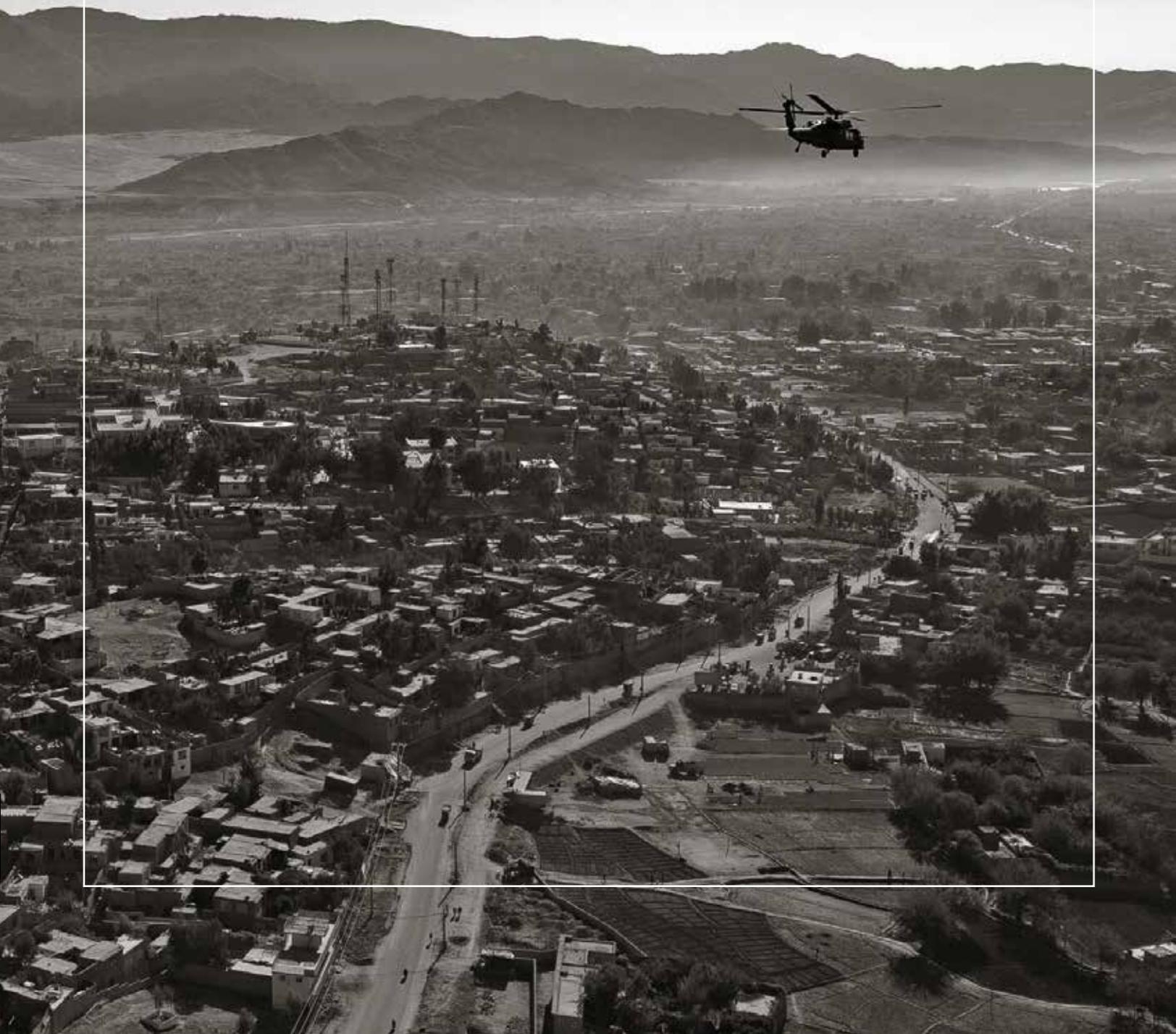


# SIGAR

Special Inspector General for  
Afghanistan Reconstruction

JUL 30  
2017

QUARTERLY REPORT TO THE UNITED STATES CONGRESS





## **The National Defense Authorization Act for FY 2008 (P.L. 110-181) established the Special Inspector General for Afghanistan Reconstruction (SIGAR).**

SIGAR's oversight mission, as defined by the legislation, is to provide for the independent and objective

- conduct and supervision of audits and investigations relating to the programs and operations funded with amounts appropriated or otherwise made available for the reconstruction of Afghanistan.
- leadership and coordination of, and recommendations on, policies designed to promote economy, efficiency, and effectiveness in the administration of the programs and operations, and to prevent and detect waste, fraud, and abuse in such programs and operations.
- means of keeping the Secretary of State and the Secretary of Defense fully and currently informed about problems and deficiencies relating to the administration of such programs and operation and the necessity for and progress on corrective action.

