

**DOD, State, and USAID Obligated Over \$17.7 Billion to
About 7,000 Contractors and Other Entities for
Afghanistan Reconstruction During
Fiscal Years 2007-2009**



October 27, 2010



OFFICE OF THE SPECIAL INSPECTOR GENERAL FOR AFGHANISTAN RECONSTRUCTION

October 27, 2010

Executive Departments and Agencies:

This report presents the results of the Office of the Special Inspector General for Afghanistan Reconstruction's review of the obligations made during fiscal years 2007-2009 by the Departments of Defense (DOD) and State and the U.S. Agency for International Development for reconstruction in Afghanistan (USAID). We are not making any recommendations; we plan to use this information to prioritize our future work.

A summary of this report is on page iii. This performance audit was conducted by the Office of the Special Inspector General for Afghanistan Reconstruction under the authority of Public Law No. 110-181 and the Inspector General Act of 1978, as amended. We provided a draft of this report to DOD, State, and USAID for their comments. Only DOD's Joint Contracting Command-Iraq/Afghanistan provided comments. It noted it is undertaking several initiatives to improve the quality of the contract data it manages.

A handwritten signature in black ink that reads "John Brummet".

John Brummet
Assistant Inspector General for Audits
Office of the Special Inspector General
for Afghanistan Reconstruction

List of Addressees

The Honorable Hillary Rodham Clinton
Secretary of State

The Honorable Robert Gates
Secretary of Defense

The Honorable Karl W. Eikenberry
U.S. Ambassador to Afghanistan

General James N. Mattis
Commander, U.S. Central Command

General David Petraeus
Commander, U.S. Forces-Afghanistan, and
Commander, International Security Assistance Force

Lieutenant General Robert Van Antwerp
Chief of Engineers, U.S. Army Corps of Engineers

Lieutenant General Kevin T. Campbell
Commanding General, U.S. Army Space and Missile Defense
Command/Army Forces Strategic Command

The Honorable Dr. Rajiv Shah
Administrator, U.S. Agency for International Development

Mr. Earl Gast
USAID Mission Director to Afghanistan

Mr. Dennis M. Firman
Director, Air Force Center for Engineering and the
Environment



SIGAR

Special Inspector General for Afghanistan Reconstruction

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DOD, State, and USAID Obligated Over \$17.7 Billion to About 7,000 Contractors and Other Entities for Afghanistan Reconstruction During FY 2007-FY 2009

What SIGAR Reviewed

Since 2001, the United States has appropriated about \$55 billion for the reconstruction of Afghanistan—primarily for the Departments of Defense (DOD) and State, and the U.S. Agency for International Development (USAID). DOD, State, and USAID rely extensively on contractors and other implementing partners to undertake reconstruction projects. However, information on reconstruction contractors and other entities and the financial mechanisms used—contracts, cooperative agreements, and grants—is not routinely reported. The objective of SIGAR’s review was to identify the contractors and implementing partners associated with reconstruction. To accomplish this, we obtained data from DOD, State, and USAID on the obligations made from Afghanistan reconstruction funding during fiscal years 2007-2009 and the financial mechanisms used. We found that inconsistencies in the data prevented us from reporting on individual obligations. However, the data were sufficiently reliable to illustrate the relative magnitude of obligations made to contractors and implementing partners. We also note that certain appropriated funds may be obligated over multiple fiscal years; therefore, comparing obligations in a given fiscal year to the appropriations for that year is not appropriate. We conducted this review in Washington, D.C., from December 2009 to September 2010 in accordance with generally accepted government auditing standards.

What SIGAR Found

DOD, State, and USAID reported more than \$17.7 billion in obligations made against contracts, cooperative agreements, and grants for Afghanistan reconstruction during fiscal years 2007-2009. SIGAR identified about 7,000 contractors and other entities, including for-profit and non-profit organizations and multilateral organizations.

Four DOD contracting organizations obligated about \$11.5 billion for reconstruction contracts. The Joint Contracting Command-Iraq/Afghanistan (JCC-I/A) reported about \$6.7 billion in contract obligations or half of DOD’s \$11.5 billion total; we identified 6,253 contractors with 27 of these accounting for more than half of JCC-I/A’s total. The largest obligation during this period was about \$691 million to Kabuljan Construction Company. The U.S. Army Corps of Engineers (USACE) reported about \$3.2 billion in contract obligations; we identified 393 contractors of which 7 accounted for half of USACE’s total. The largest obligation during this period was \$366 million to Contrack International to construct and maintain Afghan National Security Forces’ facilities. The Air Force Center for Engineering and Environment (AFCEE) reported \$770 million in contract obligations; we identified 17 contractors with 5 accounting for about 70 percent of AFCEE’s total. Finally, DOD’s Counter Narcoterrorism Technology Program Office (CNTPO) reported about \$850 million in contract obligations; we identified 5 contractors with 2 accounting for over 60 percent of CNTPO’s total.

Two State bureaus reported obligating about \$2.4 billion. The Bureau of International Narcotics and Law Enforcement Affairs (INL) reported about \$2.3 billion in contract obligations; we identified 4 contractors, with DynCorp International accounting for over 80 percent of INL’s total obligations during this period. DynCorp’s work included police training and counter-narcotics support. The Bureau of Population, Refugees, and Migration (PRM) obligated approximately \$178 million to cooperative agreements and grants; we identified 21 implementing partners, with the UN High Commissioner for Refugees accounting for more than half of PRM’s total obligations during this period.

USAID reported obligating about \$3.8 billion—over \$2 billion (53 percent) for contracts, \$1.1 billion (nearly 30 percent) for cooperative agreements, and \$625 million (17 percent) for grants—to 283 contractors and other entities. Of the contracts, Louis Berger International received the most obligations, with \$736 million; of the cooperative agreements, International Relief and Development received the most with about \$358 million; and of the grants, the World Bank received the most with \$322 million during this period. About \$809 million or 21 percent of USAID’s total obligations were provided to multilateral organizations or federal agencies.

SIGAR is not making recommendations, but plans to use this information to prioritize future work. We provided a draft of this report to DOD, State, and USAID for comments. Only JCC-I/A provided comments. It noted it is undertaking several initiatives to improve the quality of the contract data it manages.

For more information contact: SIGAR Public Affairs at (703) 602-8742 or PublicAffairs@sigar.mil

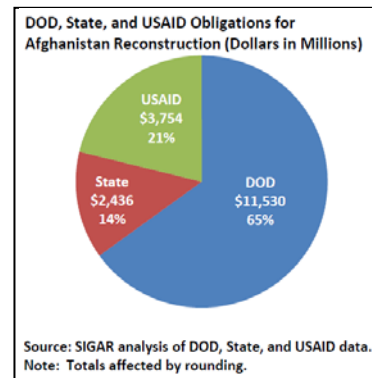


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ACRONYMS

| | |
|---------|---|
| AFCEE | Air Force Center for Engineering and Environment |
| ANSF | Afghan National Security Forces |
| AQM | Office of Acquisitions Management |
| CENTCOM | U.S. Central Command |
| CNTPO | Counter Narcoterrorism Technology Program Office |
| CSTC-A | Combined Security Transition Command-Afghanistan |
| DOD | Department of Defense |
| ICASS | International Cooperative Administrative Support Services |
| IDIQ | Indefinite Delivery/Indefinite Quantity |
| INL | Bureau of International Narcotics and Law Enforcement Affairs |
| JCC-I/A | Joint Contracting Command-Iraq/Afghanistan |
| OMB | Office of Management and Budget |
| PRM | Bureau of Population, Refugees, and Migration |
| SMDC | Space and Missile Defense Command |
| USACE | U.S. Army Corps of Engineers |
| USAID | U.S. Agency for International Development |
| USFOR-A | U.S. Forces-Afghanistan |



DOD, State, and USAID Obligated Over \$17.7 Billion to About 7,000 Contractors and Other Entities for Afghanistan Reconstruction During Fiscal Years 2007-2009

The United States has appropriated about \$55 billion for reconstruction in Afghanistan since 2001. Reconstruction funds are used to build or rebuild the physical infrastructure of Afghanistan; establish training or technical assistance programs for the Afghan government; deliver relief assistance to the people of Afghanistan; and provide security or other support functions to facilitate reconstruction efforts. The Departments of Defense (DOD) and State, and the U.S. Agency for International Development (USAID) have relied extensively on contractors to provide a range of services in Afghanistan. Congress has taken a number of actions to increase the oversight of contracts in Afghanistan and Iraq, such as requiring DOD, State, and USAID to create a common database to track contractor personnel and contracts.¹ However, federal agencies have faced challenges in using this database.² In addition, these agencies do not routinely report which contracts, cooperative agreements, and grants are for reconstruction versus other purposes in Afghanistan, such as support for U.S. combat troops.

