. programs in Afghanistan, but also future overseas contingency operations and development activities in other conflict zones. Given SIGAR's statutory independence and authority to examine the international and U.S. whole-of-government response in Afghanistan, SIGAR is uniquely positioned to conduct this kind of analysis. SIGAR is the only agency with cross-agency authority to produce Afghanistan lessons learned and best practices based on activities of the Departments of Defense and State, the U.S. Agency for International Development, and other agencies involved in Afghanistan reconstruction.

SIGAR's lessons learned projects are grouped into two categories:

1. Strategic Priorities – Projects in this category will analyze the effectiveness of key reconstruction priorities undertaken by the U.S. in Afghanistan. In September 2017, SIGAR published a report on security sector assistance, titled *Reconstructing the Afghan National Defense and Security Forces: Lessons from the U.S. Experience in Afghanistan*. Other projects in this category are counternarcotics interventions and economic and private-sector development.
2. Operational Implementation – Projects in this category will examine institutional and implementation issues that affected the success of multiple strategic priorities. In September 2016, SIGAR published its first lessons learned report, *Corruption in Conflict: Lessons from the U.S. Experience in Afghanistan*. Other projects in this category include stabilization and interagency strategy and planning.

Lessons learned reports will provide practical recommendations to policymakers and implementers responsible for designing, implementing, and overseeing U.S. reconstruction assistance, including federal executive agencies, relevant congressional committees, and interested Members of Congress. LLP reports will also inform the broader policy community, and educational institutions that train the current and future civilian and military leaders who help shape and implement reconstruction activities. SIGAR LLP is working collaboratively with the agencies that are implementing reconstruction assistance in Afghanistan to identify specific challenges and successes, as well as to identify practical solutions. In this regard, LLP has already engaged in extensive consultation with Congress, National Security staff, and academia, as well as the Departments of State, Defense, Treasury, Justice, and the U.S. Agency for International Development.

FY 2019 SIGAR Budget Request

In FY 2017, Congress appropriated \$54.9 million to cover SIGAR's operating expenses. SIGAR maintained annual staffing levels at the 189 positions targeted in FY 2017. In FY 2018 and FY 2019, the position count will remain steady at 189 positions with 30 positions scheduled to remain in Afghanistan.

SIGAR's FY 2019 budget request is \$54.9 million, the same as the FY 2017 and 2018 budget request levels. Highlights of SIGAR's Budget Request include: maintaining staff at 189 positions, including 30 positions within Afghanistan; an unknown increase for in-country costs including the Department of State's International Cooperative Administrative Support Services (ICASS) and significantly higher costs for Embassy Air flights; continued support for all functional areas, including the Lessons Learned Program. The proposed funding will allow SIGAR to continue to apply both established and innovative methods to detect and prevent waste, fraud, and abuse under extremely difficult and dangerous conditions.

SIGAR Funding History

(\$ in thousands)

Appropriation	Public Law	Appropriated	Made Available	Expires	Amount
Supplemental Appropriations, for Fiscal Year 2008, H.R. 2642	P.L. 110-252	6/30/2008	6/30/2008	9/30/2009	\$2,000
Supplemental Appropriations, for Fiscal Year 2008, H.R. 2642	P.L. 110-252	6/30/2008	10/1/2008	9/30/2009	5,000
Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, H.R. 2638	P.L. 110-329	9/30/2008	9/30/2008	9/30/2010	9,000
Supplemental Appropriations, for Fiscal Year 2009, H.R. 2346	P.L. 111-32	6/24/2009	6/24/2009	9/30/2010	7,200
Supplemental Appropriations, for Fiscal Year 2009, H.R. 2346	P.L. 111-32	6/24/2009	6/24/2009	9/30/2010	-7,200
Consolidated Appropriations Act, for Fiscal Year 2010, H.R. 3288	P.L. 111-117	12/16/2009	10/1/2009	9/30/2010	23,000
Supplemental Appropriations Act, for Fiscal Year 2010, H.R. 4899	P.L. 111-212	7/29/2010	7/29/2010	9/30/2011	7,200
Department of Defense and Full-Year Continuing Appropriations Act, for Fiscal Year 2011, H.R. 1473	P.L. 112-10	4/15/2011	10/1/2010	9/30/2011	24,000
Department of Defense and Full-Year Continuing Appropriations Act, for Fiscal Year 2011, H.R. 1473	P.L. 112-10	4/15/2011	10/1/2010	9/30/2012	1,500
Continuing Appropriations Act, for Fiscal Year 2012, H.R. 2055	P.L. 112-74	12/23/2011	10/1/2011	9/30/2013	44,387
Department of Defense, Military Construction and Veterans Affairs, and Full-Year Continuing Appropriations Act, 2013, H.R. 933	P.L. 113-6	3/26/2013	10/1/2012	9/30/2014	48,039
Consolidated Appropriations Act, 2014, H.R. 3547	P.L. 113-76	1/17/2014	10/1/2013	9/30/2015	49,650
Consolidated and Further Continuing Appropriations Act, 2015, H.R. 83	P.L. 113-235	12/16/2014	10/1/2014	9/30/2016	56,900
Consolidated Appropriations Act, 2016, H.R. 2029	P.L. 114-113	12/18/2015	10/1/2015	9/30/2017	56,900
Consolidated Appropriations Act, 2017, H.R. 244	P.L. 115-31	05/03/2017	10/1/2016	9/30/2018	54,900
TOTAL					\$382,476

