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Statement of
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Department of Defense Office of Inspector General

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Subcommittee on Oversight and Investigations,
House Armed Services Committee

on

"Assessing the Development of
Afghanistan National Security Forces"

Chairwoman Hartzler, Ranking Member Speier, and distinguished members of the Subcommittee on Oversight and Investigations, thank you for the opportunity to appear today to discuss the capability gaps in the Afghan National Security Forces, the sufficiency of Coalition forces providing assistance, and ongoing oversight by the Department of Defense Office of the Inspector General (DoD OIG).

I am the Deputy Inspector General for Overseas Contingency Operations for the DoD Inspector General. My responsibilities include coordinating DoD OIG oversight in Afghanistan. Today, I would like to give the Subcommittee a brief overview of DoD OIG work and our responsibilities with regard to oversight of Overseas Contingency Operations, such as Operation Freedom's Sentinel (OFS) in Afghanistan. I will then describe DoD OIG's role in joint planning activities with oversight agencies in the region and summarize our oversight as it has assessed aspects of Afghan National Defense and Security Forces (ANDSF) and the U.S. Train, Advise, and Assist mission. In addition, I will highlight our planned and ongoing oversight work concerning the ANDSF and the Afghanistan Ministries of Defense and Interior. Finally, I will provide the Subcommittee a brief overview of the Lead IG concept, and how it impacts oversight coordination on Overseas Contingency Operations, such as OFS and Operation Inherent Resolve (OIR), the Counter-ISIL mission in Iraq and Syria.

COORDINATED JOINT OVERSIGHT

As early as 2004, the DoD OIG had begun audits of contracts supporting Operation Enduring Freedom (OEF), the security force assistance mission that preceded OFS. During 2007, DoD OIG began to deploy permanent staff to conduct oversight in Afghanistan, consisting of criminal investigators, auditors, and evaluators, as well as short-term field work teams. Since 2008, DoD OIG has published more than 90 audits, assessments, and inspection reports

concerning procurement management; contract administration; controls over the use of U.S. direct assistance funds; military construction; weapons and property accountability; information operations; training, equipping, and sustaining the Afghan National Army (ANA) and Afghan National Police (ANP); ANDSF force generation and operational effectiveness metrics; retrograde of U.S. personnel and property; facility electrical safety inspections; and many other important areas involved in sustaining a U.S. military presence in Afghanistan and executing the security force assistance mission with the ANDSF.

In 2008, implementing direction from the Section 842 of the FY 2008 National Defense Authorization Act to improve oversight coordination and planning, the DoD OIG assumed responsibility for chairing quarterly coordination meetings of the many oversight agencies conducting audits, assessments, and inspections during Operation Iraqi Freedom and Operation Enduring Freedom. These oversight agencies included the DoD OIG; Department of State IG; United States Agency for International Development IG; the Government Accountability Office; the Special IG for Iraq Reconstruction (SIGIR); the Special IG for Afghanistan Reconstruction (SIGAR); and the three military service Auditors General offices. DoD OIG has continuously served as the Chair of this Southwest Asia Joint Planning Group (SWA JPG), which also facilitates discussion of current and future oversight needs, de-conflicts duplicative oversight efforts, and identifies gaps in oversight coverage.

The DoD OIG also publishes an annual product resulting from the efforts by the SWA JPG, which is a compendium of all ongoing and planned oversight projects conducted within the U.S. Central Command area of responsibility. That publication was then known as the Comprehensive Oversight Plan for Southwest Asia and has since been renamed the Comprehensive Oversight Plan for Overseas Contingency Operations.

At the end of 2012, I assumed duties as the Chair of the SWA JPG, and in January 2016 conducted the 33rd quarterly SWA JPG meeting, my 13th as Chair. These meetings usually include a U.S. commander, general or flag officer, or senior civilian as guest speaker, in person or by VTC from Afghanistan or Kuwait, to inform senior oversight leaders about current programs, operations, activities, or policy changes in OFS or OIR.

In discharging my responsibilities as the Deputy IG for Overseas Contingency Operations, I meet periodically with senior DoD leadership, particularly in OSD Policy and the Comptroller's Office, to identify areas for strategic oversight coverage. Likewise, several times a year, I travel to Southwest Asia to meet with commanders and senior leaders to discuss our work and to identify areas that could benefit from additional oversight. In addition, on a rotational basis, I assign our DoD OIG senior representative for OIR (currently at Camp Arifjan) and OFS (currently at Bagram Airfield), to facilitate on-the-ground discussion of projects, information collection, and support for our TDY field oversight teams.