Afghanistan reconstruction includes any major contract, grant, agreement, or other funding mechanism entered into by any department or agency of the U.S. government that involves the use of amounts appropriated or otherwise made available for the reconstruction of Afghanistan.

Source: P.L. 110-181, "National Defense Authorization Act for FY 2008," 1/28/2008.

(For a list of the congressionally mandated contents of this report, see Section 3.)

### **Cover photo:**

A U.S. helicopter moves personnel and supplies between airfields in Kabul Province, Afghanistan.  
(Photo by Sgt. Phillip Hickman, Massachusetts Air National Guard)





SPECIAL INSPECTOR GENERAL FOR  
AFGHANISTAN RECONSTRUCTION

I am pleased to submit to Congress and the Secretaries of State and Defense, SIGAR's 36th quarterly report on the status of the U.S. reconstruction effort in Afghanistan.

The Administration directed the Department of Defense (DOD) this quarter to update troop levels in Afghanistan as part of a forthcoming new American strategy for the country. On June 13, 2017, Secretary of Defense James N. Mattis told the Senate Armed Services Committee the United States is "not winning in Afghanistan right now, and we will correct this as soon as possible." According to SIGAR analysis published in this report, the new strategy comes after the United States has obligated an estimated \$714 billion for all spending—including war fighting and reconstruction—in Afghanistan over more than 15 years. Of this amount, an estimated \$675 billion has been obligated by DOD.

Insurgents and terrorists carried out a number of deadly high-profile and insider attacks this quarter. On April 21, 2017, there was a suspected insider attack on the Afghan National Army's (ANA) 209th Corps' Camp Shaheen near Mazar-e Sharif. While the attack remains under investigation by Afghan authorities and Coalition forces, reports suggest that 10 heavily armed Taliban fighters wearing Afghan army uniforms infiltrated the camp and killed up to 250 Afghan soldiers. One of the worst terror attacks of the Afghan war occurred on May 31, when a truck bomb exploded in the center of Kabul's diplomatic quarter during rush hour, killing some 150 people and injuring several hundred.

At the same time, there were some positive developments this quarter. As discussed in the security section of this report, President Ashraf Ghani has already begun implementing policies laid out in his forthcoming four-year reform plan for the Afghan National Defense and Security Forces (ANDSF). In addition, ANDSF force strength also increased for the second quarter in a row. The number of districts under the control of the government also appears to have stabilized at 59.7%, the same as last quarter.

This report also contains an essay meant to alert U.S. policy makers of the critical need to correctly balance the goals of our mission in Afghanistan with the requirement to manage risks to U.S. civilian personnel. While Afghanistan remains highly dangerous, SIGAR is concerned that overly restrictive limitations hinder U.S. personnel's ability to travel—even with U.S. military protection—outside the Kabul embassy to accomplish the reconstruction mission in a whole-of-government approach.

SIGAR's mission, for example, is expanding. This quarter, for the first time, Congress directed the agency to assess the Afghan government's anticorruption efforts. The Joint Explanatory Statement for the Consolidated Appropriations Act for Fiscal Year 2017 directs SIGAR to assess the Afghan government's implementation of an anticorruption strategy called for at the Brussels Conference on Afghanistan held October 4–5, 2016.

In addition, at the request of a bipartisan, bicameral group of 93 members of Congress, SIGAR this quarter issued a report to Congress on DOD and State's implementation of the Leahy Laws in Afghanistan. The report concerned allegations of sexual abuse of children by members of the Afghan security forces. Under the Leahy Laws, DOD and State are prohibited from providing assistance to any unit of the security forces of a foreign country if the Secretaries of State or Defense have credible information that the unit has committed a gross violation of human rights. In June, SIGAR completed the report, notified the requestors, and provided copies. The report reviews guidance on Leahy Laws implementation, and discusses the extent to which the U.S. holds Afghan security forces accountable. SIGAR also makes recommendations to both the Departments of State and Defense to improve implementation of the Leahy Laws in Afghanistan.

Because DOD has classified much of the information on which the SIGAR report is based, the report is classified. SIGAR has requested that DOD declassify the report so that it can be released to the public.

Two provisions of the National Defense Authorization Act for Fiscal Year 2018, passed by the U.S. House of Representatives on July 14, implement recommendations made by SIGAR. One provision requires that within 120 days of the start of a contingency operation, DOD, State, and the United States Agency for International Development (USAID) must develop a joint strategy to prevent corruption in any related reconstruction efforts, and that the strategy contain measurable benchmarks that must be met before reconstruction funds are made available. Another provision requires DOD, prior to entering into any new contracts to procure uniforms for the Afghan security forces, to conduct a cost-benefit analysis that takes into account whether the uniform design is appropriate for the environment it is to be used in, and whether using a pattern already owned by the department may be more cost effective than using a proprietary product.

