

Testimony of

Stuart W. Bowen, Jr.

Inspector General

Office of the Special Inspector General for Iraq Reconstruction

At a Hearing on

“Oversight of Reconstruction Contracts in Afghanistan
and the Role of the Special Inspector General”

Before the

Subcommittee on Contracting Oversight

Committee on Homeland Security and Governmental Affairs

United States Senate

November 18, 2010

Chairman McCaskill, Ranking Member Brown, and distinguished members of the Subcommittee, thank you for inviting me to discuss this timely issue.

ROLE OF A SPECIAL INSPECTOR GENERAL (SIG)

The Special Inspector General for Iraq Reconstruction (SIGIR) was created by the Congress seven years ago as part of a bill to support Iraq, which included an \$18.4 billion appropriation for reconstruction activities.¹ As the first of what are now three federal Special Inspectors General, SIGIR is uniquely positioned to report on the challenges inherent in contingency oversight and accountability.² SIGs can be an extremely effective cross-cutting accountability tool in complex, multi-agency operations. My testimony today lays out the advantages and challenges

¹ PL 108-106, November 2003.

² The Special Inspector General for Afghan Reconstruction (SIGAR) was created in January 2008 by PL 110-181; the Special Inspector General of the Troubled Asset Relief Program (SIGTARP) was created in October 2008 by PL 110-343.

of the SIG model and concludes that the U.S. government would benefit from the creation of a permanent SIG for contingency operations.

WHAT MAKES SIGs UNIQUE AND EFFECTIVE?

Cross-jurisdictional Mandate

One of the unique characteristics of a SIG is its cross-jurisdictional mandate that allows a Special Inspector General to transcend the stovepipes of federal agencies and examine complex operations funded and managed by multiple federal agencies. In doing so, SIGs must work closely with the permanent offices of Inspectors General, which retain vital institutional oversight and overlapping jurisdiction, and with the Government Accountability Office (GAO), which provides the Congress with government-wide accountability. An effectively operating SIG serves as the focal point for triaging crosscutting oversight issues. It must ensure de-confliction and coordination among all involved oversight entities and promptly act to close the coverage gaps that often arise in the chaos inherent in complex contingency operations.

Focused Mission

SIGs possess a unique mission that is tightly focused on a country, fund, or special problem, rather than on the continuing operations of a federal agency. Permanent agency IGs confront myriad critical oversight duties; the efficient execution of those duties could suffer if an IG must divert limited oversight resources to address an unexpected contingency operation. Ongoing demands on IGs are not suspended in the wake of contingencies; SIGs are a proven, efficient way to ensure the vigorous protection of the taxpayers' interests.

The Congress established the SIG model in response to exceptionally difficult oversight problems that required targeted expertise. In practice, SIGs should provide a scalable complement to standing IGs, ensuring adequate oversight of U.S. funds in fluid and unstable situations, which are susceptible to fraud, waste, and abuse.

Coordination Point

The cross-jurisdictional aspect of SIGs puts a premium on their ability to work closely with the permanent IGs and with GAO. SIGs can be the focal point for crosscutting issues, ensuring de-confliction and coordination among the many involved oversight entities. To meet this duty, I formed the Iraq Inspectors General Council (IIGC) in 2004, which has held quarterly de-confliction meetings involving all entities with oversight responsibility for Iraq reconstruction funds. The Congress recognized the importance of coordinated oversight when it made SIGIR and SIGAR responsible for planning certain interagency security and reconstruction audits under Section 842 of the National Defense Act for Fiscal Year 2008.

Adequate Budget

Due to their complex mission, SIGs require sufficient funding to execute their mandate. In our enabling legislation, the Congress provided SIGIR with \$75 million in “no-year funding,” which effectively fueled our start-up in 2004. This generous appropriation enabled SIGIR to develop and adequately resource ambitious oversight plans that quickly deployed a substantial contingent of auditors, inspectors, and investigators on the ground in Iraq within weeks of agency start-up. Since 2004, the Congress and the Administration have been consistently supportive of SIGIR’s budget requests, ensuring that we received the necessary funds to carry out our mission.