Since 2013, DoD OIG, SIGAR, and the other SWA JPG oversight partners have prepared a Joint Strategic Oversight Plan for Afghanistan. The FY 2016 joint strategic oversight plan for Afghanistan, published in October 2015, meets the Lead IG obligation to publish a Joint Strategic Oversight Plan for OFS. I discuss the Lead IG concept later in this statement.

OVERSIGHT IN AFGHANISTAN

From the broad base of DoD OIG oversight work that I described earlier, I will address our observations on strengths, weaknesses, capability gaps and shortfalls of the ANDSF, as well as the sufficiency of Coalition efforts to develop the ANDSF.

We view the challenges in developing the ANDSF as twofold:

- Balancing the requirement to provide near-term Afghan fighting capability against the longer term need to build enablers and support systems for the sustainment of the force.
- Building Afghan national institutions and capabilities where those have not previously existed.

The risk is that the pace of progress in developing the ANDSF may be insufficient to achieve our broad objectives in the time available. In his February 4, 2016, testimony to the SASC, General Campbell noted that the planned change from a 9,800 U.S. forces footprint in 2016 to a 5,500 footprint in 2017 was developed primarily around the counterterrorism mission and that the reduced number would only support a very limited train, advise, and assist capability. Further he assessed that 70 percent of the problems facing the Afghan security forces result from poor leadership and that military setbacks in Kunduz and Helmand provinces have, in ways, forced a greater sense of urgency on the part of the Afghan Government to make the changes required.

The shortcomings in building adequate systems to sustain a growing Afghan defense force is a recurrent theme in our oversight work and underlies many of the ANDSF capability gaps that we have identified. That is, the mechanisms to provide supplies, equipment, maintenance, and personnel to Afghan army and police forces remain immature and unreliable.

This situation is the result of the need to rapidly grow the ANDSF, directly assist the ANDSF in combat operations, and provide robust U.S. and Coalition logistical support. Only later, did the U.S. and Coalition partners turn attention to building ANDSF capability to independently sustain their Army and Police forces. As the outgoing Commander of U.S. Forces in Afghanistan, General John Campbell observed on February 2, 2016, before this Committee,

overcoming this sustainment gap while the ANDSF is simultaneously engaged in warfighting operations represents an enormous challenge. I would now like to discuss four areas where our oversight work has identified difficulties in building support for the ANDSF.

Supply and Maintenance

Our oversight work has identified the method by which Afghan forces received past support as a major contributor to the sustainability gap. Most often, equipment and supplies were “pushed” to Afghan forces from various commands and Coalition contributors rather than “pulled” in response to requests from Afghan operating units based on clearly identified requirements. The result is that the Afghans have little experience with the conventional demand-driven support systems used by U.S. and Coalition forces -- and are unfamiliar with the type of logistics planning that ensures equipment and supplies are identified, procured, and delivered when and where needed. For example, an assessment the DoD OIG completed in December 2014 found that the Afghan National Army had not yet developed the capability to forecast materiel requirements needed to sustain combat operations.¹

Further, in a later assessment, we found that because of extensive Coalition support, the establishment of Afghan-owned, demand-based support systems had not been treated as a critical requirement for building ANDSF combat capability. For many years, Afghan National Army and Afghan National Police units were able to obtain supplies, equipment maintenance, and other types of support from Coalition partners or Coalition-funded contractors.² However, that

¹ DoDIG, DODIG-2015-047, “Assessment of U.S. Government and Coalition Efforts to Develop the Logistics Sustainment Capability of the Afghan National Army,” 12/19/2014. Available at www.dodig.mil.

² DoDIG, DODIG-2015-093, “Summary of Lessons Learned – DoDIG Assessment Oversight of ‘Train, Advise, Assist, and Equip’ Operations by U.S. and Coalition Forces in Iraq and Afghanistan,” 3/31/2015, p. 19-23. Available at www.dodig.mil.

option is rapidly disappearing as Coalition presence below the Corps and regional levels is severely reduced and U.S. forces are no longer engaged in a conventional combat mission. Without adequate sustainment, any improvement achieved in Afghan fighting capabilities cannot be preserved.