Including the classified report, this quarter SIGAR issued 16 audits, inspections, reviews, and other products. SIGAR work to date has identified about \$2.1 billion in savings for the U.S. taxpayer.

SIGAR published two performance audit reports. These audits examined the State Department's and USAID's implementation of SIGAR recommendations regarding salary-support funding and assessed the impact of the DOD's intelligence-capacity-building programs for the ANDSF.

SIGAR completed four financial audits of U.S.-funded contracts, grants, and cooperative agreements to rebuild Afghanistan. These financial audits identified more than \$27.2 million in questioned costs as a result of internal-control deficiencies and noncompliance issues. To date, SIGAR's financial audits have identified more than \$414.5 million in questioned costs.

SIGAR also published one inspection report examining renovations of the Pol-i-Charkhi prison.

SIGAR's Office of Special Projects issued eight products addressing a range of issues including DOD procurement of ANA uniforms, seven reconstructed schools in Kunar Province, and 35 USAID-supported health facilities in Takhar Province.

During the reporting period, SIGAR investigations resulted in three criminal indictments, one criminal information, three arrests, three convictions, one sentencing, over \$200,000 in restitutions, and more than \$5.5 million in savings for the U.S. government. One indictment was against the Afghan-American former owner of Equity Capital Mining LLC, a now-defunct marble-mining company in Afghanistan, for defrauding the Overseas Private Investment Corporation, a U.S. government agency, and defaulting on a \$15.8 million loan. SIGAR initiated 11 new cases and closed eight, bringing the total number of ongoing investigations to 267.

SIGAR's suspension and debarment program referred 13 individuals and 16 companies for suspension or debarment based on evidence developed as part of SIGAR investigations conducted in Afghanistan and the United States. These referrals bring the total number of individuals and companies referred by SIGAR since 2008 to 866—encompassing 478 individuals and 388 companies.

With the help of Congress and other stakeholders, my staff and I will continue to conduct vigorous oversight of Afghanistan reconstruction projects and programs, and provide lessons learned for the future.

Respectfully,



John F. Sopko  
Special Inspector General for Afghanistan Reconstruction

# EXECUTIVE SUMMARY

**This report summarizes SIGAR’s oversight work and updates developments in the four major sectors of Afghanistan’s reconstruction effort from April 1 to June 30, 2017.\* It also includes an essay on the challenge of conducting effective reconstruction oversight under seemingly unduly restrictive restraints on movement. During this reporting period, SIGAR published 16 audits, inspections, reviews, and other products assessing the U.S. efforts to build the Afghan security forces, improve governance, facilitate economic and social development, and combat the sale and production of narcotics. During the reporting period, SIGAR criminal investigations resulted in three criminal indictments, one criminal information charge, three arrests, three convictions, one sentencing, over \$200,000 in restitutions, and more than \$5.5 million in savings for the U.S. government. SIGAR initiated 11 new cases and closed eight, bringing the total number of ongoing investigations to 267. Additionally, SIGAR’s suspension and debarment program referred 13 individuals and 16 companies for suspension or debarment based on evidence developed as part of investigations conducted by SIGAR in Afghanistan and the United States.**

## SIGAR OVERVIEW

### AUDITS

This quarter, SIGAR published two performance audits, four financial audits, one classified report, and one inspection report.

The **performance audits** found:

- State and USAID need to address SIGAR’s prior recommendations for safeguarding payments for Afghan government employees and embedded technical advisors.
- DOD spent \$457.7 million on intelligence-capacity-building programs, but the impact cannot be fully assessed because of a lack of performance metrics.

The **financial audits** identified \$27,229,340 in questioned costs as a result of internal-control deficiencies and noncompliance issues. These deficiencies and noncompliance issues included, among other things, incorrect employee payments and

miscalculations of travel costs, exceeding maximum budgets without prior approval, and insufficient documentation to support project expenses.

The **classified report**:

- At the request of a bipartisan, bicameral group of 93 members of Congress, SIGAR this quarter issued a report to Congress on DOD and State’s implementation of the Leahy Laws in Afghanistan. The report concerned allegations of sexual abuse of children by members of the Afghan security forces. Because DOD has classified much of the information on which the SIGAR report is based, the report is classified. SIGAR has requested that DOD declassify the report so that it can be released to the public.

\* SIGAR may also report on products and events occurring after June 30, 2017, up to the publication date.

# EXECUTIVE SUMMARY

The **inspection report** found:

- State awarded Al-Watan Construction Company (AWCC) a \$16.1 million contract to renovate Pol-i-Charkhi prison, Afghanistan's largest correctional facility, which had suffered 35 years of neglect. This contract was funded by Bureau of International Narcotics and Law Enforcement Affairs (INL). Despite the costs inflating to \$20.2 million, only about 50% of the renovation work was completed, and the AWCC contract was cancelled in 2010. In 2016, SIGAR found that INL had not completed the renovation work or corrected earlier deficiencies. SIGAR provided recommendations to INL on how to complete the work and protect the U.S. investment.

