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# United States Senate

COMMITTEE ON  
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

RICHARD J. KESSLER, STAFF DIRECTOR  
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January 29, 2014

The Honorable Rajiv Shah  
Administrator  
U.S. Agency for International Development  
1300 Pennsylvania Avenue, N.W.  
Washington, D.C. 20523

Dear Dr. Shah:

I am writing to request information from the U.S. Agency for International Development (USAID) regarding USAID's assessment of the systems and internal controls of Afghan ministries for the purpose of receiving direct assistance from the United States government.

I recently learned that USAID awarded contracts to Ernst & Young and KPMG to assess 16 Afghan ministries. According to the Special Inspector General for Afghanistan Reconstruction (SIGAR), the contractors' assessments concluded that none of the ministries were capable of managing donor funds unless controls were implemented. The auditors made 696 recommendations for corrective action.<sup>1</sup>

I understand that USAID subsequently conducted its own assessment of seven ministries, including the Ministry of Finance, the Ministry of Public Health, and Da Afghanistan Breshna Sherkat, and found that the United States government cannot rely on the ministries to manage direct assistance funds. According to SIGAR, USAID's own internal policies require that USAID first perform a high-level assessment of the partner country's systems for democracy, human rights, and governance, which USAID did not do. In addition, USAID's policies state that if the "assessment reveals clear evidence of vulnerabilities to corruption, but the country government fails to respond with appropriate policies and actions...*use of partner country systems must not be authorized* [emphasis added]." According to SIGAR, however, USAID has waived these policies and will continue direct assistance to Afghanistan without requiring the Afghan government to implement most of the risk mitigation strategies.<sup>2</sup>

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<sup>1</sup> Special Inspector General for Afghanistan Reconstruction, *Direct Assistance: USAID Has Taken Positive Action to Assess Afghan Ministries' Ability to Manage Donor Funds, but Concerns Remain* (Jan. 2014) (14-32-AR).

<sup>2</sup> *Id.*

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To better understand the risk of providing continued direct assistance to Afghanistan, I request that you provide complete and unredacted copies of the assessments conducted by KPMG and Ernst & Young, and complete and unredacted copies of the assessments conducted by USAID, including all attachments and appendices. I also request that USAID provide Subcommittee staff with a briefing on these issues. I request that you provide the documents and briefing by no later than **February 7, 2014**.

The jurisdiction of the Subcommittee on Contracting Oversight is set forth in Senate Rule XXV clause 1(k); Senate Resolution 445 section 101 (108<sup>th</sup> Congress); and Senate Resolution 64 (113<sup>th</sup> Congress).

Please have your staff contact Sarah Garcia with the Subcommittee staff at (202) 224-5602 with any questions. Please send any official correspondence related to this request to Kelsey Stroud at [Kelsey\\_Stroud@hsgac.senate.gov](mailto:Kelsey_Stroud@hsgac.senate.gov).

Sincerely,



Claire McCaskill  
Chairman  
Subcommittee on Financial and  
Contracting Oversight

cc: Ron Johnson  
Ranking Member  
Subcommittee on Financial and  
Contracting Oversight