



SPECIAL INSPECTOR GENERAL FOR AFGHANISTAN RECONSTRUCTION

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Acting Inspector General Steven J Trent Discusses SIGAR and Reconstruction Issues on Federal News Radio

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Emily Kopp, Anchor: The push to reform wartime contracting continues. On Capitol Hill, members of Congress are debating a bill to crack down on the way agencies award, manage, and oversee wartime contracts. The Acting Special Inspector General for Afghanistan Reconstruction, Steven Trent, joins us now with an update on what his office is doing to prevent waste. Good morning, Acting IG Trent.

Acting IG Trent: Good morning. Thank you for having me on this morning.

Kopp: It's our pleasure. You've been in the news a lot lately with the drawdown of troops in Iraq, uh, in Afghanistan rather. There's a lot of changes going on over there. Tell us about the biggest investigations that your agency is conducting right now.

Trent: We've got approximately 160 open criminal investigations right now. We have prosecuted the largest bribery case out of Afghanistan, which came to fruition here several months ago. Bribery and corruption is a frequent case category for us, but we're more concerned and we try to focus on large contract fraud cases and we have a fair number of those working as well.

Tom Temin, Anchor: And in terms of the total dollars involved, what percentage, roughly, of the dollars that we're spending on Afghanistan reconstruction are under question or cloud.

Trent: You know, I don't have those numbers for you right off the top of my head, and those, those are difficult when we may have a 10 million dollar or 100 million dollar contract and we're investigating one particular aspect of

that contract that might involve perhaps a million dollar bribe, but to say we're investigating a 100 million dollar contract is a bit misleading. So we haven't broken those numbers out exactly.

Temin: So it would be fair to say that the majority of the money had been spent fairly and honestly?

Trent: Well, contingency contracting is an area that's susceptible to waste, fraud, and abuse, more so certainly than domestic government contracting, and there are some estimates out there, one by the Wartime Commission on Contracting, with some high numbers of dollars wasted. We do believe that the waste, fraud, and abuses is significant in Afghanistan and that's what we're attempting to monitor.

Kopp: So it seems like it's a really monumental task and when you look over the history of your office, do you think that, that we've made any progress at all?

Trent: Well, we're an extremely young organization. We were just created in 2008 and funded in 2009. We're a temporary organization, and we'll be going away as reconstruction appropriations draw down in Afghanistan in the coming years. There's been, there has been, I think, progress made in the contracting processes in Afghanistan in the last few years that are starting to pay some dividends and make accountability and responsibility better in Afghanistan.

Temin: And give us an idea of the nature of the, say, the bribery investigations that are going. Is it Americans bribing overseas officials? Is it Americans bribing overseas contractors? Is it overseas contractors bribing Americans? How do you characterize these?

Trent: Well, the majority of our cases are evolving, and we focus on, Americans and U.S. contractors involved in bribery and corruption. We see a fair number of Afghanistan citizens involved in corruption, but we refer those to the Afghan authorities. Those individuals are prosecuted in the United States, so the majority of our cases involve U.S. military, U.S. contractor, U.S. civilian

personnel who have engaged in bribery and corruption during the contract process. Generally they're paid by Afghan businessmen seeking contracts or seeking, other, other, excuse me, by Afghan businessmen seeking contracts.

Temin: So in other words, it's the opposite of the Foreign Corrupt Practices Act's type of investigations.

Trent: Yes. The majority of the contracting at this point in time in Afghanistan does not come from the Afghan government, so the Foreign Corrupt Practices Act, where you will be paying a foreign government in order to get a contract with the foreign government, is not a dynamic that's at play right now in Afghanistan on a large scale. As we transfer more of our funding to the Afghan government and allow them to control the contracting processes, I think we'll see more Foreign Corrupt Practices Act, or FC – FDCA violations.