## SPECIAL PROJECTS

This quarter SIGAR's Office of Special Projects wrote eight products, reviews, and inquiry letters expressing concern on a range of issues including:

- DOD possibly spending \$28 million more than needed to procure ANA uniforms that are inappropriate for the Afghan environment
- schools in Kunar Province constructed or rehabilitated through funds provided by DOD's Commander's Emergency Response Program
- conditions at USAID supported health facilities in Takhar Province
- inquiries to the Asian Development Bank seeking documentation on the ongoing Qaisar-Laman Ring Road project

## INVESTIGATIONS

During the reporting period, SIGAR investigations resulted in three criminal indictments, one criminal information, three arrests, three convictions, one sentencing, over \$200,000 in restitutions and more than \$5.5 million in savings for the U.S. government. SIGAR initiated 11 new cases and closed eight, bringing the total number of ongoing investigations to 267. SIGAR's suspension and debarment program referred 13 individuals and 16 companies for suspension or debarment based on evidence developed as part of investigations conducted by SIGAR in Afghanistan and the United States.

**Investigations** highlights include:

- the indictment of former mining company owner for defrauding the U.S. government and defaulting on a \$15.8 million loan
- the investigation of a USAID implementing partner resulting in a \$5.5 million cost savings to the U.S. government
- a U.S. contractor indicted for theft and sale of U.S. government property
- a U.S. contractor indicted for a bribery scheme involving \$75,000 in kickback payments in exchange for delivering contracts
- the arrest of an Afghan national using a SIGAR identification card to justify carrying an illegal firearm

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“Failure in Afghanistan puts the American homeland at risk. Every soldier over there is an insurance policy against another 9/11.”

—*Senator Lindsey Graham*

# 1 AFGHANISTAN: RECONSTRUCTION IS NOT RISK-FREE



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Plaques at U.S. Embassy Kabul commemorate U.S. civilian personnel who died in Afghanistan. (SIGAR photo)

## AFGHANISTAN: RECONSTRUCTION IS NOT RISK-FREE

A devastating bomb attack near Afghanistan's presidential palace in Kabul on May 31, 2017, killed more than 150 people and wounded hundreds more.<sup>1</sup> It was yet another example of the deadly risks facing Afghans and international personnel as they go about their daily work. The suicide truck-bomb explosion heavily damaged several embassies and injured staff from the German, Japanese, and Pakistani embassies, as well as some U.S. citizens working as contractors.

Despite these risks, reconstruction in Afghanistan goes on, and U.S. officials are forced to balance the need to carry out their mission with the need to manage risks if they are to succeed.

U.S. law places executive-branch employees working out of country—except for Department of Defense (DOD) personnel under an area military commander and Voice of America correspondents on assignment—under the supervision and direction of the U.S. chief of mission.<sup>2</sup> That person is normally the ambassador in each foreign country where the United States has a diplomatic presence. For years, chief-of-mission personnel were able to travel throughout Afghanistan under chief-of-mission authority and protection. In the case of the Special Inspector General for Afghanistan Reconstruction (SIGAR), a special memorandum of agreement with the U.S. military allowed SIGAR personnel to also travel under military protection, subject to chief-of-mission review.

Over the past year, however, as security incidents have multiplied, SIGAR has observed that Embassy Kabul has increasingly restricted chief-of-mission personnel travel to mostly inside the international zone in Kabul. Moreover, the Embassy has shown reluctance to authorize SIGAR personnel to travel anywhere that chief-of-mission personnel cannot normally travel. This reluctance has extended to cases where SIGAR has obtained U.S. military escorts to inspect locations where U.S. military personnel routinely operate and which the U.S. military has requested SIGAR to visit.

At the same time, the work of the State, Justice, and Treasury Departments, the United States Agency for International Development (USAID), the Drug Enforcement Administration (DEA), and other



**A SIGAR investigator** traveling with U.S. military personnel confirmed that anti-terrorist gratings had been falsely reported as installed at this highway culvert. A court proceeding related to the fraud was conducted in July 2017. (SIGAR photo)

# RECONSTRUCTION IS NOT RISK-FREE



**SIGAR engineers inspect** unfinished construction at a Kabul hotel project that was backed by a U.S.-guaranteed loan. (SIGAR photo)

chief-of-mission personnel continues to be critical to accomplishing our nation's 15-year-long mission—and may even be more important in light of the additional troops and programs currently under consideration by the Administration. Those responsibilities, including the audits, inspections, and investigations required to carry out SIGAR's statutory mandate to protect U.S. taxpayers' funds, cannot be performed exclusively through email, phone calls, and drone cameras. They require U.S. personnel to be able to inspect projects, examine documents, and meet in person with Afghan officials and contract personnel in the field, even if doing so entails some risk.