Justification of Request
Obligation by Object Classification

(\$ in thousands)

OC Code and Title	FY 2017 Enacted	FY 2018 Request	FY 2019 Request
11 Personnel Compensation	\$30,625	\$33,010	\$33,010
21 Travel and Transportation	3,119	1,944	2,344
23 Rent, Communications, and Utilities	2,294	2,294	2,294
24 Printing and Reproduction	130	124	124
25 Other Contractual Services	18,156	16,947	16,547
<i>25.1 Advisory and Assistance Services</i>	<i>5,764</i>	<i>2,660</i>	<i>1,317</i>
<i>25.3 Other purchases of goods and services from Government Accounts</i>	<i>10,747</i>	<i>11,641</i>	<i>12,610</i>
<i>25.7 Operation and Maintenance of Equipment</i>	<i>1,645</i>	<i>2,645</i>	<i>2,620</i>
26 Supplies and Materials	531	531	531
31 Equipment	50	50	50
Total	\$54,900	\$54,900	\$54,900
Employee positions	189 AFG: 30	189 AFG: 30	189 AFG: 30

11 Personnel Compensation – Request \$33.0 million

SIGAR will maintain its staffing level at 189 positions including the forward deployed positions from at 30.

SIGAR employs primarily highly specialized professionals with expertise in many areas including audits, inspections, investigations, engineering, law, management, and research and analysis. The staff consists of temporary appointees, most of whom have 13-month renewable appointments.

Because SIGAR's mission must be conducted in Afghanistan, a significantly dangerous environment requiring additional expenses to maintain qualified staff, this budget request includes Post Differential and Danger/Hazardous Duty Pay for Afghanistan-based personnel and TDY personnel.

Part of the total personnel compensation also includes fringe benefits, specifically the employer's share of payments for life insurance, health insurance, and (except for rehired annuitants) employee retirement.

21 Travel and Transportation – Request \$2.3 million

Travel to and from Afghanistan represents the largest portion of SIGAR's travel costs, with a large increase in cost from Embassy Air – the State Department's in-country flight contract – to get to and from the airport to the embassy in Kabul. In the past, the cost of maintaining affordable in-country transportation capability has been borne by a combination of funding sources including ticket prices as well as additional funding provided by the Department of State. The State Department's Undersecretary for Management has determined that this capability needs to transition to a full cost-recovery service. The first increase to cost recovery (allegedly 50%) - \$900 per seat, per leg - was effective April 1, 2017. The second increase to cost recovery (allegedly 75%) - \$1350 will go into effect October 1, 2017; however a third increase will be made in April 1, 2018 to cost recovery (assuming 100%) - \$2252 will go into effect mid-fiscal year 2018. This is in addition to other large cost increases to ring route flights (Bagram – Kabul) and fixed wing flights.

In FY 2019, SIGAR anticipates a large increase in in-country air transportation because of the anticipated 100% cost recovery being passed along to all agency. Currently, the cost increases are unknown and there may be additional costs necessary for Embassy Air to continue their flight service with the reduced U.S. presence in Afghanistan.

The costs for travel include deployment and redeployment of employees to Afghanistan for an extended period of time, and regular temporary duty travel (TDY) of auditors, investigators, analysts, engineers, and some support staff. Afghanistan-based employees return to the continental United States for mid-tour breaks and to attend required training not available overseas.

23 Rent, Communications, and Utilities – Request \$2.3 million

Effective communication within and between our Arlington, VA, and Afghanistan offices is key to the success of our mission. The information technology services required include local and long-distance telephone service and secure wireless data and voice communication services. The majority of these services are provided through Army and State interagency agreements for communications support. In addition to communication services, there are also rent and utility charges associated with the Arlington, VA, office.

