

TESTIMONY OF HAROLD W. GEISEL
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U.S. DEPARTMENT OF STATE AND
THE BROADCASTING BOARD OF GOVERNORS

BEFORE THE

UNITED STATES SENATE
COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
AD HOC SUBCOMMITTEE ON CONTRACTING OVERSIGHT

ON

OVERSIGHT OF RECONSTRUCTION CONTRACTS
IN AFGHANISTAN AND THE ROLE OF
THE SPECIAL INSPECTOR GENERAL

NOVEMBER 18, 2010

Thank you Chairman McCaskill and Ranking Member Brown for the opportunity to address the role of the Department of State's Office of Inspector General (OIG) in providing and coordinating oversight with other inspectors general in Afghanistan, as well as an opportunity to comment on the feasibility and advisability of creating a permanent inspector general (IG) to oversee contingency operations.

1. Role of the Department of State OIG in Afghanistan.

Our oversight role in Afghanistan includes performing audits, evaluations, inspections, and investigations with respect to activities that are funded and managed by the Department of State. These funded and managed programs include activities such as worldwide protective services for diplomats, embassy security, counternarcotics and police training programs, as well as construction and maintenance of U.S. embassies. Our Middle East Regional Office (MERO) has an office in Kabul with "boots on the ground" to provide quick and timely evaluations of high risk, high dollar programs. In addition, our Office of Investigations provides on-the-ground investigative support in Afghanistan, and our Offices of Audits and Inspections also perform work there.

MERO's Kabul office was funded by Congress in FY 2009 and established in September 2009 to execute OIG oversight activities in Afghanistan and coordinate with other OIGs there. Due to the early successes of the Kabul MERO office, Embassy Kabul requested that we increase the number of permanently assigned staff, which we have done.

Since August 2009, MERO has issued seven reports on contract and performance evaluations and limited-scope reviews of Department of State programs in Afghanistan. In the next few months, MERO expects to issue two more reports on operations and maintenance support contracts. In addition, field work is underway for reviews of several Bureau of International Narcotics and Law Enforcement Affairs' programs and contracts in Afghanistan. Also, the Office of Audits just began a new joint audit with the Department of Defense (DOD) OIG on Afghanistan National Police Force training, and is working with the Special Inspector General for Afghanistan Reconstruction on issues related to the civilian uplift.

Over the past year, OIG's findings and recommendations issued to the Department of State have led to critical program and operational improvements. For example, the Bureau of Diplomatic Security has taken steps to enhance its in-country oversight and management of the personal protective services contractor and has re-instated testing by explosives detection canines of a mandatory scent for an explosive found in Afghanistan. As a result of recommendations stemming from MERO's review of explosives detection canines, the Bureau of Diplomatic Security is hiring an employee to direct and oversee the canine training and testing program, has improved methods of obtaining fresh non-hazardous testing materials, and has tightened and clarified procedures for the storage and handling of testing materials.

In its recent evaluation of the Kabul Embassy Security Force, MERO found several weaknesses in guard training and qualifications, as well as issues related to the contractor's management of U.S. Government-

furnished property and testing by explosives detection canines. OIG fully expects that State Department compliance with these recommendations will strengthen this vital program.

The inspection of Embassy Kabul resulted in 116 formal recommendations to improve planning, program and operational oversight and support, and accountability throughout the mission.

We have provided the committee with a list of audits, evaluations, and inspections related to Department of State operations in Afghanistan that have been issued by our office since 2004. We have used Congressional resource increases since 2009 – in both supplemental and the appropriations base – to greatly increase the number of completed and planned audits, evaluations, and inspections in Afghanistan during 2009 and 2010. Approximately 25 percent of our ongoing or planned oversight for the Middle East and South Asia regions, which include 33 countries, will take place in or are otherwise related to Afghanistan.

In January 2009, with congressional support, we created the Middle East Investigative Branch, which provides robust investigative support in Afghanistan. From FY 2004 to FY 2008, the Office of Investigations reported only four active investigations related to Iraq and the greater MERO region; none of those investigations were performed in Afghanistan. With the increase in resources provided by Congress since 2008, we have been able to assign criminal investigators to overseas locations in the MERO region. The Office of Investigations, together in partnership with the International Contract Corruption Task Force, is now

reporting 27 active investigations in the MERO region, nine of which relate to Afghanistan. Additionally, we have had noteworthy, recent successes in the area of suspensions and debarments.

In 2010, the Office of Investigations successfully worked with the Office of the Procurement Executive to achieve suspension and debarment actions against five Department of State contractors, three of which related to investigations in Afghanistan. That compares to only one reported debarment action in the previous five years combined. We intend to encourage this upward trend with continuing investigations and an audit on the Department of State's Suspension and Debarment program by OIG's Office of Audits starting in January 2011.