A core requirement for the missions of the Department of State and USAID is the ability for State's Foreign Service officers and civilian personnel to meet with their foreign-government counterparts. And, as USAID issues grants, cooperative agreements, and contracts to international or Afghan organizations, it is critical that they be able to monitor projects and importantly meet with the local population to confirm their development needs and judge whether those needs are being met. Diplomats, likewise, may need information from local politicians to understand the true political dynamics in a country as politically complicated as Afghanistan. Other chief-of-mission personnel from the Treasury, Justice, and Commerce Departments, to name a few, also need such access to fulfill their mission to advise and assist their Afghan partners.

While Afghans can, under heavy security scrutiny, meet with U.S. personnel at the U.S. Embassy, the selection and vetting process may often lead to embassy personnel only hearing from those Afghans they are already

# RECONSTRUCTION IS NOT RISK-FREE

aware of, or who represent the best-funded or politically connected non-governmental organizations in the country. It is a sad fact that some U.S. diplomatic and civilian personnel only see Afghanistan outside of Kabul's international zone during the short helicopter ride from the Hamid Karzai International Airport to the U.S. Embassy on their way in and out of country. During the Special Inspector General's most recent visit to Afghanistan, there was an almost universal complaint from U.S. Embassy personnel that they were unable to get out to do their jobs as they have in other postings. The vacuum created by their absence was also noted by the U.S. military, donor community, and Afghan officials.

Diplomacy, international development, and reconstruction have never been risk-free. As the Administration develops its new strategy for Afghanistan, it is important that policy-makers and Congress find that reasonable balance between risk aversion and risk avoidance for chief-of-mission personnel in the future. It should be noted that this issue transcends recent resource debates: staffing levels are irrelevant if staff cannot get out to do their jobs. This essay is meant to assist in this analysis and hopefully enhance the prospects for a successful utilization of the expertise and strength that comes from a "whole of government" approach to Afghanistan reconstruction.

## AFGHANISTAN REMAINS A DANGEROUS PLACE

Embassy Kabul's concern for the safety of Americans in Afghanistan is well founded. In 1979, the Embassy suffered one of the first post-World War II murders of an American ambassador with the tragic killing of Ambassador Adolph Dubs as the result of a bungled hostage rescue attempt by Soviet and Afghan troops after he was kidnapped by terrorists.<sup>3</sup> As the memorial wall in front of our Kabul embassy so poignantly commemorates, since 2001, more than 10 chief-of-mission personnel have died in the performance of their duties in Afghanistan.

The U.S. State Department has long cautioned U.S. citizens against travel there, and warns:

Travel to all areas of Afghanistan remains unsafe due to the ongoing risk of kidnapping, hostage taking, military combat operations, landmines, banditry, armed rivalry between political and tribal groups, militant attacks, direct and indirect fire, suicide bombings, and insurgent attacks, including attacks using vehicle-borne or other improvised explosive devices (IED). Attacks may also target official Afghan and U.S. government convoys and compounds, foreign embassies, military installations, commercial entities, non-governmental organization (NGO) offices, restaurants, hotels, airports, and educational centers.<sup>4</sup>



**SIGAR inspectors** at the U.S.-funded Ministry of Interior compound in Kabul found that contractors had installed hundreds of non-certified, non-factory-labelled fire doors, some including fake logos of Underwriters Laboratories. (SIGAR photo)

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**SIGAR engineers log observations** at Camp Commando in Afghanistan. (SIGAR photo)

Nor is the State Department alone in its concern. DOD’s latest report to Congress on security and stability in Afghanistan notes that the country “faces a continuing threat from as many as 20 insurgent and terrorist networks present or operating in the Afghanistan-Pakistan region, including the Taliban, the Haqqani Network, [Islamic State-Khorasan], and al-Qaeda, in what is the highest concentration of extremist and terrorist groups in the world.”<sup>5</sup>

The United States is not the only country concerned about the security and safety of its citizens. The government of the United Kingdom’s travel advice for Afghanistan notes that in addition to terrorists, “There is a high threat of kidnapping throughout the country,” and adds, “Travel by road throughout the country ... is extremely dangerous.”<sup>6</sup> The Canadian government advises, “Avoid all travel” to Afghanistan, and adds, “If you are already in Afghanistan, you should leave.”<sup>7</sup>

The presence of pervasive and aggressive insurgents and terrorists has long been an obstacle for U.S. agencies conducting reconstruction and development operations in Afghanistan, as well as for SIGAR and other oversight entities. For example, the U.S. Department of Justice reports that in early 2017, “Security concerns, and limited and costly air lift capacity ... have reduced the number of movements, their regularity, their destinations, and the time on venue the single federal law enforcement official within the Office of Justice Attaché [in Kabul] is allowed. Ideally, future Justice Attachés would be allowed to travel with, co-locate, or even embed with [Resolute Support] or UK units to extend time on venue.” The same report observes that inviting Afghans to meet at Embassy Kabul is “less