To provide more effective oversight over Afghanistan reconstruction funds, we identified contractors and other entities receiving reconstruction funds and the financial mechanisms used to provide these funds. To accomplish our objective, we identified sources of funding for Afghanistan reconstruction as reported by the Office of Management and Budget (OMB) and obtained the obligations³ that DOD, State, and USAID reported from these funding sources during fiscal years 2007-2009. Because certain appropriated funds may be obligated over multiple fiscal years, comparing the obligations we report in a given fiscal year to the appropriations for that fiscal year is not appropriate. For each obligation the agencies reported to us, we obtained the name of the contractor or other entity; the contract, cooperative agreement, or grant identifier; and the date the obligation was made.

To determine the reliability of the data provided, we met with officials, including contracting and financial officers, from DOD, State, and USAID, and documented how the data were collected and reported to us. Although we found certain inconsistencies, we concluded that the data were sufficiently

¹ Pub. L. No. 110-181, §§ 861 and 863.

² GAO-10-1, *Contingency Contracting: DOD, State, and USAID Continue to Face Challenges in Tracking Contractor Personnel and Contracts in Iraq and Afghanistan* (Washington, D.C.: Oct. 1, 2009); GAO-10-187, *Contingency Contracting: Further Improvements Needed in Agency Tracking of Contractor Personnel and Contracts in Iraq and Afghanistan* (Washington, D.C.: Nov. 2, 2009).

³ For the purposes of this report, an obligation is an agency's legal commitment to provide funds for the payment of goods and services ordered or received. For example, an agency incurs an obligation when it signs a contract, cooperative agreement, or grant; places an order for a good or service against a contract, grant, or cooperative agreement; purchases a service; or takes other actions that require the government to make payments to the public or to provide funds from one government account to another. See OMB circular No. A-11 and Section 1501(a) of title 31 of the United States Code.

reliable to illustrate the relative magnitude of the obligations made to contractors and implementing partners and the financial mechanisms used. We conducted our review from December 2009 to October 2010 in accordance with generally accepted government auditing standards. See appendix I for a more complete explanation of our scope and methodology. We are not making recommendations in this report but plan to use this information to guide our audit and investigative work on contracts.

BACKGROUND

Since 2001, Congress has appropriated about \$55 billion for the purpose of reconstruction in Afghanistan. The vast majority of the funds were provided to DOD, State, and USAID.⁴ Federal agencies may use a wide range of financial mechanisms, such as contracts, cooperative agreements, or grants, to fund activities not performed by agency direct-hire personnel. Agencies use contracts to acquire property or services for their direct benefit or the use of other government agencies or entities. Agencies use cooperative agreements and grants to provide funds and technical assistance to help a recipient, or implementing partner, accomplish its mission. Agencies use cooperative agreements when expecting to provide substantial support to help the implementing partner accomplish the purpose of the obligation and grants when it does not expect to provide such assistance.⁵

DOD, State, and USAID reported using multiple organizations to award and manage contracts, cooperative agreements, and grants for reconstruction in Afghanistan. Four organizations manage reconstruction contracts at DOD:

- **Joint Contracting Command-Iraq/Afghanistan (JCC-I/A)** manages contracts for U.S. Forces-Afghanistan's (USFOR-A)⁶ subcommands, including the Combined Security Transition Command-Afghanistan (CSTC-A),⁷ which is responsible for distributing and managing all U.S.-provided funding to support the Afghan National Security Forces (ANSF), according to JCC-I/A officials. In 2005, the U.S. Central Command (CENTCOM) established JCC-I/A to maintain visibility over all contracts in Iraq and Afghanistan. Renamed the Joint Theater Support Contract Command in June 2010,⁸ JCC-I/A's mission was expanded to serve as a centralized contracting organization to account for all contracting efforts for forces in Afghanistan, Iraq, and other key areas in CENTCOM's area of responsibility.
- **The U.S. Army Corps of Engineers (USACE)-Afghanistan Engineer District (AED)** manages contracts on behalf of CSTC-A to construct ANSF facilities and other infrastructure projects. Additionally, USACE provides engineering and support services for other federal agencies.
- **The Air Force Center for Engineering and Environment (AFCEE)** builds facilities for the ANSF on behalf of CSTC-A and provides construction support services for CSTC-A.

⁴ Congress provided \$405 million to the Departments of Agriculture, Justice, and the Treasury for Afghanistan reconstruction.

⁵ Agencies may award cooperative agreements or grants to individuals, organizations, and non-profit or for-profit entities. However, if a for-profit entity is awarded a cooperative agreement or grant, it may not earn a profit.

⁶ USFOR-A commands all U.S. forces assigned to Afghanistan.

⁷ The NATO Training Mission-Afghanistan and CSTC-A were created in November 2009; they operate with a single commander. The mission provides training for the Afghan National Army and trains and mentors the Afghan National Police. However, because CSTC-A distributes and manages all U.S.-provided funding to support ANSF, this report refers to CSTC-A.

⁸ While the organization is currently named the Joint Theater Support Contracting Command, we refer to JCC-I/A throughout this report because it was under this name when the command provided us the data.

- **The U.S. Army Space and Missile Defense Command (SMDC)** is part of the Army Forces Strategic Command. SMDC officials stated that the Command manages contracts for DOD's Counter Narcoterrorism Technology Program Office (CNTPO). These contracts are used to provide aviation support for Afghanistan's counter-narcotics office, construct facilities on the Afghan border to intercept narcotics shipments, and train Afghan counter-narcotics officials.

State's Office of Acquisitions Management (AQM) enters into contracts on behalf of State and is responsible for providing department-wide oversight for contracts, according to AQM officials. According to State officials, two State bureaus reported managing reconstruction contracts, cooperative agreements, or grants:

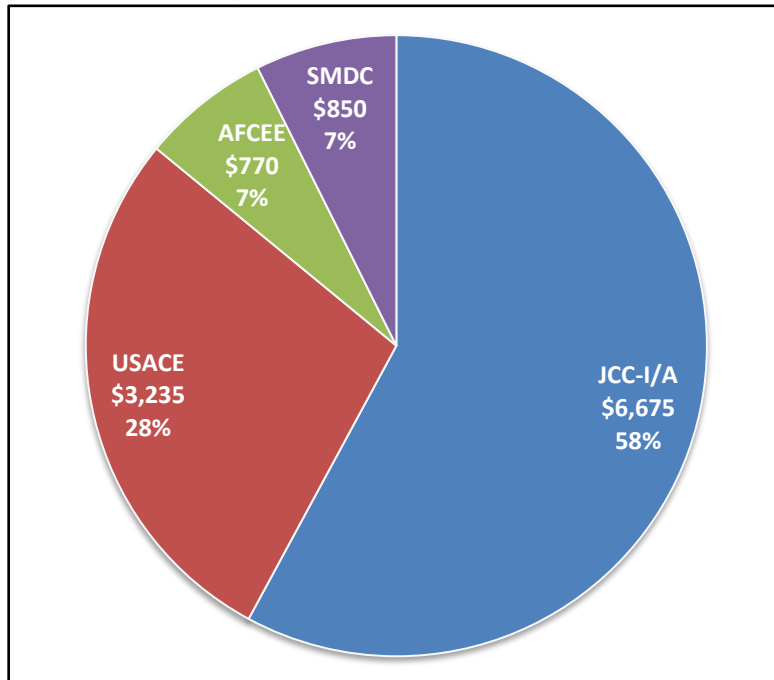
- **The Bureau of International Narcotics and Law Enforcement Affairs (INL)** promotes security from international criminal threats and illicit narcotics. In Afghanistan, INL's objectives include working with the Afghan government to improve law enforcement capabilities, reform the criminal justice system, strengthen the rule of law, and reduce the supply, production, and trafficking of illegal drugs.
- **The Bureau of Population, Refugees, and Migration (PRM)** provides assistance to refugees and displaced persons worldwide. In Afghanistan, PRM provides assistance to Afghan and Pakistani refugees, conflict victims, and internally displaced persons.