Flexible Hiring

Another essential characteristic of SIGs is their flexible hiring authority provided under 5 USC 3161. The capacity to rapidly hire staff, along with the authority to hire experienced annuitants, provides SIGs with critical tools in ensuring that the right people are hired at the right time for the right tasks to execute contingency oversight. This flexibility provides SIGs with a fundamental advantage over permanent IGs, who must contend with inevitably more extended federal hiring timelines.

More than a third of SIGIR’s staff employed over the past seven years has been drawn from the pool of recent retirees. This model has proved effective, providing highly experienced individuals with the expertise to operate effectively in small teams in remote locations and to produce outstanding work products quickly. Retirees are also not daunted by the temporary nature of their jobs. Applying this lesson, a more permanent structure – like a Special Inspector General for Overseas Contingency Operations – would operate more efficiently if provided a “hybrid” hiring authority that ensures a flexibility attuned to the unique challenges accompanying contingency operations.

War-zone Enabled

Permanent IGs must draw from their permanent civil service staff those who are willing to serve in a war zone, which reduces resources available for existing oversight obligations. Moreover, potentially serving in a war zone is not a condition of employment for agency IG staff; thus, the oversight duties must be accomplished by volunteers. A SIG’s staff is hired specifically with the understanding that they will be serving in war zone or under unstable conditions.

The availability of sufficient personnel resources is a significant oversight issue. As a practical matter, there exists a limited number of people with the right skill set and the willingness to work in a war zone or unstable contingency environment. The expeditionary oversight model demands a high degree of coordination to ensure the necessary internal controls. Success depends on, among other things, robustly planned management tools suitable for contingency environments and well-developed information technology platforms. SIGs tailor their

operational capacities to function in these anomalous, dangerous environments, using a combination of permanently deployed staff located in the war zone supplemented by expeditionary teams that surge forward to provide additional oversight resources. The key to this model's success for SIGIR has turned on maintaining effective professional relations and open lines of communication with management in theater.

In 2007–2008, during the height of sectarian violence in Iraq, SIGIR lost one auditor in a mortar attack and had six others injured. Despite such challenges and a loss like this, the large in-country presence of SIGIR personnel, with many years of experience working in Iraq, has made a substantial difference on the ground – deterring crime, delving deeply on a daily basis into oversight issues, and providing real-time feedback geared toward improving the reconstruction program's economy, efficiency, and effectiveness.

Dynamic Organizational Model

Their necessary flexibility allows SIGs to be agile, so they can change business practices to meet dynamic needs. When rapid oversight is required – a recurrent constant in contingency operations – SIG teams can be quickly formed and deployed. When new skill sets are needed, flexible hiring authority allows the prompt and appropriate composition of audit, investigation, inspection, and evaluation teams. For example, when inspectors and engineers were needed to fan out across Iraq to report on diverse brick-and-mortar projects, SIGIR quickly stood up teams of accredited federal auditors and licensed professional engineers to meet that need. When large-scale construction gave way to security assistance and capacity building, SIGIR's inspection teams were decommissioned and an evaluation team was formed to report on the effects and outcomes of reconstruction programs and projects. By their very nature, overseas contingency operations constantly evolve; effective oversight must keep pace with that rate of change, working in concert with concurrent priorities of the permanent IGs and other oversight organizations with jurisdiction.

Highly Independent

SIGs are not institutionally embedded in any particular agency, and thus do not reflect the culture of any particular department. They combine the true independence of the GAO with the powers of a permanent IG – such as the power to conduct criminal investigations and issue related subpoenas. Their independent voice is critical in fast-moving interagency stabilization and reconstruction operations where there is little or no incentive for the managers carrying out the program to admit problems.