# RECONSTRUCTION IS NOT RISK-FREE

than ideal” because visiting there is “time-consuming, intrusive, and, since [Afghan government] officials cannot and often should not travel through the city with case files, the specificity of the discussions is limited.”<sup>8</sup>

USAID has frequently noted the difficulties its staff and implementing partners face in Afghanistan. USAID’s Office of Inspector General wrote in a 2012 memo (when the U.S. military presence in Afghanistan was much larger than it is now), “Managing a development program in a high-threat environment such as Afghanistan presents special risks and challenges. For example, Kabul-based [contract-monitoring staff] are sometimes unable to visit project sites in high-risk locations.”<sup>9</sup>

To help mitigate such constraints, USAID has adopted alternative methods to monitor projects and collect data using multiple sources that can be crosschecked against each other. SIGAR has also made use of third-party and remote monitoring and verification to carry out its mission. Meanwhile, fighting continues, with high casualties among Afghan security forces as well as Afghan civilians, as detailed in the security sections of SIGAR’s quarterly reports to Congress.

## RISK MITIGATION IS NOT UNIQUE TO AFGHANISTAN

Although Afghanistan is an unusually dangerous environment, the State Department is also obliged to mitigate risk in other countries around the world.

As State’s most recent *Quadrennial Diplomacy and Development Review* (QDDR) notes, “More than one-third of the 185 countries where our diplomats work have a high risk of conflict or groups that pose a direct threat to Americans,” as well as nearly half of the countries where USAID operates.<sup>10</sup>

But hazards extend well beyond known arenas of conflict. As the QDDR notes, “We know all too well that ambassadors and other personnel face threats even in the most stable of allied countries.”<sup>11</sup> For example, in 2016–2017, France, Germany, Sweden, and the United Kingdom have seen terrorist attacks. No country is immune.

This harsh reality is a security challenge for the Department of State, which operates more than 275 embassies, consulates, and other posts in host countries that are staffed by almost 19,000 Foreign Service employees and more than 49,000 locally employed staff, including foreign nationals. The department also has about 12,000 civil service employees supporting its overall operations.<sup>12</sup>

U.S. law recognizes that diplomatic and security concerns can arise anywhere and accordingly entrusts U.S. chiefs of mission with broad responsibilities and broad authorities in their host-country posts.

In Kabul, as in many other places with a U.S. diplomatic presence, the chief of mission is assisted in his or her security responsibilities by a



**A SIGAR inspector** checks work at the new Afghan Ministry of Defense headquarters. (SIGAR photo)

# RECONSTRUCTION IS NOT RISK-FREE



**Brig. Gen. Charles Aris**, commander of Train, Advise, Assist Command-South greets Inspector General Sopko. (SIGAR photo by Tom Niblock)

Regional Security Office (RSO). The Embassy Kabul website explains that the RSO's primary responsibility is “to create a safe environment in which the U.S. Government can carry out its diplomatic mission ... by instituting procedures and countermeasures that decrease the possibility that our personnel and facilities can be targeted by hostile elements.” Among the RSO's other duties, it “coordinates the protective requirements for visiting officials as appropriate.”<sup>13</sup>

Although these policies and procedures are generally practical, they are not “risk-free”—especially given the volatile security situations that confront U.S. chiefs of mission in Afghanistan and elsewhere. Indeed, implicit in the responsibilities to safeguard chief-of-mission employees is the primacy of carrying out the U.S. mission in Afghanistan and elsewhere. Simply being located in Afghanistan inside the embassy walls or on a base is not enough to further our mission there—even though it would obviously be much safer.

Common sense has always dictated that a balance needs to be struck between the need for risk mitigation and the need for U.S. organizations, such as USAID, DEA, Department of Justice, SIGAR, the Government Accountability Office, and others, to accomplish their missions. Hunkering down behind blast walls while positive from a security perspective, damages not only the U.S. civilian mission but also handicaps the U.S. military mission to create a stable and functioning Afghan military and police free from corruption and incompetence.

# RECONSTRUCTION IS NOT RISK-FREE

Both the military and diplomatic missions are essential. As General James Mattis, then leading U.S. Central Command, said in congressional testimony in 2013, “I would start with the Department of State budget. Frankly, they need to be as fully funded as Congress believes appropriate, because if you don’t fund the State Department fully then I need to buy more ammunition ultimately.”<sup>14</sup> On February 27, 2017, a letter to congressional leaders from 121 retired U.S. generals and admirals seconded Mattis’s sentiment and added, “The State Department, USAID, Millennium Challenge Corporation, Peace Corps, and other development agencies are critical to preventing conflict and reducing the need to put our men and women in uniform in harm’s way. . . . We urge you to ensure that resources for the International Affairs Budget keep pace with the growing global threats and opportunities we face.”<sup>15</sup>

Risk-avoidance policies, if taken to an extreme, may unintentionally reduce the prospects for mission success—not just for SIGAR, but for other agencies that need direct access to people, facilities, equipment, and information systems involved in the work of reconstructing Afghanistan. Simply reviewing centralized data banks or sending out email inquiries is not enough. USAID’s Office of Inspector General, for example, has reported that, “Some implementing partners did not record performance in Afghan Info [the mission’s electronic data and reporting system],” while “mission officials did not consistently validate data reported to them.”<sup>16</sup> SIGAR quarterly reports to Congress have repeatedly noted instances in which U.S. civilian and military contract-oversight staff have failed to monitor projects, demand contract compliance, inspect work before sign-off, or properly and fully document work performed.