USAID's Mission in Kabul enters into and manages contracts, cooperative agreements, and grants to support Afghanistan Reconstruction. USAID's Afghanistan-Pakistan Task Force in Washington, D.C., reports data on contracts, cooperative agreements, and grants and provides administrative support, according to Task Force officials.

DOD OBLIGATED ABOUT \$11.5 BILLION FOR AFGHANISTAN RECONSTRUCTION DURING FISCAL YEARS 2007-2009

As shown in figure 1, JCC-I/A, USACE, AFCEE, and SMDC made approximately \$11.5 billion in obligations for Afghanistan reconstruction contracts during fiscal years 2007-2009.

Figure 1: Contract Obligations for Afghanistan Reconstruction by DOD Contracting Organization, during FY 2007-2009, (Dollars in millions)



Source: SIGAR analysis of JCC-I/A, USACE, AFCEE, and SMDC data.

JCC-I/A Reported About \$6.7 Billion in Contract Obligations for Afghanistan Reconstruction

Our analysis of JCC-I/A data identified over 6,200 contractors that received approximately \$6.7 billion in obligations for Afghanistan reconstruction contracts during fiscal years 2007-2009. Twenty-seven contractors accounted for about \$3.3 billion or almost half of JCC-I/A's total obligations (see table 1). Kabuljan Construction Company received the most obligations during this period, totaling about \$691 million for the construction of military facilities. Of the JCC-I/A contractors that we identified, 593 (about 9 percent) received obligations of more than \$1 million each. See appendix II for a listing of all JCC-I/A contractors with more than \$10 million in contract obligations.

Table 1: Contractors and Obligations Made Against Afghanistan Reconstruction Contracts as Reported by JCC-I/A, FY 2007- FY 2009

| Vendor | Value of contract (dollars in millions) | Percentage of total obligations |
|-------------------------------------|---|---------------------------------|
| Kabuljan Construction Company | \$691 | 10 |
| Red Sea Construction Company | 478 | 7 |
| KBY & Bozdemir Joint Venture | 452 | 7 |
| Recon International | 159 | 2 |
| Nimrah Construction Company | 138 | 2 |
| R.M. Asia, Limited | 128 | 2 |
| Unity Logistics and Supply Services | 105 | 2 |
| Arrow General Supplies | 98 | 1 |
| No Lemon, Ltd. | 95 | 1 |
| GLC Group | 78 | 1 |
| IAP Worldwide Services | 73 | 1 |
| Abdul Wasi Faqire, Ltd. | 69 | 1 |
| Alaska Structures, Inc. | 68 | 1 |
| Network Innovations | 64 | 1 |
| Kabul Melli Trading, Ltd. | 58 | 1 |
| Green United Group, Inc. | 56 | 1 |
| Central Asia Development Group | 55 | 1 |
| Canafgusa International Corporation | 55 | 1 |
| Rauf Aziz Construction Company | 52 | 1 |
| Heb International Logistics | 50 | 1 |
| Dell Federal Systems | 50 | 1 |
| Atlantic Diving Supply | 49 | 1 |
| Qasemi | 48 | 1 |
| Ronco Consulting Corporation | 47 | 1 |
| Downrange Services | 46 | 1 |
| Tarsian & Blinkley | 44 | 1 |
| Afghan United International Company | 42 | 1 |

| Vendor | Value of contract (dollars in millions) | Percentage of total obligations |
|-------------------------------|---|---------------------------------|
| Sub-total (27) | \$3,348 | 50 |
| Remaining contractors (6,226) | 3,327 | 50 |
| Total (6,253) | \$6,675 | 100 |

Source: SIGAR analysis of JCC-I/A data.

Notes: Totals affected by rounding.

As we note in appendix I, the JCC-I/A data contained a number of errors, including misspellings and some contractor names that were similar and may refer to the same contractor. For contractors with total obligations of more than \$10 million, we confirmed the contractors' name in the Federal Procurement Data System-Next Generation, or other online sources. For contractors with less than \$10 million in reported obligations, we reviewed 600 records (about 10 percent of the total), and found that approximately 19 percent of the records contained firms with similar names.

USACE Reported about \$3.2 Billion in Contract Obligations for Afghanistan Reconstruction

Our analysis of USACE data identified 393 contractors that received approximately \$3.2 billion in obligations for Afghanistan reconstruction contracts during fiscal years 2007-2009. Seven contractors accounted for about \$1.6 billion or half of the total obligations (see table 2). Contrack International Inc. received the most obligations, totaling about \$366 million during this period, which included obligations for the design, construction, and maintenance of Afghan National Army facilities. Of the USACE contractors that we identified, 148 (38 percent) received obligations of more than \$1 million each. See appendix II for the complete list of USACE contractors receiving more than \$1 million in obligations against Afghanistan reconstruction contracts.

Table 2: Contractors and Obligations Made Against Afghanistan Reconstruction Contracts as Reported by USACE, FY 2007-FY 2009

| Contractor | Value of contract obligations (dollars in millions) | Percentage of total obligations |
|----------------------------------|---|---------------------------------|
| Contract International Inc | \$366 | 11 |
| FCEC UI Projects Joint Venture | 321 | 10 |
| Technologists Inc. | 303 | 9 |
| ECC International LLC | 204 | 6 |
| DynCorp International LLC | 162 | 5 |
| Perini Corporation | 135 | 4 |
| Road & Roof Construction Company | 120 | 4 |
| Sub-Total (7) | \$1,611 | 50 |
| Remaining contractors (386) | 1,460 | 45 |
| Total (393) | \$3,233 | 100 |

Source: SIGAR analysis of USACE data.

Note: Totals affected by rounding.

This total includes \$162 million in obligations (roughly 5 percent) that USACE made to support contract management functions. These obligations are not listed separately in the table because they were awarded to USACE or other DOD contracting organizations for the purposes of supervision and administration of contracts.

Of the nearly \$3.2 billion that USACE reported in obligations, \$162 million was for USACE contract management functions, such as project and cost management, contract administration, scheduling, and quality assurance. USACE's accounting system automatically adds a supervision and administration fee ranging between 5.7 percent to 8.5 percent for the contracts that USACE's contract management office administers.

AFCEE Reported \$770 Million in Contract Obligations for Afghanistan Reconstruction

Our analysis of AFCEE data identified 17 contractors that received \$770 million in obligations to Afghanistan reconstruction contracts during fiscal years 2007-2009. Five contractors accounted for almost \$539 million or 70 percent of the total (see table 3). AMEC Earth and Environment received the most obligations during this period, totaling nearly \$166 million, which included the construction of the Kabul Military Training Center. See appendix II for the complete list of contractors receiving obligations that AFCEE made against Afghanistan reconstruction contracts.

Table 3: Contractors and Obligations Made Against Afghanistan Reconstruction Contracts as Reported by AFCEE, FY 2007-FY 2009

| Contractor | Value of contract obligations (dollars in millions) | Percentage of total obligations |
|-----------------------------|--|--|
| AMEC Earth and Environment | \$166 | 21 |
| ITSI | 108 | 14 |
| URS Group Inc. | 106 | 14 |
| CH2M Hill Constructors Inc. | 92 | 12 |
| Toltest Inc. | 67 | 9 |
| Sub-total (5) | \$539 | 70 |
| Remaining contractors (12) | 231 | 30 |
| Total (17) | \$770 | 100 |

Source: SIGAR analysis of SMDC data.

Note: Totals affected by rounding.

SMDC Reported About \$850 Million in Contract Obligations for Afghanistan Reconstruction

Our analysis of SMDC data identified 5 contractors that received approximately \$850 million in obligations to Afghanistan reconstruction contracts during fiscal years 2007-2009 (see table 4). Two contractors, Lockheed Martin Integrated Systems, Inc., and U.S. Training Center,⁹ accounted for more than 60 percent of the total. Lockheed Martin Integrated Systems, Inc., held two contracts to provide engineering and operations support to CNTPO programs.

⁹ U.S. Training Center is a Xe Company, formerly known as Blackwater.

Table 4: Contractors and Obligations Made Against Afghanistan Reconstruction Contracts as Reported by SMDC, FY 2007-FY 2009

| Contractor | Value of contract obligations (dollars in millions) | Percentage of total obligations |
|--|---|---------------------------------|
| Lockheed Martin Integrated Systems, Inc. | \$320 | 38 |
| U.S. Training Center | 218 | 26 |
| ARINC Incorporated | 169 | 20 |
| Northrop Grumman TASC | 118 | 14 |
| Raytheon Company | 26 | 3 |
| Total | \$850 | 100 |

Source: SIGAR analysis of SMDC data.