2. Coordination of efforts between and among inspectors general, SIGAR, agency officials, and the Department of Justice in contingency operations in Afghanistan and around the world.

Coordination occurs at several levels within the oversight community to reinforce the efficiency of oversight efforts. In Washington DC, coordination occurs first through the Southwest Asia Joint Planning Group (SWA-JPG), chaired by the DOD IG, which meets quarterly to plan ongoing activities to ensure minimum duplication of oversight and maximum cooperation. There is also a separate subgroup of the South West Asia Planning Group – the AFPAK Working Group – which meets to address oversight work in Afghanistan and Pakistan. This working group is where IG coordination, de-confliction, and agreement occur, resulting at times in concurrent or joint work with other OIGs. OIG personnel from the

Department of State, USAID, DOD, GAO, and SIGAR are members of the AFPAK group.

Informal coordination regarding oversight work in Afghanistan and elsewhere in the region also takes place at the Assistant Inspector General and lower levels between these same organizations, as well as others such as the OIGs in the Department of Homeland Security, Defense Intelligence Agency, and the Central Intelligence Agency. These groups will continue to play a vital role and serve as the model for new and flexible groups formed in response to future contingency operations regardless of where they occur in the world.

In Afghanistan, there are additional coordination groups. The IG *Shura* is facilitated in-country by U.S. Forces-Afghanistan and the DOD OIG. Participants meet monthly and include representatives from all OIG offices operating in Afghanistan, including office directors from DOD, USAID, State Department, and SIGAR. Embassy Kabul also established an Oversight Working Group chaired by Ambassador Keith that meets monthly. Its membership includes senior OIG personnel assigned in Afghanistan from the Department of State, USAID, and SIGAR. This group also meets monthly. The physical co-location of the State Department OIG and SIGAR offices at the embassy, as well as weekly meetings between the two office directors, aids effective planning and execution of oversight projects on the ground.

Oversight redundancy is reduced to the greatest extent possible by these coordinating bodies; however, at times there can be an appearance

of duplication of work when the OIGs conduct oversight on programs that have multiple sources of funding and focus. Each agency or department OIG is responsible for the oversight of funds and programs within its department. When programs such as Rule of Law have multiple funding streams, the coordinating bodies de-conflict the oversight work. As a whole, mechanisms created in the past couple of years to improve coordination and de-confliction of oversight efforts have been successful and the lessons learned could be readily adapted for future contingencies, no matter where they occur in the world.

3. Feasibility and advisability of creating a permanent Inspector General to oversee contingency operations.

The novel concept of creating a permanent Inspector General to oversee contingency operations merits serious discussion. It is useful to consider the creation of the Special Inspector General for Iraq Reconstruction (SIGIR) which was created in part by Congress, in reaction to insufficient oversight (including a lack of “boots on the ground”) in Iraq. SIGIR performed a valuable oversight role in Iraq, supported by hiring authorities not available to permanent IGs as well as generous resources.

The Department of State OIG suffered for years with flat-lined budgets and insufficient staffing to conduct effective oversight in contingency areas. We worked with Congress to successfully address the resource issues hampering effective oversight of high-cost, high-risk State Department programs in critical crisis and post-conflict areas.

Congress subsequently provided us with significant additional funding and resources beginning with the FY 2008 supplemental bill and continuing through FY 2011. We delivered effective oversight once given proper resources. The creation of the Middle East Regional Office and Middle East Investigative Branch have vastly increased our oversight and investigative capacity in the region. For example, during a five-year stretch when OIG's budget was flat-lined (from Fiscal Years 2004 through 2008), OIG produced 11 audits or inspections related to Afghanistan. Through strong Congressional support, OIG has produced 12 audits or inspections in Afghanistan alone in the past two years.

Existing departmental OIGs have proven their ability to work well together and with the special IGs over the past two years to provide effective, coordinated oversight in contingency operations. They have existing processes, organizational structures, and institutional knowledge of the programs within their departments that facilitate efficient oversight of those programs and eliminate the learning curve that would be required of a contingency IG. Moreover, in an era of fiscal restraint, creating a permanent IG to oversee contingency operations might not be prudent. Millions of "start-up" dollars would be required to establish and sustain a new bureaucracy.

Current organizations already in existence, such as the South West Asia Planning Group and the International Contract Corruption Task Force, could be used for interagency coordination or as models for the fast creation of other coordination groups for new contingencies around the world as the need arises. These groups have the means, methodology,

and practices in place to facilitate efficient, cost-effective oversight through planning, coordination, and de-confliction.

In addition, should a new investigative unit need to be established, there would be potential technical and legal challenges inherent in creating a case management system and investigative manual, a firearms program, plus evidence handling/storage and digital forensics capabilities. Lastly, the current pool of qualified auditors, inspectors, and investigators who are willing to deploy to contingency areas is limited, and the creation of a new IG for contingency operations would create more competition for these sparse resources.