It is clear that effective oversight to detect and prevent waste, fraud, and abuse requires site visits to inspect work, examine original—often untranslated and unforwarded—documents, conduct interviews, and perform other tasks that may not be done as effectively or at all through remote intermediary means. It is also clear that imposing highly restrictive rules on travel within Afghanistan impedes such work. Yet when asked in June, “Has State applied any metrics or sought any empirical evidence to judge whether constraints on staffing or mobility have affected the delivery of reconstruction activities?” State replied that it had not.<sup>17</sup>

SIGAR’s data call in preparation for this quarterly report posed other questions regarding travel and security in Afghanistan that State declined to answer, saying they were internal operational matters and not part of reconstruction activities. However, SIGAR is concerned that U.S. officials, whether at State, USAID, Justice, Treasury, Commerce, or elsewhere, cannot oversee the billions of dollars the United States is dedicating to Afghan reconstruction if, for the most part, they cannot leave the U.S. embassy compound.



**SIGAR personnel** and mission security officer on a U.S. military helicopter en route to a site visit. (SIGAR photo)

It goes without saying that diplomacy, reconstruction and oversight cannot be done by phone or by teleworking from home—it must be done in person and in the field. It is also noteworthy that members of other diplomatic missions in Kabul move more freely around the city and countryside than do U.S. civilian personnel, and they do so with smaller security teams.

## PRUDENT ACCEPTANCE OF RISKS IS ESSENTIAL

The U.S. Department of State has acknowledged the importance of getting people out in the field, and of unavoidable risks to the diplomatic mission.

In 2006, Secretary of State Condoleezza Rice said, “More and more often, over the course of this new century, we will ask the men and women of the State Department to be active in the field. We will need them to engage with private citizens in emerging regional centers, not just with government officials in their nations’ capitals.”<sup>18</sup>

In his prefatory message to the 2015 edition of the QDDR, Secretary of State John Kerry noted that plaques at the entrances to the State Department and USAID “bear the names of 341 American diplomats and development professionals, including those killed in recent years in Afghanistan, Iraq, Haiti, Sudan, and Libya.” Continuing, he wrote, “Risk is a real part of this job ... effective diplomacy and development work require the assumption of risks that cannot be eliminated. As public servants, we accept that risk.”<sup>19</sup>

The subsequent text of the 2015 QDDR reinforces Secretary Kerry’s message: “Diplomacy and development carry inherent risks. ... Our diplomats and development professionals advance American interests in dangerous environments; those interests certainly do not diminish when threats increase.”<sup>20</sup>

In a similar vein, State’s policy-codifying *Foreign Affairs Manual* explicitly states, “Advancement of U.S. foreign policy objectives inherently involves diverse types of risk, and the Department recognizes that taking considered risks is essential to creating value for our stakeholders.” The manual goes on to say it is “a key tenet” to assess risk, implement mitigation, and evaluate remaining risks “to judge whether the benefits of an activity outweigh the residual risk potential.”<sup>21</sup>

State has a formal process to execute that policy. According to a former director of State’s Diplomatic Security Service, “The Vital Presence Validation Process (known as VP2), instituted in 2014, involves a full-scope examination of a high-threat, high-risk post. In this process, the compelling national security and policy reasons for a U.S. government presence, the threats to post personnel and facilities, and the measures being taken to mitigate the risk are all spelled out; and an assessment is made as to whether the remaining risk is acceptable.” VP2 and other mechanisms are intended to constitute “shared accountability” for risk



**SIGAR inspects kitchen facilities**  
at the Kabul Military Training Center.  
(SIGAR photo)

# RECONSTRUCTION IS NOT RISK-FREE



**Fake-label fire extinguishers** with identical serial numbers were discovered during a SIGAR inspection of a women's dorm in Herat. (SIGAR photo)

management among Diplomatic Security, regional bureaus, and other interagency stakeholders.<sup>22</sup>

The question is whether the official rhetoric on risk aligns in the real world with actual practice and the calculus of possible repercussions facing diplomatic decision makers in the field.