Note: Totals affected by rounding.

STATE OBLIGATED ABOUT \$2.4 BILLION FOR AFGHANISTAN RECONSTRUCTION DURING FISCAL YEARS 2007-2009

Two bureaus within State—Bureau of International Narcotics and Law Enforcement Affairs (INL) and Bureau of Population, Refugees, and Migration (PRM)—reported making obligations for Afghanistan reconstruction totaling approximately \$2.4 billion during fiscal years 2007-2009. INL obligated nearly \$2.3 billion, more than 90 percent of the total obligations made by the two Bureaus during this period. PRM reported obligating about \$178 million for cooperative agreements and \$79,000 in grants.

INL Reported Approximately \$2.3 Billion in Contract Obligations for Afghanistan Reconstruction

Our analysis of INL data identified four contractors that received nearly \$2.3 billion in obligations against indefinite delivery/indefinite quantity (IDIQ) contracts¹⁰ during fiscal years 2007-2009 (see table 5). DynCorp International accounted for \$1.8 billion or more than 80 percent of INL’s total obligations. DynCorp International’s work included training and mentoring the Afghan National Police under a contract funded by DOD, but administered by State.¹¹ Additionally, DynCorp International provided personnel for police training for Afghan drug-eradication operations.

¹⁰ An IDIQ contract can be used when the exact quantities or delivery times of a product or service are unknown. The government enters into a contract with a contractor to purchase a minimum stock of goods and retains the option to purchase up to a maximum number of products and services from the contractor. The agency exercises this option by issuing an order to the contractor for delivery of goods or services at a specified time and place.

¹¹ Departments of Defense and State Inspectors General, *DOD Obligations and Expenditures Provided to the Department of State for the Training and Mentoring of the Afghan National Police*, D-2010-042 (Feb. 9, 2010).

Table 5: Contractors and Obligations Made Against Afghanistan Reconstruction Contracts as Reported by INL, FY 2007-FY 2009

| Contractor | Value of contract obligations (dollars in millions) | Percentage of total obligations |
|-------------------------------|---|---------------------------------|
| DynCorp International | \$1,826 | 81 |
| PAE Government Services | 349 | 15 |
| Civilian Police International | 79 | 3 |
| Hill and Knowlton | 4 | < 1 |
| Total | \$2,258 | 100 |

Source: SIGAR analysis of State data.

Note: Totals affected by rounding.

PRM Reported Approximately \$178 Million in Cooperative Agreement and Grant Obligations for Afghanistan Reconstruction

Our analysis of PRM data identified 21 implementing partners that received about \$178 million in obligations for Afghanistan reconstruction cooperative agreements from fiscal years 2007-2009¹² (see table 6). The United Nations accounted for the most obligations, \$94 million, or more than half of PRM’s total for cooperative agreements. Most of this amount was provided to the UN High Commissioner for Refugees to administer programs such as refugee resettlement programs in Afghanistan and Pakistan. Five implementing partners accounted for nearly \$144 million, or over 80 percent of PRM’s obligations for Afghanistan reconstruction cooperative agreements.

¹² In addition to the obligations made against cooperative agreements, PRM reported about \$79,000 in obligations made against grants with two implementing partners.

Table 6: Implementing Partners and Obligations Made Against Afghanistan Reconstruction Cooperative Agreements as Reported by PRM, FY 2007-FY 2009

| Implementing Partner | Value of cooperative agreement obligations (dollars in millions) | Percentage of total obligations |
|--|--|---------------------------------|
| UN High Commissioner for Refugees | \$94 | 53 |
| International Committee of the Red Cross | 32 | 18 |
| International Rescue Committee | 7 | 4 |
| Save the Children Federation | 6 | 3 |
| Mercy Corps | 5 | 3 |
| International Medical Corps | 5 | 3 |
| Church World Service | 5 | 3 |
| CARE International | 4 | 2 |
| Afghan Center | 3 | 2 |
| United Methodist Committee on Relief | 3 | 1 |
| American Refugee Committee | 3 | 1 |
| Shelter for Life, Inc. | 3 | 1 |
| Christian Children's Fund | 2 | 1 |
| Norwegian Refugee Council | 2 | 1 |
| Agency for Technical Cooperation and Development | 2 | 1 |
| Catholic Relief Services | 1 | 1 |
| Sub-total (16) | \$175 | 98 |
| Remaining implementing partners (5) | 3 | 2 |
| Total (21) | \$178 | 100 |

Source: SIGAR analysis of State data.

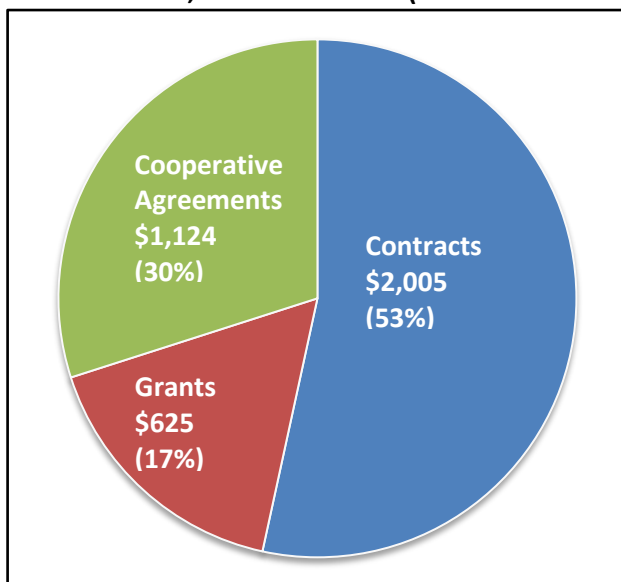
Note: Totals affected by rounding.

PRM reported about \$79,000 in obligations made against Taft Fund grants, whose purpose included installing safe drinking water for refugee camps in Afghanistan and Pakistan, funding a textile training project in Afghanistan, and expanding a school and building a medical clinic in Kabul.

USAID OBLIGATED ABOUT \$3.8 BILLION FOR AFGHANISTAN RECONSTRUCTION DURING FISCAL YEARS 2007-2009

USAID's Mission in Kabul reported obligating approximately \$3.8 billion for reconstruction in Afghanistan during fiscal years 2007-2009. USAID obligated about \$2 billion against contracts or 53 percent of the \$3.8 billion. Additionally, USAID obligated about \$1.1 billion or nearly 30 percent to cooperative agreements, and about \$625 million or 17 percent to grants for Afghanistan reconstruction (see figure 2). Approximately 46 percent of the \$1.7 billion in obligations for cooperative agreements and grants (\$809 million) was provided to multilateral organizations and other federal agencies.

Figure 2: USAID Obligations Made Against Contracts, Cooperative Agreements, and Grants for Afghanistan Reconstruction, FY 2007-FY 2009 (Dollars in millions)



Source: SIGAR analysis of data reported by the USAID Mission in Kabul.

USAID Reported About \$2 Billion in Contract Obligations for Afghanistan Reconstruction

Our analysis of USAID data identified 214 contractors that received approximately \$2 billion in obligations against Afghanistan reconstruction contracts during fiscal years 2007-2009.¹³ Two contractors accounted for about \$1 billion, or more than half the total (see table 7). Louis Berger International received nearly \$736 million during this period, which included work under USAID's Rehabilitation of Economic Facilities and Services program to modernize Afghanistan's South East Power System and to rehabilitate the Kajakai Dam.¹⁴ Of the 214 contractors, 42 (about 20 percent) received

¹³ Additionally, we identified 226 personal services contracts funded with Afghanistan reconstruction funding. We include the value of these obligations in the total, but do not list them individually in this report.

¹⁴ See SIGAR Audit 10-4, *Afghanistan Energy Supply Has Increased but an Updated Master Plan Is Needed and Delays and Sustainability Concerns Remain* (Washington, D.C.: Jan. 15, 2010) and SIGAR Audit 10-6, *Contract Delays and Cost Overruns for the Kabul Power Plant and Sustainability Remains a Key Challenge* (Washington, D.C.: Jan. 20, 2010).

total obligations of more than \$1 million each. See appendix IV for all USAID contractors with more than \$1 million in contract obligations.