Quarterly Reports

The mandate for SIGIR's Quarterly Reports (vice semiannual reports as with permanent IGs) arises from SIGIR's initial enabling legislation; the other two SIGs have a similar mandate. For

nearly seven years, SIGIR has provided comprehensive, independent reporting on the complex process of Iraq's reconstruction in Quarterly Reports to the Congress, the Departments of State and Defense, and the taxpayers. More than a summary of audit reports, SIGIR's Quarterly Report contains a compendium of current information and accompanying analyses drawn from numerous sources, providing an integrated view into the U.S. government's large-scale Iraq reconstruction program. No document so consolidates the funding sources so as to display in detail the complete extent of the U.S. multi-billion dollar effort in Iraq. The Quarterly Reports have helped improve understanding of the challenges in Iraq, informing policy decisions throughout the course of the contingency. As a sign of their increasing utility to managers, the U.S. Ambassador to Pakistan recently asked the U.S. Agency for International Development Inspector General (USAID-IG) to begin publication of reports styled on the SIGIR Quarterly Report.

Issue-area Expertise

The creation of a SIG results in the growth of issue-area expertise, improving not just oversight but also government-wide understanding of the targeted problem. In SIGIR's case, this expertise has enabled greater understanding of overseas contingency contracting, the U.S. capacity to execute stability and reconstruction operations, and the successes and failures of the lengthy Iraq reconstruction program. Flexible hiring has ensured that SIGIR has relevant experts in areas such as contingency contracting oversight, local language and culture, development in conflict environments, white-collar criminal investigations, and federal grant management. SIGIR thus has developed a strong core of expert personnel who have years of experience in civilian-military contingency oversight. Indeed, SIGIR may arguably be the only executive institution that has had a consistent mandate for most of the Iraq program, with a number of our Baghdad staff having lived in-country for up to six years. A permanent contingency SIG structure could retain and develop this expertise, making it available for rapid worldwide deployment on short notice and ensuring the capture and application of contingency lessons learned and best practices.

WHAT ARE THE BIGGEST CHALLENGES FOR A SIG?

Start-up Is Hard

Starting up any government endeavor presents difficult challenges. Starting one that is to operate overseas in a conflict zone is especially difficult. SIGIR has constantly strived to produce timely audits and investigations while simultaneously creating and enhancing its own internal controls, policies, procedures, and quality assurance. We pursued these goals by initially adopting the policies of other IG offices and modifying them to fit our unique model. Through this process, SIGIR developed a unique set of SIG-specific policies and controls, which it has since shared with the other two SIGs. I am proud to note that SIGIR received a "pass with no deficiencies" on our recent audit peer review, the highest rating possible. This success is

testament to years of hard work, effective collaboration with our fellow IGs, and the outstanding efforts put forth by my experienced audit staff.

Maintaining Staff Is Harder

Once established, a SIG immediately runs into a significant second challenge: keeping and developing a core of competent staff. The current SIG model is temporary, which means each of the existing SIGs has a projected end date. At several points in SIGIR's lifespan, we approached the potential end of our legislated existence and then had our mandate extended by the Congress. In fact, the law governing SIGIR's termination and jurisdiction has been changed six times over the past seven years. These changes produced unique management challenges. Mid-career staff often felt compelled to seek more permanent employment elsewhere when the end of SIGIR's existence appeared to be approaching. SIGIR has managed these challenges by using a mix of detailees and contractors to supplement full-time government employees. Although the ability to expand and contract staff remains a key strength of a SIG, this flexibility must be balanced against the need to retain a high-quality core staff to ensure a consistent level of quality assurance, to build in best practices, and to maintain institutional knowledge.