Kopp: We're speaking with Steven Trent, he's Acting Special Inspector General for Afghanistan Reconstruction, and recent Congressional testimony both USAID, and, and the State Department say that they're getting better about cracking down on sort of, bad behavior among contractors, and they're using more suspension and debarment enforcement acts, um, enforcement mechanisms. In your opinion, has this been effective and are they doing a better job of policing their own contracts?

Trent: Uh, well let me say that I do believe suspension and debarment is a, is a somewhat effective tool to employ in a contingency environment. We've been, um, frankly on the leading edge of that here at SIGAR in the last year. Other agencies are also becoming more aggressive as the testimony on the Hill the other day reflected. And I think as a community, the IG community and the contracting community as a whole, is, uh, embraced suspension and debarment as a mechanism to hold irresponsible business entities more accountable. And I think it does have some large effect.

Temin: Now your office recently issued new ethics rules for employees. Tell us about those and who they apply to.

Trent: Well they apply to all employees at SIGAR, and we are a relatively small organization. This is common in, in executive agency practice. These are additional standards to supplement the standards of ethical conduct issued by the office of government ethics. We have a quite amazing staff here, very experienced staff. We're allowed to hire here with 3161 hiring authority. Our entire agency is exempt, and we hire directly from other agencies as well as retired annuitants. And our staff, highly experienced, is involved many times in teaching outside at local colleges, speaking engagements, even writing books, and we want to make sure that we have, um, no even appearance of losing our objectivity or independence, and these standards require employees to let us know what they're planning to do with regard to those kind of activities and have our counsel review them before they undertake them.

Kopp: Were there incidents that made you feel like you had to come up with, with these ethics rules?

Trent: No, not at all. This was a, simply an abundance of caution on our part, and we thought it was appropriate to do that. We do have, as I said, a number of employees who are sought after both as teachers and speakers, and we wanted to make sure that we were on top of that.

Temin: And getting back to the investigations, what is your primary source of, of places to investigate? Do they mostly come in from tips or do you have some kind of computerized tools that look for anomalies?

Trent: Both of those. We have an active Hotline in our website at www.sigar.mil. We take all kinds of referrals from across the world, literally, of people wanting to tip us off to something. We have a large presence in Afghanistan. We have almost 50 people full time in Afghanistan, and augment that with TDY, temporary duty assignments, as well. But we have agents, about 22 agents, spread out throughout Afghanistan in contracting centers, various forward observation operating bases, with sources of information that they're developing constantly. And we also are doing forensic reviews on the actual expenditures and the larger expenditures of funds of the large 11 billion dollars for a particular contracting authority for Afghan National Security Forces. We do forensic reviews on that that look for anomalies, and invoicing, and pricing.

Temin: Were there any tools and processes that came over from the Iraq Afgha-- , er, Iraq reconstruction group over to yours?

Trent: Yes, certainly. There's a number of things we've learned from the Iraq Inspector General's office. I was employed over there before I came to work over here a few years ago. The forensics methodology is pretty much the same that they used in Iraq that we're using against the funds here in Afghanistan.

Kopp: I think we'd be remiss if we didn't ask for you to weigh in on a Senate bill that Senator Claire McCaskill, the Subcommittee on Contracting Oversight's chairwomen, is proposing among other things that would require agencies to automatically suspend or debar companies from government work when they're indicted on civil or criminal charges of contract fraud. What is your stance on this proposal?

Trent: Let me say first, I certainly applaud Senator McCaskill's interest and efforts to look at some of the larger problems in contracting and contingency environments. The, [coughs], excuse me, automatic dismissal is, uh, suspension and debarment is a process that has been around for a long time and it relies upon the current determination of the responsibility of the company as to whether or not they can continue to contract with the government, and I think an automatic suspension throws that whole, sort of, predisposition, or, throws those considerations into a different light and that's something that needs to be considered before that is adopted.

Temin: Steven Trent is the Acting Special Inspector General for Afghanistan Reconstruction. Thanks for joining us.

Trent: Thank you very much for having me, Tom. Emily, thank you.

Temin: And we'll post a link to this interview and the website for SIGAR later this morning at federalnewsradio.com/federal drive.