Table 7: Contractors and Obligations Made Against Afghanistan Reconstruction Contracts as Reported by USAID, FY 2007-FY 2009

| Contractor | Value of contract obligations (dollars in millions) | Percentage of total obligations |
|-----------------------------------|---|---------------------------------|
| Louis Berger International | \$736 | 37 |
| Development Alternatives Inc. | 296 | 15 |
| Chemonics International | 230 | 12 |
| Bearing Point | 130 | 7 |
| Association for Rural Development | 70 | 4 |
| Sub-total (5) | \$1,463 | 73 |
| Remaining contractors (208) | 543 | 27 |
| Total (213) | \$2,005 | 100 |

Source: SIGAR analysis of USAID data.

Note: Totals affected by rounding.

In addition, USAID’s contract obligations included a total of about \$50 million for air charter services to transport U.S. Embassy and USAID personnel around Afghanistan. USAID also reported obligating approximately \$7 million for International Cooperative Administrative Support Services (ICASS),¹⁵ which is the principal means by which USAID and other federal agencies share the cost of common administrative support at State’s diplomatic and consular posts overseas, including the Embassy in Kabul.¹⁶

USAID Reported About \$1.1 Billion in Cooperative Agreement Obligations for Afghanistan Reconstruction

Our analysis of USAID’s data identified 53 implementing partners that received approximately \$1.1 billion in obligations for Afghanistan reconstruction cooperative agreements during fiscal years 2007-2009 (see table 8). Three implementing partners accounted for about \$562 million, or almost half of USAID’s total obligations. International Relief and Development accounted for nearly \$358 million, which included obligations for USAID’s Strategic Provincial Roads program and the Afghanistan Vouchers for Increased Production in Agriculture Plus program. The objectives of the roads program include increasing stability and security in eastern and southern Afghanistan by rehabilitating provincial roads

¹⁵ U.S. Department of State, *Foreign Affairs Handbook*, 6-FAH-5, “ICASS Organization” (Washington, D.C.: April 1998). State’s ICASS provides more than 30 basic administrative support services, such as motor pool operations, vehicle maintenance, travel services, and information management services.

¹⁶ We do not include obligations made against the ICASS contract in our total.

and increasing institutional capacity to facilitate efficient movement of goods and people. The agriculture program is an expansion of USAID’s wheat seed voucher program, which provides wheat seeds to farmers and training in agricultural best practices to improve production. Of the 53 implementing partners, 46 (about 87 percent) received obligations of more than \$1 million each. See appendix IV for a complete list.

Table 8: Implementing Partners and Obligations Made Against Afghanistan Reconstruction Cooperative Agreements as Reported by USAID, FY 2007-FY 2009

| Implementing Partner | Value of grant obligations (dollars in millions) | Percentage of total obligations |
|--|--|---------------------------------|
| International Relief and Development | \$358 | 32 |
| Academy for Education Development | 109 | 10 |
| United Nations | 95 | 8 |
| International Organization for Migration | 80 | 7 |
| U.S. Army Corps of Engineers | 48 | 4 |
| Sub-total (5) | \$691 | 61 |
| Remaining implementing partners (48) | 433 | 39 |
| Total (53) | \$1,124 | 100 |

Source: SIGAR analysis of USAID data.

Note: Totals affected by rounding.

USAID Reported About \$625 Million in Grant Obligations for Afghanistan Reconstruction

Our analysis of USAID data identified 17 implementing partners that received approximately \$625 million in obligations for Afghanistan reconstruction grants during fiscal years 2007-2009 (see table 9). The World Bank accounted for about \$322 million, or more than half of USAID’s total grant obligations. The United States and 23 other bilateral donors provide funding for the Afghanistan Reconstruction Trust Fund, which is administered by the World Bank. The trust fund has been a source of financing for the government of Afghanistan’s budget and has supported World Bank-administered reconstruction projects. Of the 17 implementing partners we identified, 15 received obligations of \$1 million or more. See appendix IV for a complete list.

Table 9: Implementing Partners and Obligations Made Against Afghanistan Reconstruction Grants as Reported by USAID, FY 2007-FY 2009

| Implementing Partner | Value of grant obligations (dollars in millions) | Percentage of total obligations |
|--------------------------------------|--|---------------------------------|
| The World Bank | \$322 | 52 |
| The United Nations | 160 | 26 |
| World Health Organization | 81 | 13 |
| The Asia Foundation | 18 | 3 |
| Catholic Relief Services | 11 | 2 |
| Sub-total (5) | \$592 | 95 |
| Remaining implementing partners (12) | 33 | 5 |
| Total (17) | \$625 | 100 |

Source: SIGAR analysis of USAID data.

Note: Totals affected by rounding.

About 21 Percent of USAID’s Total Obligations Were Made to Multilateral Organizations and Other Federal Agencies

We identified approximately \$809 million that USAID provided to four multilateral organizations and eight federal agencies during fiscal years 2007-2009.¹⁷ These obligations represent about 21 percent of a total of \$3.7 billion in USAID reported obligations. Of the obligations made to multilateral organizations or federal agencies, the World Bank and the United Nations accounted for \$578 million, or about 71 percent. Of the federal agencies, USACE received the most obligations during this period; it provided design and engineering services to USAID reconstruction projects. See table 10 for obligations of more than \$1 million made to multilaterals and federal agencies.

¹⁷ USAID reported transfers to federal agencies as cooperative agreements.

Table 10: Obligations Made to Multilateral Organizations and Federal Agencies by USAID, FY 2007-FY 2009

| Implementing partner | Cooperative agreement and grant obligations (dollars in millions) | Percentage of total obligations |
|--|---|---------------------------------|
| The World Bank | \$322 | 40 |
| The United Nations | 255 | 32 |
| International Organization for Migration | 85 | 11 |
| World Health Organization | 81 | 10 |
| U.S. Army Corps of Engineers | 48 | 6 |
| Department of State | 8 | 1 |
| Department of Transportation | 3 | <1 |
| Department of the Treasury | 3 | <1 |
| U.S. Institute of Peace | 2 | <1 |
| Sub-Total (9) | \$808 | 99 |
| Remaining implementing partners (3) | Less than 1 million | <1 |
| Total (12) | \$809 | 100 |

Source: SIGAR analysis of USAID data.

Note: Totals affected by rounding.

CONCLUDING OBSERVATIONS

DOD, State, and USAID rely extensively on contractors and other entities to carry out reconstruction projects in Afghanistan. However, data describing this involvement are not readily available. To provide more effective oversight over U.S. reconstruction funds, we undertook this audit to identify the principal contractors and other entities involved, as well as the financial mechanisms used.

At our request, DOD, State, and USAID provided us with data on the \$17.7 billion in obligations they reported for Afghanistan reconstruction during fiscal years 2007 through 2009. As we describe in this report, we identified about 7,000 contractors and other entities involved in Afghan reconstruction. However, a relatively small number of contractors and other entities accounted for the majority of obligations. At DOD, out of the more than 6,600 contractors that received obligations for Afghan reconstruction, 44 that we identified received more than \$6.3 billion, or about 55 percent of the \$11.5 billion that four DOD contracting organizations reported obligating. Similarly, one contractor, DynCorp International, accounted for about 75 percent of the \$2.4 billion that 2 bureaus at State reported

obligating. Finally, at USAID, 5 of the 280 contractors or other entities accounted for more than half of the \$3.8 billion in contract, cooperative agreement, and grant obligations.

Although the obligation data was in some cases more than three years old, this is the first analysis of its kind—namely, identifying the principal contractors and other entities involved in reconstruction efforts in Afghanistan and the funding mechanisms used. We plan to use this information to guide our audit and investigative oversight of contracts.

COMMENTS

We provided a draft of this report to DOD, State, and USAID for their comments. Only JCC-I/A provided written comments (See app. IV). In their comments, JCC-I/A reported that it is undertaking several initiatives to improve the quality of contract data that it maintains, including participating in interagency working groups to strengthen strategic partnerships and improving data system protocols to reduce the number of errors in its data.