In addition, maintaining accountability for equipment procured for, or transferred to, Afghan National Defense and Security Forces remains a critically important element of sustainment. For example, an April 2015 DoD OIG audit found that neither the Afghan Ministry of Defense nor the Ministry of Interior had controls in place to effectively manage accountability of the 95,000 vehicles that DoD procured for the ANDSF since 2005. Additionally, the audit reported that Coalition advisors had no confidence in the ability of Afghan forces to independently maintain vehicles. The audit identified weaknesses in supply chain management and maintenance expertise as the leading causes of weakness in the Afghan maintenance capability. In response to our audit recommendations, Coalition advisors increased efforts to assist Afghan counterparts to improve the accuracy of vehicle records and strengthen their maintenance capability.³

However, information we received last month from the Combined Security Transition Command in Afghanistan (CSTC-A), the multinational command responsible for training, equipping, and developing Afghan security forces, indicates that the current state of materiel readiness in the Afghan National Army is “dire” for both vehicles and weapons. Long-standing problems – such as insufficient repair technicians, aged equipment, excessive variety of

³ DoDIG, DODIG-2015-107, “Challenges Exist for Asset Accountability and Maintenance and Sustainment of Vehicles Within the Afghan National Security Forces,” 4/17/2015. Available at www.dodig.mil.

equipment models, and lack of supply support – remain and will not be quickly remedied.⁴

These problems represent a serious vulnerability for the Afghan National Army as it anticipates an increased fighting tempo. To mitigate this vulnerability, CSTC-A reported that maintenance and maintenance training will be performed by experienced contractors for Afghan National Army vehicles in all six Army Corps in 2016.⁵

According to DoD, the long-term solution to Afghan equipment maintenance requires implementation of the National Maintenance Strategy, an Afghan devised approach that was developed with the assistance of Coalition advisors in order to address ANDSF sustainment gaps. The MoD approved the National Maintenance Strategy on March 12, 2015.⁶ The National Maintenance Strategy, projected to be in place by 2017, calls for logistics support maintenance contracts at 23 key national and regional nodes to conduct maintenance and supply chain management operations, while training and supporting the ANDSF leadership and personnel in the field to perform these functions. It is important to note, however, that contractor-conducted maintenance training of Afghans has been limited in the past. According to information we received from CSTC-A last month, the goal of the strategy is to enable Afghan security forces to maintain their combat power without contracted support by 2021. This will only be achieved by a gradual reduction of contracted maintenance and a corresponding growth in ANDSF organic capability over a 5-year period.⁷

⁴ CSTC-A response to DoDIG data call

⁵ CSTC-A response to DoDIG data call

⁶ DoD, *Enhancing Security and Stability in Afghanistan*, 12/2015, p. 52]

⁷ CSTC-A response to DoDIG data call

For several years, Coalition advisors have also worked with their Afghan counterparts to implement a system known as Core-IMS – an inventory management system that provides country-wide tracking of items of supply. Yet, implementation of this system has been slow because of literacy problems, electrical outages, lack of connectivity, and bureaucratic delays. However, last month the Combined Security Transition Command in Afghanistan provided information to the DoD OIG indicating that senior Afghan leadership has begun to show increased interest in implementing Core-IMS. Over the past year, the Coalition hired 86 Afghans to train Afghan National Army personnel in inventory management and is currently installing 18 servers and 165 computers to augment the system.⁸

Overall Sustainment Challenges

A DoD OIG assessment in December 2014 identified challenges in developing an enduring logistics sustainment capability in the Afghan National Army and those challenges remain a focus of Coalition advisory efforts today. The assessment found that the Afghan National Army suffered from incomplete logistics guidance, limited expertise in requirements forecasting and contracting, and an ineffective information management system. Additionally, the assessment found significant issues with Afghan National Army equipment repair and disposal cycles and the failure to turn-in and reutilize excess material. We found these weaknesses were due, in part, to inadequate advisor support and recommended that action be taken to ensure Coalition advisors possess the skill sets and resources needed to effectively advise their Afghan counterparts.⁹ In response, the Deputy Secretary of Defense agreed to

⁸ CSTC-A response to DoDIG data call

⁹ DoDIG, DODIG-2015-047, “Assessment of U.S. Government and Coalition Efforts to Develop the Logistics Sustainment Capability of the Afghan National Army,” 12/19/2014. Available at www.dodig.mil.

establish a formal development program for Coalition advisors and take action to ensure that experienced logisticians of the appropriate rank and skillsets are assigned to advisor positions.¹⁰