Fluctuating Budgets Are Challenging

Another unique attribute of a SIG is the widely varying budgets under which it works from year to year. A SIG's workload will change with the size of the contingency program it oversees. It cannot have the long-term perspective of a permanent IG. SIGIR's largest annual budget (aside from its start-up funding) was \$45 million in FY 2009 when the Iraq reconstruction program had just come off its peak. Yet just two years later SIGIR is in the process of ramping down, operating on a \$22 million budget for fiscal year 2011 – a drop of more than 50% – and with a drop in staff from 140 to 74.³ As a result, organizational structures need to remain fluid. When done effectively, this business model is very economical for the taxpayer. However, a hybrid model that allows for a stable core with flexible contingency-based modules would likely provide improved quality and effectiveness of oversight.

Coordination Is Essential

As pointed out earlier, the overlapping jurisdiction of a SIG with several permanent IGs necessitates close and frequent coordination from management on down to prevent overburdening the entities receiving oversight, to ensure that information on investigations can be quickly shared, and to eliminate potential duplication or gaps in oversight coverage of complex programs. The “842 Planning Efforts”⁴ mandated by the Congress require the Department of Defense Office of Inspector General (DoD OIG) and the Special Inspectors

³ Numbers are approximate. For precise numbers on SIGIR's budget, please see <http://www.sigir.mil/about/budget.html>

⁴ Section 842 of PL 110-181, National Defense Authorization Act for FY 2008

General for Iraq and Afghanistan to produce audit plans that ensure coordinated and comprehensive coverage of issues of high importance. Interagency coordination is already widespread in the area of criminal investigations to leverage the comparative advantages and tools of various law-enforcement partners.

SIGIR INNOVATIONS ARE LESSONS LEARNED

One of the hallmarks of SIGIR is innovation. A strong mandate, adequate resources, and the opportunity to shape the organization from the ground up have provided SIGIR with the capacity and latitude to effectively meet the needs and expectations placed upon it. SIGIR's mandate – to provide oversight of Iraq reconstruction and to make recommendations on policies that promote economy, efficiency, and effectiveness – has led it to develop specialized capabilities and products. Among them are:

Quarterly Reports

Aggressive timelines and highly refined data collection and analysis methods allow SIGIR to produce comprehensive views of the entire Iraq reconstruction program. At 150 to 250 pages in length, and with in-depth analysis performed on data gathered within weeks of its publication, these reports – all posted on the Internet in Arabic and English – are widely relied upon by civilian and military managers and leaders, as well as the Congress, academic institutions, and the general public. The extensive use of the most current graphic techniques to enhance analysis has allowed SIGIR to provide useful and timely information to policymakers.

Iraq Inspector General Council (IIGC)

Created by SIGIR at the start of its lifespan, the IIGC has served for years as a key forum for formal coordination and de-confliction among all of the oversight entities operating in Iraq. It is a model that has influenced both SIGAR and SIGTARP. Now, as SIGIR begins to wind down, the IIGC is being transformed into a working group of the more recently constituted Southwest Asia Joint Planning Group (SWA JPG) led by DoD OIG. This change will reduce redundancy and ensure longevity of planning well beyond SIGIR's temporary lifespan. The SWA JPG includes all the members of the IIGC, and SIGIR will continue to lead the new working group focused on the Iraq issue to ensure continued collaboration.

Audit Innovations

SIGIR's Audit Directorate developed innovative procedures that resulted in a high volume of top-quality products averaging less than six months from announcement to publication. Factors contributing to the productivity of SIGIR Audits include the selection of highly experienced audit staff (the *average* experience of a SIGIR auditor is 24 years), careful scoping of jobs to focus on a few key questions rather than on broader program reviews more the purview of GAO or the permanent IGs, and tight timelines and quality-control mechanisms. SIGIR also provides

weekly feedback to DoD and DoS management in Iraq, ensuring that any problem uncovered in the course of an audit can be immediately addressed. We structure our work so as to increase the chance that we can report, within our original audit product and its short time-frame, not just that we have found a problem but that management has considered our report and settled on a solution.