APPENDIX I: SCOPE AND METHODOLOGY

This report presents the results of the Office of the Special Inspector General for Afghanistan Reconstruction's review of obligations made during fiscal years 2007-2009 against contracts, cooperative agreements, and grants for the purposes of reconstruction in Afghanistan. In this report, we used the definition of reconstruction in SIGAR's enabling legislation. The legislation defines reconstruction as the use of contracts, grants, agreements, or other funding mechanisms for any of the following purposes: (a) to build or rebuild the physical infrastructure of Afghanistan; (b) to establish or reestablish a political or societal institution of Afghanistan; and (c) to provide products or services to the people of Afghanistan.¹⁸

Our objective was to identify the contractors and implementing partners associated with reconstruction and the financial mechanisms used. To accomplish this, we obtained data from the Departments of Defense (DOD) and State and the U.S. Agency for International Development (USAID) on the obligations made during fiscal years 2007-2009 against contracts, cooperative agreements, and grants from Afghanistan reconstruction funding sources.¹⁹ However, DOD, State, and USAID do not separately identify obligations made for Afghanistan reconstruction from obligations made for other purposes. Therefore, we identified 15 sources of funding used for Afghanistan reconstruction and confirmed this with the Office of Management and Budget. We also verified funding sources with contracting and financial officials from the DOD Office of the Comptroller; State's Bureau of Administration, Office of Acquisitions Management; and the USAID Afghanistan-Pakistan Task Force. Because certain appropriated funds may be obligated over multiple fiscal years, it is not appropriate to compare appropriations to obligations made in that fiscal year. At DOD, we reviewed obligations made from four sources of funding: The Afghan Security Forces Fund; Commander's Emergency Response Program; Drug Interdiction and Counter-Drug Activities; and National Defense Authorization Act Section 1207 Transfer Funds. At State, we reviewed obligations made from six sources of funding: International Narcotics Control and Law Enforcement; Migration and Refugee Assistance; Emergency Migration and Refugee Assistance; Non-Proliferation, Antiterrorism, Demining, and Related; and Educational and Cultural Affairs. At USAID, we reviewed obligations made from five sources of funding: Economic Support Fund; Development Assistance; P.L. 480, Title II Funds; Global Health and Child Survival; and International Disaster Assistance. We excluded sources of funding that did not have contract, cooperative agreement, or grant obligations made during fiscal years 2007-2009.

For DOD, we held a teleconference with officials from the U.S. Central Command, which identified four contracting agencies within DOD that used Afghanistan reconstruction funding sources to make obligations against contracts: the Joint Contracting Command-Iraq/Afghanistan (JCC-I/A);²⁰ the U.S. Army Corps of Engineers (USACE); the Air Force Center for Engineering and Environment (AFCEE); and the U.S. Army Space and Missile Defense Command (SMDC), which manages contracts for DOD's Counter Narcoterrorism Technology Program Office (CNTPO).

¹⁸ Public Law No. 110-181, § 1229(i)(2), as amended.

¹⁹ In addition to funds provided to DOD, State, and USAID, Congress also provided \$405 million to the Departments of Agriculture, Justice, and the Treasury for Afghanistan reconstruction. Because Congress provided DOD, State, and USAID the vast majority of funds for Afghanistan reconstruction, we included only these three agencies in our report.

²⁰ In June 2010, JCC-I/A's mission was expanded. Renamed the Joint Theater Support Contract Command (JTSCC), it is to serve as a centralized contracting organization to account for all contracting efforts for forces in Afghanistan, Iraq, and other areas in U.S. Central Command's area of responsibility. Although the organization is currently named the Joint Theater Support Contracting Command, we use the term "JCC-I/A" because it was under this name that the organization provided us with the data we use in this report.

- To identify JCC-I/A's contracts, we held a teleconference with officials from JCC-I/A and obtained data on Afghanistan reconstruction-related contract obligations made during fiscal years 2007-2009. JCC-I/A reported that they use multiple electronic information systems to record and store contract data, including the Standard Procurement System, Joint Contingency Contracting System, Army Contracting Business Information System, and Electronic Document Access. JCC-I/A provided us with information on the policies and procedures in place to ensure that the data captured by these systems are reliable. Data provided by JCC-I/A contained records on the contract number, the contractor receiving the obligation, dates of contract performance, the contract type, funding source, and value of obligations made. We excluded records marked by JCC-I/A identified for operations and maintenance. We analyzed these data and identified errors, which included multiple names referring to the same contractor, inaccurate dates identifying the contract period of performance, the lack of a unique contractor number for some records, and some blank records. For records with total obligations of more than \$10 million, we confirmed the contractor's name in the Federal Procurement Data System-Next Generation, or another online source. For contractors with less than \$10 million in reported obligations, we reviewed 600 records (about 10 percent of the total), and found that approximately 19 percent of the records contained data elements with similar names that may refer to the same vendor. JCC-I/A officials stated that the errors resulted from inaccurate data entry into JCC-I/A's various databases, and that when errors such as these are discovered, system administrators manually correct them. We reformatted and summarized the data reported to us by standardizing contractor names and totaling JCC-I/A contract obligations made during fiscal years 2007-2009 by contractor.
- To identify USACE's contracts, we obtained data on Afghanistan reconstruction-related contract obligations made during fiscal years 2007-2009. USACE reported that it uses the Corps of Engineers Financial Management System to record and store contract data. Data provided by USACE contained records on the contract number, contractor name, purpose of the obligation, fiscal year in which the obligation was made, and the value of the obligation. We analyzed the reported data to identify errors that would prevent us from using it, but did not find any significant errors. We reformatted and summarized the data reported to us by standardizing contractor names and totaling USACE contract obligations made during fiscal years 2007-2009 by contractor.
- To identify AFCEE's contracts, we obtained data on Afghanistan reconstruction-related contract obligations made during fiscal years 2007-2009. AFCEE officials reported that their contingency construction and finance offices used a variety of data systems to record and store contract data and provided us information on the procedures they use to ensure data reliability. AFCEE's data contained records on the contract number, contractor name, task order number, place of contract performance, obligation award date, project title, contract type, and value of the obligation. We excluded obligations that AFCEE marked for operations and maintenance. We reformatted and summarized the data reported to us by standardizing contractor names and totaling AFCEE contract obligations made during fiscal years 2007-2009 by contractor.
- To identify SMDC's contracts, we obtained data on Afghanistan reconstruction-related contract obligations made during fiscal years 2007-2009. SMDC reported that it used several information systems to store and retrieve contract information, such as Procurement Desktop Defense, Electronic Document Access, and the Army Contracting Business Intelligence System. Data provided by SMDC contained records on the contract number, contractor name, dates of contract performance, source of funding, and the value of the obligations. We analyzed the reported data to identify errors that would prevent us from using it, but did not find any significant errors. We reformatted and summarized the data reported to us by standardizing

contractor names and totaling SMDC contract obligations made during fiscal years 2007-2009 by contractor.

To identify State's contracts, cooperative agreements, and grants for the purpose of reconstruction in Afghanistan, we met with officials from the State's Bureau of Administration, Office of Acquisitions Management, who told us that State's bureaus maintain data on contract, cooperative agreement, and grant obligations. We obtained data from the Bureau of International Narcotics and Law Enforcement Affairs (INL) on the Afghanistan reconstruction-related contract obligations made during fiscal years 2007-2009. We also obtained data from the Bureau of Population, Refugees, and Migration (PRM) on the Afghanistan reconstruction-related cooperative agreement and grant obligations during the same period. The Office of Acquisitions Management reported to us that State uses the Global Financial Management System to record and store contract data and provided us with a statement on the system's data reliability. Data provided by INL and PRM contained records on the vendor or implementing partner, contract number, purpose of obligation, funding source, status of contract, and value of obligations. We analyzed the reported data to identify errors that would prevent us from using it, but did not find any significant errors. We reformatted and summarized the data reported to us by standardizing the names and totaling INL contract obligations and PRM cooperative agreement and grant obligations made during fiscal years 2007-2009 by contractor or implementing partner.

To identify USAID's Afghanistan reconstruction-related contracts, cooperative agreements, and grants, we met with officials from USAID's Afghanistan-Pakistan Task Force, and obtained data developed by the USAID Mission in Kabul on obligations made during fiscal years 2007-2009. USAID officials reported that it used the Phoenix Viewer to generate data on obligations made from fiscal years 2007-2009. USAID's data contained records on the type of financial mechanism (contract, cooperative agreement, or grant), the mechanism number, contractor or implementing partner name, dates of performance, funding source, description of obligation, and value of obligation. We analyzed the reported data to identify errors that would prevent us from using it, but did not find any significant errors. We reformatted and summarized the data reported to us by standardizing contractor and implementing partner names and totaling USAID contract, cooperative agreement, and grant obligations made during fiscal years 2007-2009 by contractor or implementing partner.