A subsequent DoD OIG report, issued in January 2015, identified similar logistics sustainment challenges involving the Afghan National Police forces. The assessment found delayed obligation of funds for goods and services because of Afghan financial policies, outdated logistics guidance, noncompliance with existing guidance, inability to forecast supply requirements, failure to utilize automated processes, lack of vehicle maintenance planning, and insufficient numbers of skilled Coalition logistics advisors. Management officials concurred with 28 of our 29 recommendations for improvement, implementing 14 during the course of the assessment and the remainder thereafter.¹¹

Key Commodities

Our oversight has disclosed significant issues in the management of two key commodities critical to supporting Afghan security forces -- fuel and ammunition -- both of which transitioned to Afghan management as the U.S. combat role ended. In an assessment completed in April 2015, the DoD OIG found numerous deficiencies in the management of these commodities, primarily caused by the lack of adequate internal controls, which increased the probability for misuse, theft, and diversion to unauthorized purposes.¹²

¹⁰ Deputy Secretary of Defense memorandum to DoDIG dated 14 Nov 2014 (response to draft report)

¹¹ DoDIG, DODIG-2015-067, "Assessment of U.S. and Coalition Efforts to Develop the Logistics and Maintenance Sustainment Capability of the Afghan National Police," 1/30/2015. Available at www.dodig.mil.

¹² DoDIG, DODIG-2015-108, "Assessment of U.S. and Coalition Efforts to Develop the Sufficiency of Afghan National Security Forces' Policies, Processes, and Procedures for the Management and Accountability of Class III (Fuel) and V (Ammunition)," 4/30/2015. Available at www.dodig.mil.

Among other recommendations, we encouraged U.S. advisors to enforce provisions of commitment letters that require Afghans to satisfy certain requirements in managing fuel or face limitations on financial or other assistance rendered. General Campbell discussed the emphasis on “conditionality” -- the enforcement of commitment letters -- before this Committee recently. Our future audits will consider commitment letter enforcement.

The backlog of procurement actions in the Afghan defense and interior ministries is another commodity-related sustainment weakness. A major fuel procurement scandal in the Ministry of Defense last February caused President Ghani to personally intervene, imposing a rigorous review process over Afghan procurement. This action demonstrates his seriousness in attempting to combat corruption, but it has also contributed to the procurement backlog and delay in receipt of critical goods and services. For example, we learned last month that the Ministry of Interior has yet to develop requirements documents for 87 urgent food procurements for Afghan police forces.¹³

I mentioned fuel procurement earlier. A DoD OIG audit of Afghan fuel management completed in January 2016 found deficiencies in controls over fuel procured for the Afghan National Police. In short, we reported that Coalition advisors had no reasonable assurance that all of the U.S.-funded fuel, valued at \$438 million, supported actual Afghan police requirements and was used for its intended purpose. We recommended that CSTC-A strengthen the reporting requirements for fuel consumption and provide clearer consequences for failure to comply with those requirements in the commitment letter with the Ministry of Interior concerning fuel

¹³ CSTC-A response to DoDIG data call

consumption.¹⁴ CSTC-A concurred and issued a revised letter incorporating our recommendations. However, reduced Coalition manpower and security concerns prevent Coalition advisors from physically inspecting Afghan fueling operations. Next quarter, the DoD OIG is planning a similar audit of management controls over fuel procured for the Afghan National Army.

Personnel

We have reported other problems in sustaining the Afghan security forces, notably difficulties in personnel management and pay systems.¹⁵ Improvements in these areas, as well as in logistics issues I described earlier, depend on the implementation of automated systems -- a process made more difficult and time-consuming because of low Afghan literacy rates, language translation requirements, and a reluctance to discard paper-based systems. Successful employment of automated financial, supply and maintenance systems will require continued Coalition advisor assistance.

LEAD IG OVERVIEW

At this point, I would like to provide the Subcommittee a brief overview of the Lead IG concept and the enhancement it brings to the oversight coordination process.

As part of the 2013 National Defense Authorization Act, Congress amended the Inspector General Act of 1978 by adding a new Section, 8L, which creates a Lead Inspector General to

¹⁴ DoDIG, DODIG-2016-040, "Controls Over Ministry of Interior Fuel Contracts Could Be Improved," 1/20/2016

¹⁵ DoDIG, "Operation Freedom's Sentinel – Quarterly Report and Biannual Report to the United States Congress," 9/30/2015, p.37. Available at www.dodig.mil.

coordinate comprehensive oversight of new overseas contingency operations. Section 8L requires the Chair of the Council of Inspectors General for Integrity and Efficiency (CIGIE) to designate the Lead IG from among the Inspectors General of the three agencies involved in overseas contingency operations: the Department of Defense, Department of State, and the United States Agency for International Development. Under the Lead IG mandate, however, each IG retains statutory independence to promote the economy, efficiency, and effectiveness of their agency's programs and operations, and to prevent fraud, waste, and abuse.

