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May 26, 2016

Via Electronic Transmission

The Honorable Ashton B. Carter
Secretary of Defense
U.S. Department of Defense
1000 Defense Pentagon
Washington, DC 20301-1000

Dear Secretary Carter:

On November 9, 2015, I sent a letter to you requesting all records related to the Department of Defense's (DOD) Task Force for Stability and Business Operations (TFBSO). It is my understanding that the Special Inspector General for Afghanistan Reconstruction (SIGAR) finally received a copy of the hard drive containing certain TFBSO documents in January 2016, just days prior to the Senate Armed Services Committee (SASC) oversight hearing. Yet, I have not received any documents related to my request. I remain concerned that the Defense Department continues to impede the efforts of both Congress and SIGAR to determine how \$800 million of taxpayer dollars provided to TFBSO were spent.

SIGAR has raised serious concerns about TFBSO expenditures since it ceased all operations in March 2015. In one report, SIGAR raised concerns that TFBSO paid \$43 million for the construction of one compressed natural gas (CNG) filling station in Afghanistan.¹ SIGAR subsequently issued a report which questioned why the task force spent nearly \$150 million to house personnel in private villas instead of at a military base.² This separate housing required additional payments for private security, medical services, food services and high-end furnishings.

¹ <https://www.sigar.mil/pdf/special%20projects/SIGAR-16-2-SP.pdf>

² <https://www.sigar.mil/pdf/special%20projects/SIGAR-16-05-SP.pdf>

Since the release of these reports, there appears to be a concerted effort by DOD and others to discredit SIGAR's efforts to conduct much-needed oversight of funding spent on Afghanistan reconstruction and TFBSO in particular. The Defense Department has consistently used flimsy excuses to impede SIGAR's access to TFBSO documents and former employees. For instance, the Department told SIGAR that "there was no one left at DOD who could respond to [SIGAR's] questions related to the CNG filling station, or TFBSO activities more broadly."³ Yet the former TFBSO director, Joseph Catalino, is still employed at DOD, currently serving as "Senior Adviser for Special Operations and Combating Terrorism in the Office of the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict [since] June, 2015."⁴

The TFBSO project expenditures have come under dispute since the SASC oversight hearing when the DOD Principal Deputy Under Secretary of Defense, Brian P. McKeon, testified that the task force spent only \$10 million to build the CNG filling station instead of the \$43 million figure cited by SIGAR. To back up his statement, Mr. McKeon referenced a memorandum (Attachment A) written by Robert Schraven, CEO of Vestige Consulting, the firm contracted by DOD to produce an economic impact assessment for TFBSO. The memo contains a questionable paragraph which states, "It has become apparent to all that the CNG Gas Station construction project involved a significantly lower level of SME [subject matter expert] effort and corresponding overhead than other energy projects (ie" four large tender support projects). A more accurate allocation is closer to 2%-4% versus 20%. This would put the total CNG station costs at well under \$10M."

According to a recent report from the Project on Government Oversight (POGO), Mr. Schraven "told SIGAR investigators that he didn't write the paragraph containing the cost estimate Mr. McKeon quoted at the hearing, and that he 'strongly disagreed' with the new lower cost figure."⁵ Given that DOD has only recently provided a hard drive of the TFBSO documents to SIGAR and has not yet provided the requested copy to my office, it is vital that the author of the disputed paragraph be identified so that Congress can question this person and gain a better understanding of how the \$10 million figure was determined. I also want to see the supporting documentation for the CNG station, including contracts, invoices, payment vouchers, and allocations for overhead, in order to verify its actual cost.

I am also concerned about a couple of incidents that could undermine SIGAR's efforts to provide effective oversight of the U.S. reconstruction program in Afghanistan. A May 1, 2016 article in *POLITICO*⁶, labeled an "investigation" on the political journalism organization's website, appears to be an editorial instead of objective journalism. The writer quoted a number of unnamed current and former DOD employees, including former TFBSO staffers, who question the Special Inspector General's methods and products, while also calling into question his integrity.

³ <https://www.sigar.mil/pdf/special%20projects/SIGAR-16-2-SP.pdf>, p. 9.

⁴ <https://www.linkedin.com/in/joecatalino>

⁵ <http://www.pogo.org/blog/2016/05/what-is-going-on-behind-the-attacks-on-sigar.html>

⁶ <http://www.politico.com/story/2016/05/john-sopko-afghanistan-reconstruction-goats-222418>

Moreover, the DOD Office of the Inspector General (DOD OIG) recently raised the issue of “Lead IG” to members of my staff. The National Defense Authorization Act for FY 2013 included a provision for the naming of a lead inspector general **for overseas contingency operations (emphasis added)** from among the DOD OIG, State Department OIG and the US Agency for International Development OIG. The Council of Inspectors General on Integrity and Efficiency (CIGIE) subsequently named the DOD OIG as Lead IG for Operation Freedom’s Sentinel (OFS), DOD’s current overseas contingency operation in Afghanistan (Attachment B). In that document, CIGIE states that OFS has two missions: 1) “to continue training, advising, and assisting Afghan security forces,” and 2) “to continue our counterterrorism mission against the remnants of Al-Qaeda.” CIGIE further advises, “Nothing in this designation is intended to limit or otherwise affect the authority and responsibilities of SIGAR as provided in the National Defense Authorization Act for Fiscal Year 2008.” It is clear that CIGIE is acknowledging the different missions for the OIGs involved in oversight of Afghanistan programs but also expects full cooperation, not the in-fighting occurring behind the scenes.

The Defense Department has long resisted the efforts of both Congress and the DOD OIG to conduct oversight and increase transparency within the Department. These behind the scenes efforts to discredit an effective IG at SIGAR, or to generate conflict by pitting one IG against another, will not be tolerated. Therefore, I want assurances from you that the Defense Department is not involved in any effort to marginalize the work of Inspectors General who are responsible for conducting oversight of DOD programs.

Additionally, I sent letters to your office on November 9, 2015 and February 5, 2016 regarding oversight of TFBSO. As a simple courtesy, the answers along with those for all of my other outstanding inquiries should have been provided long ago. Please acknowledge receipt of these letters and provide responses to my questions by June 10, 2016.

Your prompt attention to this matter would be appreciated. Should you have any questions, please do not hesitate to contact Janet Drew of my staff at (202) 224-5225.

Sincerely,



Charles E. Grassley
Chairman
Committee on the Judiciary

Cc: The Honorable Glenn Fine
Acting Inspector General
Department of Defense

The Honorable John Sopko
Inspector General
Special Inspector General for
Afghanistan Reconstruction

The Honorable Patrick Leahy
Ranking Member
Senate Committee on the Judiciary