To ensure the reliability of the computer-processed data that DOD, State, and USAID reported to us, we conducted several reliability assessments on each of the datasets described above. We (1) reviewed selected system controls that the agency uses to ensure data reliability; (2) conducted electronic testing of compiled data by checking for missing data, valid dates, and erroneous duplicates; and (3) reviewed audit reports on the information management systems used to store the data to determine if systemic weaknesses could affect the validity of the data we analyzed. On the basis of our reliability assessments, we determined that the data reported to us were sufficiently reliable to illustrate the relative magnitudes of the obligations made for Afghanistan reconstruction contracts, cooperative agreements, and grants for the purpose of this report.

We conducted this review from December 2009 to October 2010 in Washington, D.C., in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This performance audit was conducted by SIGAR under the authority of Public Law No. 110-181, and the Inspector General Act of 1978, as amended.

APPENDIX II: OBLIGATIONS MADE BY DOD AGAINST CONTRACTS

Four Department of Defense (DOD) contracting organizations provided SIGAR with data on obligations made against contracts used for Afghanistan reconstruction during fiscal years 2007-2009: the Joint Contracting Command-Iraq/Afghanistan (JCC-I/A),²¹ U.S. Army Corps of Engineers (USACE), Air Force Center for Engineering and Environment (AFCEE), and U.S. Army Space and Missile Defense Command (SMDC). This appendix presents additional contractors and obligation data that are not in the body of the report for JCC/IA, USACE, and AFCEE.²²

Joint Contracting Command-Iraq/Afghanistan

We identified 6,253 contractors that received \$6.7 billion in obligations JCC-I/A made against Afghanistan reconstruction contracts during fiscal years 2007-2009. Table 11 shows contractors with obligations totaling \$10 million or more.

Table 11: Contractors and Obligations Made Against Afghanistan Reconstruction Contracts as Reported by JCC-I/A, FY 2007-FY 2009

| Contractor | Value of contract obligations (dollars in millions) |
|-------------------------------------|---|
| 1 Kabuljan Construction Company | \$691 |
| 2 Red Sea Construction Company | 478 |
| 3 KBY & Bozdemir Joint Venture | 452 |
| 4 Recon International | 159 |
| 5 Nimrah Construction Company | 138 |
| 6 RM Asia Limited | 128 |
| 7 Unity Logistics & Supply Services | 105 |
| 8 Arrow General Supplies | 98 |
| 9 No Lemon, Ltd. | 95 |
| 10 GLC Group | 78 |
| 11 IAP Worldwide Services | 73 |
| 12 Abdul Wasi Faqire, Ltd. | 69 |
| 13 Alaska Structures, Inc. | 68 |
| 14 Network Innovations | 64 |
| 15 Kabul Melli Trading, Ltd. | 58 |

²¹ JCC-I/A was renamed the Joint Theater Support Contracting Command in June 2010. We use JCC-I/A throughout this report because it provided us with the data.

²² All the information we obtained from SMDC is presented in the body of the report.

| | Contractor | Value of contract obligations (dollars in millions) |
|----|-------------------------------------|--|
| 16 | Green United Group, Inc. | 56 |
| 17 | Central Asia Development Group | 55 |
| 18 | Canafgusa International Corporation | 55 |
| 19 | Rauf Aziz Construction Company | 52 |
| 20 | Heb International Logistics | 50 |
| 21 | Dell Federal Systems | 50 |
| 22 | Atlantic Diving Supply, Inc. | 49 |
| 23 | Qasemi | 48 |
| 24 | Ronco Consulting Corporation | 47 |
| 25 | Downrange Services | 46 |
| 26 | Tarsian & Blinkley | 44 |
| 27 | Afghan United International Company | 42 |
| 28 | The Marshal Group, LLC | 41 |
| 29 | Qasem Hadad | 41 |
| 30 | Worldwide Language Resources | 37 |
| 31 | The Management Group | 34 |
| 32 | Rona Trading Company | 31 |
| 33 | Jubaili Brothers | 31 |
| 34 | Ansar Noori Group | 31 |
| 35 | Anham, LLC | 31 |
| 36 | Toifor | 29 |
| 37 | Yuksel Insaat | 29 |
| 38 | CADG Engineering, Ltd. | 28 |
| 39 | National Trading Company | 28 |
| 40 | Overseas Lease Group, Inc. | 27 |
| 41 | AIT | 26 |
| 42 | Afghan Trade Transportation | 26 |
| 43 | Bennett Fouch & Associates | 25 |
| 44 | SSG, LLC | 23 |

| Contractor | Value of contract obligations (dollars in millions) |
|---|--|
| 45 Cetena Group | 22 |
| 46 Saleem Apparel & Supplies | 20 |
| 47 A-Z Corporation | 20 |
| 48 Mowlana Construction Company | 20 |
| 49 Dasnet Corporation | 20 |
| 50 Afghan Wireless | 20 |
| 51 Alops | 20 |
| 52 Blue Sky Construction Company, Ltd. | 19 |
| 53 Safi Apparel Corporation | 19 |
| 54 Attayee Logistics, Ltd. | 19 |
| 55 Critical Mission Support Services | 18 |
| 56 Blue Hackle Middle East | 17 |
| 57 Faizi Masroor Construction & Supply Company | 17 |
| 58 Prosima Four Horsemen | 17 |
| 59 Bashir Logistics & Construction Company | 17 |
| 60 Wise Global Group | 17 |
| 61 All Points International Distributors, Inc. | 17 |
| 62 Zmatrix Solutions Corporation | 16 |
| 63 Allied Machinery, Ltd. | 16 |
| 64 Amin Kapisa Construction Company | 16 |
| 65 California Industrial Facilities Resources, Inc. | 16 |
| 66 Supreme Site Services | 16 |
| 67 Capital Aviation, Inc. | 16 |
| 68 EOD Technology, Inc. | 15 |
| 69 Kabul Marine Construction Company | 15 |
| 70 AWCC | 14 |
| 71 Khenj Logistics Group | 14 |
| 72 PAE Government Services, Inc. | 14 |
| 73 Asia Security Group | 14 |

| Contractor | Value of contract obligations (dollars in millions) |
|---|--|
| 74 Red Orange International Services | 14 |
| 75 Amanullah Durbaz Trading Company | 14 |
| 76 Afghan Armada | 13 |
| 77 Uniworld Fze | 13 |
| 78 Aria Target Logistics Services | 13 |
| 79 Afghanistan Rehab & Architectural Organization | 12 |
| 80 Bob Shir Traders & General Supplies | 12 |
| 81 L3 Services, Inc. | 12 |
| 82 Najeebullah Trading & Construction Company | 11 |
| 83 Arabian Sea Eng & Karkon Construction Company, Joint Venture | 11 |
| 84 Galaxy Sky Construction Company | 11 |
| 85 SSG Offshore | 10 |
| 86 Zaatc | 10 |
| 87 Young Afghan Construction Company | 10 |
| 88 Afghan Ready Mix | 10 |
| 89 New Jan Group | 10 |
| Sub-total (89) | \$4,512 |
| Remaining contractors (6,164) | 2,124 |
| Total (6,253) | \$6,675 |

Source: SIGAR analysis of JCC-I/A data.

Note: Totals affected by rounding.

As we noted in appendix I, the JCC-I/A data contained a number of errors, including misspellings, and some contractor names that were similar and may be the same. For contractors with total obligations of more than \$10 million, we confirmed the contractors' a name in the Federal Procurement Data System-Next Generation, or another online source. For contractors with less than \$10 million in reported obligations, we reviewed 600 records (about 10 percent of the total), and found that approximately 19 percent of the records contained firms with similar names.

U.S. Army Corps of Engineers

We identified 393 contractors that received about \$3.2 in obligations USACE made against Afghanistan reconstruction contracts during fiscal years 2007-2009. The data also included \$162 million obligated for the purpose of USACE supervision and administration of U.S.-funded reconstruction contracts in Afghanistan. Table 12 shows contractors with obligations totaling \$1 million or more.