Contingency Investigations

SIGIR designed its investigative model to meet the difficult, changing requirements of major criminal and civil investigations in contingency operations and Iraq reconstruction. Our Investigations Directorate has operated closer to a “lean” business model in that we retained or acquired only those staff with the extensive, specialized, and diverse experience required, in the locations where the investigative work needed to be performed. As the caseload evolved, personnel were hired or released, and temporary offices across the United States were opened or closed. Our investigators include specialists in Iraqi language and culture, experts at tracing funds domestically and internationally, and contingency contract specialists. They have an average of more than 30 years of experience each, including extensive experience in war zones. We have also used SIGIR engineers and our satellite imagery analyst in our investigations.

SIGIR’s investigative program would not have been nearly as successful without close and productive relationships with our counterparts in many other investigative entities. Domestically, SIGIR has worked with many federal investigative agencies with overlapping jurisdiction; especially the Army Criminal Investigation Command and the Defense Criminal Investigative Service. We also have developed productive working relationships with several foreign investigative organizations, which have led to the filing of charges by foreign prosecutors against their own citizens, yielding several convictions, in South Korea, the United Kingdom, and Iraq for crimes involving U.S. funds.

A New Model for Prosecutions

In 2009, SIGIR created the SIGIR Prosecutorial Initiative, or SIGPRO, comprising three highly experienced prosecutors whom SIGIR hired and then detailed to the Criminal Division of the Department of Justice where they support Assistant United States Attorneys, other Justice officials, and foreign prosecutors, as well as handle their own caseloads. The initiative addresses the need for more support to investigations on the prosecution front. SIGPRO prosecutors are currently involved in more than 30 significant actions ongoing at the Department of Justice as well as more than 110 ongoing SIGIR investigations. Singularly focused on Iraq-related cases, this initiative contributed to a rise in prosecutorial activity in FY 2010 of approximately 73% when compared with the average of prosecutorial activity over the previous three fiscal years (FY 2007–FY2009).

Auditor-Engineer Teams

Another SIGIR innovation was the creation of auditor-engineer teams to make hundreds of inspections at reconstruction projects around Iraq. The resulting body of 170 reports has been instrumental in providing for improved quality assurance and program management of the Iraq reconstruction program. A further innovation was the use of Iraqi engineers to conduct 96 limited on-site inspections and satellite imagery to triage potentially problematic projects, thus eliminating the risks associated with sending out teams when not necessary. SIGIR's Inspections Directorate, which was recently closed due to the wind-down of brick-and-mortar projects in Iraq, received multiple awards from the Council of Inspectors General for Integrity and Efficiency for the bravery of its members and the superior reports produced.

Evaluating the Reconstruction Effects

One of SIGIR's newest innovations is the Evaluations Directorate which uses a multifaceted approach – including studies of Iraqi views about the U.S. program – to evaluate the outcomes and effect of the \$50 billion U.S. investment in Iraq reconstruction. SIGIR Evaluations seeks to better understand the longer-term impact and consequences, both intended and unintended, of a cross-section of major U.S.-funded projects and programs.

Aid effectiveness is a challenging question confronting the United States and other donor countries around the world, and aid effectiveness in post-conflict or contingency operations is an even more challenging question. Although the United States has spent billions of dollars on stabilization, reconstruction, and development programs, very little evidence has been collected and analyzed to determine what works and what does not. The SIGIR Evaluations Directorate aims to begin addressing this knowledge gap in Iraq.

Crosscutting Forensics

Yet another innovation created to meet a special congressional requirement⁵ is the crosscutting forensic audit and investigative effort underway at SIGIR. Special teams of auditors and investigators using some of the latest data-mining technologies and techniques have collaborated to conduct a 100% review of all contract and financial transactions for each of the main funding sources for Iraq reconstruction. More than 180,000 transactions valued at more than \$40 billion have been reviewed to date, and 53 investigative cases have been opened. SIGIR is building the model for this new work and simultaneously sharing lessons learned with SIGAR as it looks into the Afghanistan program.