On April 1, 2015, the Chair of the CIGIE appointed Jon Rymer, then Inspector General of the Department of Defense, as Lead IG for OFS, which the Secretary of Defense designated as an Overseas Contingency Operation on January 1, 2015. Mr. Rymer had also been appointed Lead IG for OIR and for Operation United Assistance, which addressed the Ebola epidemic. In turn, Mr. Rymer appointed Mr. Steve A. Linnick, Department of State IG, as Associate IG for OFS and OIR. Upon Mr. Rymer's resignation on January 8, 2016, Mr. Glenn Fine, who was the Principal Deputy IG, became the Acting DoD Inspector General, and he was appointed by the Chair of CIGIE to assume the responsibilities and duties of Lead IG for OFS and OIR.

Specifically, Section 8L requires the Lead IG to "develop and carry out, in coordination with the Lead IG agencies, a joint strategic plan to conduct comprehensive oversight over all aspects of the contingency operation and to ensure through either joint or individual audits, inspection, and investigations, independent and effective oversight of all programs and operation of the Federal government in support of the contingency operation." Section 8L thereby provides a new mandate for the three Lead IG agencies to work together from the outset of an Overseas Contingency Operation to develop and carry out joint, comprehensive, and strategic oversight.

Section 8L also requires the Lead IG to publish quarterly reports on the overseas contingency operation and biannual reports on the oversight work of the Lead IG agencies. DoD OIG, as Lead IG for Operation Freedom's Sentinel has published one quarterly report, one combined quarterly and biannual report, and we will soon publish the quarterly report for the first quarter of fiscal year 2016.

ONGOING AND FUTURE DoD OIG WORK

The DoD OIG continues to focus oversight on the two OFS missions: (1) training, advising, and assisting the ANDSF and (2) counterterrorism operations.

In an assessment that will address both missions, DoD OIG will assess the progress of the U.S. Special Operations Forces in training, advising, and assisting the Afghan Special Forces -- widely considered to be some of the best fighting forces in the region. These forces, which consist of both Afghan National Army and Police units, have experienced the highest operating tempo over the past year and continue to mature with Coalition assistance. However, we have previously reported that Afghan Special Forces encounter many of the same sustainment challenges faced by conventional Afghan National Army and Afghan National Police forces.¹⁶ To get a fresh look at Afghan Special Forces, the DoD OIG is sending a 5-person team to Afghanistan soon to determine whether ongoing training efforts for Afghan Special Forces are adequate.

¹⁶ DoDIG, "Operation Freedom's Sentinel – Quarterly Report and Biannual Report to the United States Congress," 9/30/2015, p. 24. Available at www.dodig.mil.

In another area, the DoD OIG will examine progress being made to strengthen a key enabler of Afghan warfighting operations -- intelligence, surveillance, and reconnaissance. With the reduction in the U.S. forces, Afghan security forces have assumed increased responsibility for counterterrorism operations that depend on a robust, integrated intelligence capability. The commencement of Operation Freedom's Sentinel, and the counterterrorism mission in particular, has generated a need for oversight projects that evaluate current intelligence capabilities, progress in training Afghan forces, and intelligence sharing.

In two weeks, we are sending three intelligence specialists to Afghanistan to evaluate progress in training Afghan security forces to become self-supporting in intelligence operations. Two follow-on projects are planned in 2016—an evaluation of the existing intelligence capability for U.S. counterterrorism operations in Afghanistan and an evaluation of intelligence sharing between Afghan forces and Coalition partners.

We are also planning series of audits on direct funding provided to Afghan security forces to determine whether Coalition advisors are making good on their pledge to strengthen the enforcement of commitment letters. As part of that effort, a DoD OIG team will deploy to Afghanistan this month for 90 days to audit controls over contracts awarded by the Afghan government using U.S. funds.

In sum, our office has conducted and will continue to conduct oversight of critical programs and operations of DoD in Afghanistan. We appreciate the support of this Committee and Subcommittee as we discharge our oversight responsibilities in these important areas.

Thank you for the opportunity to address the Subcommittee and I look forward to answering your questions.