24 Printing and Reproduction – Request \$0.1 million

As of FY 2015, SIGAR has limited the number of printed editions of SIGAR's statutorily required Quarterly Reports. While some printed copies are still distributed to Congress, the Secretaries of State and Defense, and key stakeholders, the digital version of the report is made available to the general public in both the United States and Afghanistan through SIGAR's official website (www.sigar.mil). Additionally, a limited number of print copies of our Lessons Learned reports are made available for key stakeholders. The Government Printing Office handles the majority of SIGAR's printing and reproduction requirements. SIGAR also pays to publish notices, job announcements, and public service announcements.

25 Other Contractual Services – Request \$16.5 million

25.1 Advisory and Assistance services – Request \$1.3 million

For SIGAR's newest program, Lessons Learned, SIGAR has contracted with subject-matter experts with unique, on-the-ground experience in Afghanistan to conduct research and analysis, and produce reports on lessons learned from the overall reconstruction effort. These reports will draw on the work of SIGAR's audits, inspections, and investigations, and the work of other oversight agencies to analyze what did and did not work and why, for the benefit not only of U.S. programs in Afghanistan, but also future overseas contingency operations and development activities in other conflict zones.

SIGAR also requires private-sector contract support to translate each quarterly report into Afghanistan's official languages, Pashto and Dari, as required by statute.

Staff performing audits and inspections are required under GAGAS and SIGAR's policy and procedures to obtain a minimum of 80 hours of continuing professional education in the course of every two years. In addition, all SIGAR employees are encouraged to attend training to develop additional skills and develop knowledge to help them improve their performance of official duties. Training also allows employees to maintain necessary professional certifications. In addition, employees deploying to Afghanistan for more than 45 days are required by the Department of State to attend four one-week pre-deployment courses: Foreign Affairs Counter Threat (FACT), Afghan Familiarization, Afghan Field Orientation, and Interagency Integrated Civilian-Military Training Exercise for Afghanistan.

25.3 Other purchases of goods and services from Government accounts – Request \$12.6 million

The largest uncontrollable costs SIGAR incurs are the annual fees levied by the U.S. Department of State's International Cooperative Administrative Support Services (ICASS) program which provides the security, administrative, and logistical support for SIGAR staff in Afghanistan. SIGAR is required

to pay the Department of State for ICASS services annually and has no control over ICASS costs. The only thing SIGAR knows for certain is that ICASS costs will increase. The amount the State Department charges SIGAR for ICASS has grown significantly over the last five years, from \$900,000 in FY 2010 (3 percent of SIGAR's budget) to \$8.4 million in FY 2017 (15 percent of SIGAR's budget). The Department of State does not have estimates for the FY 2018 ICASS bill yet (they have told SIGAR it could be anywhere between \$9 million to \$10 million). All ICASS invoice levels are contingent upon interagency staffing levels and potential adjustments in services related to Afghanistan security needs. The FY 2019 request includes \$11 million for estimated ICASS costs, which is based on 30 SIGAR positions in Afghanistan.

Additionally, the Office of the Secretary of the Army is the designated support agency for SIGAR and provides (for the most part on a reimbursable basis) core functional administrative support necessary for SIGAR to accomplish its mission. This includes, but is not limited to, the following functions: administration, logistics, acquisition and contracting, financial management, human resources, information technology, deployment, and security. Support provided by the Secretary of the Army does not affect the Inspector General's statutory authority and independence in conducting its oversight mission.

(This also includes \$120,780 (0.22% of the total budget request) to support the Council of the Inspectors General on Integrity and Efficiency, consistent with the Inspector General Reform Act of 2008).

25.7 Operation and Maintenance of Equipment – Request \$2.6 million

SIGAR uses a myriad of software and hardware products in support of its oversight mission. As software and hardware products are procured, subsequent operation and maintenance expenses are incurred annually.

SIGAR continues to use the e-Discovery system as a solution to allow SIGAR investigators to examine vast amounts of data to identify valuable information that otherwise, due to resource limitations and geographical factors such as data locations, would not be available to SIGAR law enforcement personnel.

26 Supplies and Materials – Request \$0.5 million

SIGAR makes regular purchases of supplies and materials required for the administration of offices in Afghanistan and the United States required annually.

31 Equipment – Request \$0.05 million

SIGAR purchases information technology equipment for the administration of offices in Afghanistan and the United States, and weapons and ammunition for qualified Investigators and other designated personnel operating in Afghanistan and other designated locations.