Once again, I thank you Chairman McCaskill and Senator Brown for the opportunity to appear today and I am ready to answer any questions.

Annex to Testimony of Harold W. Geisel, DOS Deputy Inspector General

Completed OIG projects related to Afghanistan, 2004 – 2010

September 2010	Performance Evaluation of the Bureau of Diplomatic Security Kabul Embassy Security Force, (MERO-A-10-11)
September 2010	Limited-Scope Review of the Bureau of Diplomatic Security's Oversight of Explosives Detection Canine Programs, (MERO-I-10-14)
August 2010	Limited-Scope Review of Policies and Procedures for Vetting Foreign Service Nationals at Embassy Kabul in Afghanistan, (MERO-I-10-10)
July 2010	Review of Support for Employees Who Are Serving or Have Served in High Stress, High Threat, Unaccompanied Posts, (ISP-10-44)
March 2010	The Bureau of International Narcotics and Law Enforcement Affairs Air Wing Program in Afghanistan and Pakistan, Performance Audit, (MERO-A-10-03)
March 2010	Memorandum Report, Broadcasting Board of Governors Operations in Kabul (ISP-IB-10-48)
February 2010	Embassy Kabul, Afghanistan, (ISP-I-10-32A) and classified annex (ISP-S-10-32A)
February 2010	DOD Obligations and Expenditures of Funds Provided to the Department of State for the Training and Mentoring of the Afghan National Police (Joint Report – MERO-A-10-06; DOGIG-2010-042)
December 2009	Status of the Bureau of International Narcotics and Law Enforcement Affairs Counternarcotics Programs in Afghanistan, Performance Audit, (MERO-A-10-02)
November 2009	Humanitarian Mine Action Programs in Afghanistan, (ISP-I-10-11)
August 2009	Performance Evaluation of the U.S. Training Center Contract for Personal Protective Services in Afghanistan, (MERO-A-09-08)
January 2008	Inspection of Rule of Law Programs in Afghanistan, (ISP-I-08-09)
September 2007	Accounting for Government-Owned Personal Property Held by Selected Contractors in Afghanistan, (AUD/IQO-07-48)

July 2007	Interagency Assessment of the Counternarcotics Program in Afghanistan, (ISP-I-07-34)
February 2006	The Broadcasting Board of Governors' Operations in and Broadcasting to Afghanistan, (ISP-IB-06-02)
January 2006	Security Management Inspection Embassy Kabul, Afghanistan, (ISP-S-06-13A)
January 2006	Mission Inspection, Embassy Kabul, (ISP-I-06-13A)
July 2005	Inspection of the Bureau of International Narcotics and Law Enforcement Affairs, (ISP-I-05-14)
October 2004	Evaluation and Analysis of Cost and Schedule Data for the Kabul Embassy Compound Project, (AUD/CG-04-34)
September 2004	Audit of DynCorp WPPS contract in Afghanistan, (AUD/PPA-04-45)
June 2004	Mission Inspection, Embassy Kabul, (ISP-I-04-35)
March 2004	Inspection of the International Broadcasting Bureau's Transmitting Station in Sri Lanka, (IBO-I-04-02)
January 2004	Inspection of the Bureau of South Asian Affairs, (ISP-I-04-12)

Ongoing/Planned Projects

Office of Audits

- Audit of the Afghan National Police Training Program – jointly with DODIG (PTS code 11AUD3001)
- Audit of the Civilian Uplift in Afghanistan – jointly with SIGAR (PTS code 11AUD3003)

Middle East Regional Office (MERO)

Work completed; report issuance expected in December 2010/January 2011

- Performance Evaluation of PAE Operations and Maintenance Support Contract at Embassy Kabul, Afghanistan, MERO-I-10-15
- Performance Evaluation of the PAE Task Order for Operations and Maintenance Support to the Bureau of International Narcotics and Law Enforcement Affairs' Counternarcotics Compounds in Afghanistan, MERO-I-11-02

Ongoing work, as of November 2010

- Performance Evaluation of the Bureau of Population, Refugees and Migration's Program to Reintegrate and Resettle Afghan Refugees
- Performance Evaluation of the Bureau of International Narcotics and Law Enforcement Affairs' Corrections System Support Program in Afghanistan
- Performance Evaluation of the Bureau of International Narcotics and Law Enforcement Affairs' Corrections System Support Program Construction Contracts in Afghanistan
- Performance Evaluation of the Bureau of International Narcotics and Law Enforcement Affairs' Operations and Maintenance Support Contract with the Major Crimes Task Force in Afghanistan

Office of Inspections

FY 2011 Planned work

- Inspection of the Bureau of South and Central Asian Affairs
- Inspection of the Office of the Special Representative for Afghanistan and Pakistan
- Compliance Follow-up Review of Inspection of Embassy Kabul, Afghanistan