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United States Senate

COMMITTEE ON THE JUDICIARY

WASHINGTON, DC 20510-6275

KOLAN L. DAVIS, *Chief Counsel and Staff Director*
KRISTINE J. LUCIUS, *Democratic Chief Counsel and Staff Director*

January 15, 2016

Via Electronic Transmission

Mr. John F. Sopko
Inspector General
Special Inspector General for
Afghanistan Reconstruction
2530 Crystal Drive
Arlington, VA 22202

Dear Inspector General Sopko:

As Chairman of the Senate Committee on the Judiciary, I remain deeply concerned that excessive spending by the Department of Defense Task Force for Stability and Business Operations (TFBSO) remains unexplained, undocumented, and unjustified. Moreover, I believe that exorbitant overhead costs are just the tip of the iceberg. This task force needs congressional and administration oversight and scrutiny to fully understand how over 800 million taxpayer dollars were spent.

In November, your office released a report¹ questioning the \$42.7 million TFBSO spent to construct the CNG filling station. The amount far exceeds the approximate \$200,000 to \$500,000 cost of building comparable stations elsewhere. An economic impact study, conducted after the station was completed, determined that \$12.3 million – or just 30 % of total costs -- was spent on direct costs, while the vast bulk of the money -- \$30 million – was spent on overhead.² The construction contract, by comparison, which was awarded on August 14, 2011, was for just under \$3 million. Allocating 70% of total project costs to overhead by itself seems to be highly irregular and troublesome.

¹ <https://www.sigar.mil/pdf/special%20projects/SIGAR-16-02-SP.pdf>

² Id. at pp. 5, 8.

When this red flag is coupled with other outstanding issues, including the apparent inability and/or unwillingness of the Defense Department to produce supporting documentation that might explain these costs, there is a big problem.

Later in the month, you sent a letter to the Secretary of Defense questioning TFBSO spending approximately \$150 million on private villas in Kabul.³ This spending allegedly paid for private security and “life support services” for “TFBSO personnel [both visiting and in-country] and/or VIP/Industry professionals who are guests of TFBSO.”⁴ Instead of living at the U.S. Embassy at a fraction of the cost,⁵ TFBSO personnel and guests enjoyed “queen size beds” ... “a flat screen TV in each room that was 27 inches or larger, a DVD player in each room, [and] a mini refrigerator in each room...”⁶ Food service “was ‘at least 3 stars,’ with each meal containing at least two entrée choices and three side order choices, as well as three course meals for ‘Special Events.’”⁷ It seems like TFBSO personnel were living “high on the hog” in a war zone when keeping a low-profile and exercising a reasonable measure of austerity would have been a more appropriate way to conduct the peoples’ business.

For fiscal years 2010 through 2014, Congress appropriated about \$822 million for TFBSO projects in Afghanistan. Of that amount, SIGAR reports, the task force actually obligated \$766 million.⁸ The legislative history seems to indicate that most -- if not all -- of the funding provided was placed in Army operation and maintenance accounts. Under the law, all the expenditures posted to those accounts have to be supported by proper documentation within DoD financial management accounting systems. Even though the TFBSO has been shut-down and its records placed in storage, I want to ensure that all relevant documents are made available to SIGAR and my office for examination and verification without any further delay, consistent with earlier requests.⁹

I believe that the Defense Department must provide an accurate accounting of how all the money provided to the TFBSO was actually spent. For these reasons, I am requesting that SIGAR conduct a top-to-bottom audit of TFBSO programs and spending and provide a full report to Congress. I need assurance that all this money was spent in accordance with the law. In the spirit of cooperation and to avoid potential duplication of effort, I recommend that this audit is conducted in consultation with Department of Defense Inspector General.

³ <https://www.sigar.mil/pdf/special%20projects/SIGAR-16-05-SP.pdf>

⁴ Id. at p. 2.

⁵ Id. at p.1, footnote 5.

⁶ Id, at p. 3.

⁷ Ibid.

⁸ <https://www.sigar.mil/pdf/special%20projects/SIGAR-16-02-SP.pdf> , p. 4.

⁹ Letters from Chairman Grassley to Secretary of Defense Carter, dated November 3 and 9, 2015 and outstanding requests by SIGAR.

Your prompt and full cooperation with this request would be appreciated. Should you have any questions, please do not hesitate to contact Janet Drew or Charlie Murphy of my staff at (202) 224-3744.

Sincerely,



Senator Charles E. Grassley
Chairman
Senate Judiciary Committee

Cc: Glenn A. Fine
Acting Inspector General
Department of Defense Office of Inspector General

The Honorable Ashton B. Carter
Secretary of Defense
U.S. Department of Defense

The Honorable Patrick Leahy
Ranking Member
Senate Committee on the Judiciary