⁵ The forensic audit requirement was added to SIGIR's mandate in December 2006 in PL 109-440.

Lessons Learned Initiative

Finally, and perhaps most relevant, is SIGIR's Lessons Learned Initiative. Utilizing the body of work developed over seven years and its years of on-the-ground experience, SIGIR identified key lessons that would provide value to policymakers and managers in Iraq and published three specialized publications on human resources, contracting, and program management that will be relevant to ongoing and future contingency operations. A fourth product, *Hard Lessons: The Iraq Reconstruction Experience* is now used as a resource and training tool for managers and professionals working in Iraq and Afghanistan. Its follow-up, *Applying Hard Lessons*, discusses ways to organize the U.S. government to conduct stabilization and reconstruction operations more effectively – as well as to oversee them more effectively.

WHAT HAS SIGIR ACCOMPLISHED?

In nearly seven years of operation, SIGIR has issued 177 audits, produced 171 assessments and evaluations, saved or recovered \$151 million, challenged \$38 million in payments, suggested putting \$678 million to better use, conducted investigations resulting in the indictment of 53 individuals and the convictions of 44, and achieved \$140 million in additional monetary results from its investigations.

This work, along with our 27 Quarterly Reports to the Congress and 5 lessons learned publications, has led to several important changes in reconstruction policy, law, and program management practices.

Tours of duty for stabilization personnel have been lengthened, anticorruption and rule-of-law programs in Iraq have been reorganized, Provincial Reconstruction Teams now operate within new strategic frameworks, the asset-transfer and award-fee processes have been improved, and policies for use of funds like the Commander's Emergency Response Program have been refined. Contingency contracting problems that we identified have been and are continuing to be addressed.

SIGIR's lessons learned in program management directly contributed to Emergency Acquisition Guidance issued by the Office of Federal Procurement Policy. From Baghdad to Kabul, policies and instructions are reflecting the impact of focused, resourced, aggressive oversight.⁶ Through it all, SIGIR has benefited from its partnership with permanent Inspectors General, and with a wide range of law enforcement, contracting, and contingency organizations throughout

⁶ Gen. Petraeus memos on Contingency Contracting and *Applying Iraq's Hard Lessons* are two examples.

government, and the SIGIR organization and staff have received widespread recognition for their work.⁷

COORDINATION

We cannot overstate the importance of coordinating with fellow oversight and law-enforcement agencies. Nor can we overstate the importance of coordinating with departmental and agency management. From the beginning, SIGIR ensured that memoranda of understanding were implemented with our key partners. No audit is announced before first ensuring that other oversight organizations are consulted and have no conflicting jobs underway, and that relevant background information is exchanged.

On the investigation front, SIGIR created and housed the SPITFIRE task force, the first major task force that investigated criminal activity in Iraq. We have subsequently been a major contributor on all of the other task forces operating in the United States and Iraq that investigate criminal activity in U.S.-funded reconstruction programs. SIGIR's SIGPRO attorneys also prosecute the cases of other investigative agencies, most recently supporting an investigation led by DoS OIG.

SIGIR has also built a strong partnership with operational management in Iraq – having our oversight personnel attend and observe many of the day-to-day meetings conducted by the Embassy, the military commands, and federal agencies. SIGIR's senior leadership spends time traveling in Iraq. This has allowed us not only to provide hands-on leadership to our staff but also to maintain a clear understanding of the environment in which reconstruction is proceeding. It has allowed us to provide informal feedback to management at critical junctures to ensure that previous recommendations and current knowledge of the program can contribute to informed decisions. SIGIR provides weekly updates about its oversight work to program management, critical in the fast-moving environment of contingency operations.

