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Afghanistan in Review – Oversight of U.S. Spending in Afghanistan
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Chairman Paul, Ranking Member Peters, and members of the committee. It is an honor to be here today to report on the FSO subcommittee's oversight trip to Afghanistan.

Over two and a half days our bipartisan team participated in approximately 12 meetings with personnel on the ground, and four site visits at various locations in Kabul and at Bagram Air Base.

I want to thank all those from the State Department, the U.S. Military, and SIGAR for making this trip possible. Most important, I want to recognize the soldiers who have served and sacrificed so much in Afghanistan, particularly those who have given their lives there.

I want to focus on three overarching take away from our oversight work:

1. We are not RE-Building in Afghanistan; for example in 2001 when we “broke it” as people often say, only 6 percent of the Afghan population had reliable electricity, today it is somewhere over 30 percent and we were told the goal is full electrification in the 2020. Electric power is certainly good for the Afghan population, but it is not something they lost as a result of the war, they never had it - we are not putting things “back together,” we are building new – that’s not rebuilding, that’s nation building; That goes to my second point,
2. As is often the case with government programs, we look at what “successful” people have and try to give that to people we want to help. Government rarely asks why people are successful and seeks to foster those attributes instead; and finally
3. Oversight makes our efforts stronger and more effective, and cannot be done at arm’s length and cannot be shorted.

To the second point, economists would tell you that the fundamental building blocks of a successful society are, (1) rule of law, (2) free-markets, and (3) private property rights... not necessarily in that order. Most importantly the Afghans are telling us that this is what they want. Integrity Watch Afghanistan reports that Afghans cite insecurity, unemployment, and corruption as the top three problems in their country. We’re working on those things, but half the time we

shoot ourselves in the foot by focusing on other things at the expense of these attributes – rule of law, free-markets, and private property rights.

I mentioned electric power earlier, let's look at that. Electricity is important, but it is a “what,” of success, not a “why” – so in our quest to build a power grid, the U.S. literally built transmission towers on people's land without procuring it or getting permission. And the excuse used is that many Afghans don't have title to their land – the U.S. does not know who really owns it. That may be true, but I'm sure the people living on the land believe it is their land.

So, what does it do when you build a tower on someone's backyard without their permission? Well, it probably makes them unhappy; they might resort to violence, which we heard on the ground happened in some cases. That fosters insecurity – and it also breeds a sense of corruption. Worse, the power itself is going to a population center miles away, not the person whose property has been compromised.

You can almost hear them say, “The U.S. and Afghan governments took my land for a power grid and didn't even give me power, what a bunch of crooks.”



Transmission towers built in Afghan's back yards. –SIGAR Photos

So right here, in an effort to give people a “what” that we think they need for success, we have totally invalidated the underlying “whys” of success. Can you imagine how much better it would have been to procure the land before building? We would have reinforced property rights and just compensation, and the U.S. and Afghan governments been seen as humbled by other's ownership and honest brokers.

To my next point, let me switch gears a little. We had a whistleblower contact us several years ago describing how new goods were being vastly over ordered, shipped overseas, and then destroyed in Afghanistan – in their original packaging, brand new.

For almost four years we have been asking different groups to look into this, SIGAR said it had merit but was in the Defense Criminal Investigative Service’s (DCIS) jurisdiction. We turned to DCIS, who told us nothing criminal was happening and it didn’t warrant further investigation.

GAO went pretty far digging through old records and found that about \$50 million worth of new, in the packaging, equipment was being destroyed, but they said that was only one quarter of one percent of all that has been demilitarizes and disposes of. In short if it happens it is extremely rare.

So, you can imagine how shocked we were when we walked into a warehouse at Bagram and found three large bins (out of less than ten in the warehouse at the time) full of thousands of dollars of brand new electrical equipment slated for disposal.



New Breakers (in manufacturer packaging) and Conduit Connections W/Cover slated for disposal – FSO Photos



Breaker Boxes (In manufacturer packaging) slated for destruction. - FSO Photos

We'd been given the run-around and told this was not an issue for almost four years. Then, we see it right there before our eyes. This never would have happened if we hadn't gone and looked.

The point is that you can only do so much from Washington. We were told our staffedel was only the second or third oversight trip in the past 17 years - whereas groups of appropriators and authorizers come about every 10 days. That comes out to a ratio of greater than 100 to 1. Beyond that, SIGAR, the key oversight entity on the ground, told us every congressional group is invited to meet with them, but it has only happened a hand full of times.

Quite simply congressional oversight is at a disadvantage against congressional spenders in Afghanistan. That means wasted money, but also a less effective mission.

We clearly didn't scratch the surface. We were booked solid the whole time we were there, but still weren't able to investigate the U.S. taxpayer financed cricket league, or visit *ITV* whom we as taxpayers have given exclusive broadcasting rights to and even trained them on sports broadcasting.

We did not get to talk about the \$1 million variety show the U.S. taxpayer is paying for. We did not get to talk to the people in charge of \$29 million in cranes and bulldozers that were lost. And of course, we didn't get to see the \$43 million natural gas, gas station.

There is a desperate need in Afghanistan for better oversight engagement from Congress. I want to emphasis that is not anti-war and oversight does not compromise the mission- tough questions and consequences, condition us and makes us all stronger.

With that I thank you and I'd be happy to answer questions.