Despite the policy-manual prose and the institutional process that recognizes unavoidable risk in carrying out the State Department's mission, some people believe the institutional culture still tilts heavily in the direction of risk avoidance—and that the assault on the U.S. consulate that led to the deaths of U.S. Ambassador J. Christopher Stevens and U.S. Foreign Service Information Management Officer Sean Smith in Benghazi, Libya, in December 2012 tipped the scale even further in that direction.

U.S. Representative Seth Moulton (D-MA), a member of the House Armed Services Committee and a Marine veteran of four combat deployments, told attendees at a U.S. Institute of Peace event, “I think from my time in Iraq, the State Department was incredibly risk-averse and frankly, I don't get political here, but the Benghazi situation makes this a lot worse.”<sup>23</sup>

Century Fund scholar Thanassis Cambanis has also concluded that, “The Benghazi killings have made it even harder for diplomats to take what they consider reasonable risks. ... Few, if any, US diplomats today are given the freedom to exercise their professional judgment of what risks are worth taking.” In a column for the *Boston Globe*, Cambanis quoted two former ambassadors to Afghanistan on risk-aversion: Ronald Neumann said, “We are now too restrictive. We need a course correction,” while Ryan Crocker



**Inspector General Sopko**, second from right, and staff receive a briefing from Coalition military officers at TAAC-Air in Kabul . (SIGAR photo by Beth Faulkner)

cautioned, “You cannot practice diplomacy with a zero-loss mentality.” Addressing the impact of the Benghazi attack, Crocker said, “Chris Stevens would roll over in his grave if he knew how his death has been misused.”<sup>24</sup>

Officials’ concern for personnel, fear of political backlash, and anxiety over possible career consequences from risk decisions that turned out poorly may be understandable, but they do have consequences.

## **MITIGATE RISK, BUT LET PEOPLE DO THEIR JOBS**

Deciding just where prudent risk mitigation creeps into the realm of risk aversion, and where protecting personnel undercuts prospects for mission success, is not a simple matter. SIGAR recognizes the challenge and the possible consequences of misjudgment or simple bad luck that attend every decision by a chief of mission.

The requirements of this complex war demand—especially within the context of the current stalemate—that U.S. chief-of-mission staff, mentors, advisors, and implementers have the greatest feasible freedom of movement if we and our Afghan partners are to achieve the results vital to the reconstruction mission.

Policies and mindsets must adjust at the highest level to recognize that while risks are ubiquitous in Afghanistan, they differ only in number and frequency from risks in every other host country. Reflexive avoidance of risk must give way to what stated policy already requires: risk mitigation and balancing of residual risk against expected benefits.

# RECONSTRUCTION IS NOT RISK-FREE

In this environment, leaving such decisions entirely to chiefs of mission and regional security officers may be unrealistic: it appears to require near-heroic dedication and detachment to undertake risky decisions without feeling the hot breath of irate second-guessers at one's back. The State Department's current high-level posture appears to place an unreasonable and counterproductive burden on field officials to avoid any risk, even if a different approach could enhance prospects for mission success.

Critical diplomatic missions inevitably entail risk, especially in places like Afghanistan. Keen assessment and prudent mitigations of risk are essential, but as in military endeavors, the mission should ultimately take priority so long as it is deemed vital. And, few missions can be executed if the responsible actors are locked down in compounds behind blast walls. In any event, the embassies scarred by the Kabul bomb attack of May 31 show that, too, is no guarantee of safety.

Better results in Afghanistan reconstruction require more than a greater acceptance of risk by senior leaders in the executive branch. The United States also needs to incentivize and empower a cadre of civilian officials who stay longer, dig deeper, and develop the important personal connections with Afghans than the common practice of short deployments permits.

Adjusting the official and the practical attitude toward risk is a good start. As the report from the 2015 Aspen Institute's public-diplomacy conference put it: "No one wants to endanger American lives; however, it is one thing to take needless risks and quite another to allow the fear of any risk to inhibit action."<sup>25</sup> The State Department's commitment to a "whole-of-government approach" to diplomacy is commendable, but it cannot be fully realized if strict constraints on chief-of-mission travel create a "hole-in-government" obstacle for U.S. efforts in Afghanistan.

Ironically, in the long run, such extreme risk aversion and avoidance may even contribute to greater insecurity, since it limits U.S. diplomatic reach to the very Afghan agencies, officials, and community leaders necessary to foster stability, rule of law, and economic growth, while sending an unintended but dangerous message to friend and foe alike that the terrorists should be feared and may actually be winning.



**Inspector General Sopko**, right, and SIGAR staff talk with a military officer about MRAP (Mine-Resistant Ambush-Protected) vehicles at the Train, Advise, Assist Command-East base at Camp Gamberi in eastern Afghanistan. (SIGAR photo)

“If you look at the wars from probably Korea, Vietnam, Iraq, [and] dare I say Afghanistan, every time we go into a war and we don’t figure out what the political end state is, ... we don’t know how to end them. Then you’ve got a real problem.”

—*Secretary of Defense James Mattis*