SIGIR has also coordinated with SIGAR, helping that organization during its stand-up phase and continuing to provide advice as requested, most recently on our forensic initiative.⁸

THE FEASIBILITY OF A PERMANENT SIG FOR CONTINGENCY OPERATIONS

Considering the issue of whether there should be a permanent SIG for contingency operations, the first question that must be answered is whether the SIG model is a good one in such situations. We believe that the answer to that question is “yes.” If appropriately authorized, resourced, organized, and led, a permanent SIG can be a highly effective tool in the complicated,

⁷ SIGIR has received eight awards from CIGIE. The IG has been recognized by the National Intergovernmental Audit Forum with the 2010 David M. Walker Excellence in Government Performance and Accountability Award for outstanding federal oversight work.

⁸ See Appendix A for a summary of SIGIR support to SIGAR. SIGIR also provided advice and informally lent personnel to SIGTARP during its stand-up.

dynamic and expanding world of overseas contingency operations. Key to its success would be a cross-jurisdictional authority, adequate funding, and authorities that allow it the maximum hiring and organizational flexibility.

If the SIG model is appropriate, how should it be best deployed in the future? It would be easier to accomplish successes efficiently if standing mechanisms were available that allowed the deployment of a SIG quickly, at the earliest possible stage in a contingency, and without the need to re-invent the wheel for each occasion.

Hybrid hiring models that provide stability for core staff and maintain flexibility of temporary contingency-specific surges would retain that capacity in a permanent organization. A statute establishing a single contingency SIG could be enacted, providing core authorities, including adequate jurisdiction and personnel authorities, and providing, as is the case for SIGIR and SIGAR, that the agencies administering programs must provide space and support in-theater. A permanent core staff of about 25, at a cost of roughly \$5 million per year, could design strong internal controls, high-quality plans, and structures for consistent productivity – ensuring a consistent oversight baseline in the chaotic world of contingency operations. The existence of this core staff would eliminate the need to develop new administrative capabilities (such as budgeting, human resources, information technology, and logistics) each time another overseas contingency operation arose.

We would support the use of excepted-service personnel authorities for the core staff so as to keep the core staff's ethos as close as possible to the standards that will be demanded of the staff brought in temporarily to deal with specific contingencies.

The decision to deploy the SIG to a specific contingency could be made by the Congress, or by the President or some other executive branch authority pursuant to statute. Various “modules” ranging from \$8 million to \$24 million per year in incremental costs could be envisioned to supplement the core staff to cover specific contingency operations. A look at the combined FY 2010/2011 budgets for SIGIR and SIGAR puts the average cost of Special IG oversight at \$60 million annually. Combining these functions into one office could potentially save \$20 million per year.⁹

ADVISIBILITY OF A PERMANENT SIG

There will be other contingency operations. They may not look like Iraq or Afghanistan. They may occur in Haiti, or Pakistan, or Yemen, or somewhere that is least expected. All indications point to an increase in national security challenges in failed or fragile states. When decisions are taken to engage in stabilization and reconstruction, ensuring the oversight of multiple federal agencies acting in the same space will continue to be a difficult problem, as will be the challenge

⁹ See Appendix B for a notional modular budget for a Special Inspector General for Overseas Contingency Operations

of quickly deploying appropriate permanent agency oversight personnel. At the same time, given resource constraints, the U.S. government will have to address reconstruction and stabilization much more economically, efficiently, and effectively.

A Special Inspector General for Overseas Contingency Operations can fill this need. It is a mistake not to deploy oversight at the earliest possible stage of a stabilization and reconstruction operation. We need to be able to do so quickly and efficiently. Unless we do so, oversight will be far from what is required, money will be wasted, and program managers, senior leadership in the agencies, and the Congress will be insufficiently informed – and we will be doomed to repeat the mistakes of the past.

Thank you for the opportunity to appear before you today to report on our oversight in Iraq and provide a review of what we have learned about contingency operations and the challenges of ensuring accountability within their challenging environments. I look forward to your questions.