Table 12: Contractors and Obligations Made Against Afghanistan Reconstruction Contracts as Reported by USACE, FY 2007-FY 2009

| Contractor | Value of contract obligations (dollars in millions) |
|--|---|
| 1 Contrack International Inc | \$366 |
| 2 FCEC United Infrastructure Projects Joint Venture | 321 |
| 3 Technologists, Inc. | 303 |
| 4 ECC International, LLC | 204 |
| 5 DynCorp International, LLC | 162 |
| 6 Perini Corporation | 135 |
| 7 Road and Roof Construction Company | 120 |
| 8 Proccea Consulting | 81 |
| 9 NGI Afghanistan | 74 |
| 10 Yuksel Metag Tepe Yenigun Zafer Joint Venture | 69 |
| 11 BYA International | 61 |
| 12 Metag Insaat Ticaret A.S. | 56 |
| 13 Zurmat Construction Company | 55 |
| 14 Fluor Intercontinental, Inc. | 54 |
| 15 Zafer Construction Company | 44 |
| 16 Afghan Builders Consortium | 39 |
| 17 Network of Construction and Development Company | 35 |
| 18 Herai Alpha Construction | 33 |
| 19 Ronco Consulting Corporation | 31 |
| 20 Omran Consulting Construction and Engineering Company | 30 |
| 21 Red Sea Engineering Corporation | 29 |
| 22 Prosima International | 29 |

| | Contractor | Value of contract obligations (dollars in millions) |
|----|---|--|
| 23 | Highland Al Hujaz Company, Ltd. | 29 |
| 24 | Rizzani de Eccher S.P.A. | 28 |
| 25 | OBD Construction Company | 28 |
| 26 | AZ Corporation | 28 |
| 27 | Venco Imtiaz Construction Company | 27 |
| 28 | Krima Construction Corporation | 23 |
| 29 | Sadath Business Group, Ltd. | 21 |
| 30 | Washington Group International, Inc. | 20 |
| 31 | Emar-e-sarey Construction Company | 18 |
| 32 | Swiz Hewadwal JV | 17 |
| 33 | Areebel Engineering & Logistics | 16 |
| 34 | International Construction, Consultation and Supplies, Ltd. | 16 |
| 35 | Krima/Kainaat Construction Company Joint Venture | 15 |
| 36 | Shafi Sirat, Inc. | 15 |
| 37 | Sayed Bilal Sadath Construction Company | 15 |
| 38 | Basirat Construction | 12 |
| 39 | Anham Afghansitan Joint Venture | 12 |
| 40 | Afghanistan Reconstruction Company, LLC | 11 |
| 41 | Unique Builders Construction Company | 11 |
| 42 | Lakeshore Engineering Services, Inc. | 11 |
| 43 | Farzam Construction Company | 10 |
| 44 | SAF/FMBIB Company | 10 |
| 45 | Patriot Builders | 10 |
| 46 | Michael Baker Jr, Inc. | 9 |
| 47 | Excellent Planning and Construction Company | 9 |
| 48 | Shaw Environmental & Infrastructure, Inc. | 8 |
| 49 | Framaco Epiksan Metis Joint Venture | 8 |
| 50 | Ariana Popal Construction Company | 8 |
| 51 | TASC, Inc. | 8 |

| | Contractor | Value of contract obligations (dollars in millions) |
|----|--|--|
| 52 | Albironi Construction and Engineering, Inc. | 7 |
| 53 | MACTEC Engineering and Consulting, Inc. | 7 |
| 54 | Kainaat Construction, Logistics and Trading Company, LLC | 7 |
| 55 | First Afghanistan Construction, Ltd. | 7 |
| 56 | Lotfi Construction Company | 7 |
| 57 | Nawid Bakshi Construction and Roads | 7 |
| 58 | Mercury Development | 7 |
| 59 | Yuksel Insaat | 7 |
| 60 | Yarash Huma Const and Engineering Company, Ltd. | 6 |
| 61 | Mensel Joint Venture Company | 6 |
| 62 | Afghanistan Rehab and Architecture Company | 6 |
| 63 | Development Organization for the Revival of Afghanistan | 6 |
| 64 | FKH Geoexpert Services | 6 |
| 65 | New Vegas Construction | 6 |
| 66 | ARAO | 5 |
| 67 | New Jan Group | 5 |
| 68 | Shaw Centcom Services, Ltd. | 5 |
| 69 | Midfield International | 5 |
| 70 | CH2M Hill/Dragados/Soluziona Joint Venture | 5 |
| 71 | Hollywood Construction Company | 5 |
| 72 | Global Freedom Construction Company | 4 |
| 73 | Feka Insaat Sanayi Ve Ticaret, Ltd. | 4 |
| 74 | UCC Budservice Construction and Engineering, Joint Venture | 4 |
| 75 | Kolin Construction Manufacturing and Trading Company | 4 |
| 76 | Jubaili Bros | 4 |
| 77 | Swiz Engineering and Construction Company | 4 |
| 78 | Kestral SPD, Ltd. | 4 |

| | Contractor | Value of contract obligations (dollars in millions) |
|-----|--|--|
| 79 | Jamshidyar Construction Company Joint Venture | 4 |
| 80 | Biltek Org Mush Basrek Tur Insaat | 4 |
| 81 | John's Construction Company | 3 |
| 82 | Associated Construction Management Inc. | 3 |
| 83 | Mustafa Sahak Construction Company | 3 |
| 84 | Dora Construction Company | 3 |
| 85 | TFI International, LLC | 3 |
| 86 | Abdul Khabir Construction Company | 3 |
| 87 | L3 Communications Integrated Systems | 3 |
| 88 | Sediq Now Bahar Construction Company | 3 |
| 89 | Mowlana Construction Company | 3 |
| 90 | Ariae Koh General Maintenance and Construction Company | 2 |
| 91 | Blue Sky Logistics Company | 2 |
| 92 | Armada Afghan | 2 |
| 93 | Kamal Baba Construction and Production Materials | 2 |
| 94 | Soufiany Construction Company | 2 |
| 95 | Attayee Logistics | 2 |
| 96 | Afghan Wardak Construction Company | 2 |
| 97 | Kabul Europe Construction Road and Material Company | 2 |
| 98 | Fareed Saboor Construction Company | 2 |
| 99 | Allied Machinery Limited | 2 |
| 100 | Jamal Aziz Construction and Engineering Company | 2 |
| 101 | FIN/FOS/LS Joint Venture | 2 |
| 102 | Global Engineering and Consulting Services | 2 |
| 103 | Engineering Precision Company, Ltd. | 2 |
| 104 | Pamir Zameen Construction and Logistics Company | 2 |
| 105 | Zamari Ali Ahmad Zada Construction Company | 2 |
| 106 | Ahmadzay and Noorazy Construction Company | 2 |

| | Contractor | Value of contract obligations (dollars in millions) |
|-----|--|--|
| 107 | Asia Khurshaid Construction Company | 2 |
| 108 | Wise Global Group | 1 |
| 109 | Combat Construction Company | 1 |
| 110 | Kuwait Kochak Company | 1 |
| 111 | Mostafa Construction Company | 1 |
| 112 | Centex Construction Company | 1 |
| 113 | Hassib Azizi Construction Company | 1 |
| 114 | JQ Builders and Contractors | 1 |
| 115 | State Corps, Ltd. | 1 |
| 116 | Stanley Consultants, Inc. | 1 |
| 117 | Toll Brothers Construction Company | 1 |
| 118 | Zaaztc Trading Company | 1 |
| 119 | Afghan Electrical Power Corporation | 1 |
| 120 | Team Integrated Engineering, Inc. | 1 |
| 121 | Hamza Shahab Construction Company | 1 |
| 122 | New Paiman Construction Company | 1 |
| 123 | Esko International, Inc. | 1 |
| 124 | Qaderdan Rural Technology Development | 1 |
| 125 | Aadel Amin Construction Company | 1 |
| 126 | Innovative Technical Solutions, Inc. | 1 |
| 127 | Wahiridullah Rahimi Construction | 1 |
| 128 | Lockheed Martin Integrated Systems, Inc. | 1 |
| 129 | Sharafat Nasari Construction Company | 1 |
| 130 | Afghan Behsazan Construction Company | 1 |
| 131 | Versar, Inc. | 1 |
| 132 | Phrama Group Construction Company | 1 |
| 133 | Swiz Grand Joint Venture | 1 |
| 134 | Haroki Construction Company | 1 |
| 135 | Hameed Saeed Construction Company | 1 |

| Contractor | | Value of contract obligations (dollars in millions) |
|-----------------------------|--|--|
| 136 | HCG/TFI International | 1 |
| 137 | Passaran Noori Construction Company | 1 |
| 138 | Najibullah Khushbin General Contractor | 1 |
| 139 | Haspania Construction Company | 1 |
| 140 | Young Afghan Construction Company | 1 |
| 141 | Kani Construction Company | 1 |
| 142 | Sysorex Federal, Inc. | 1 |
| 143 | Shafi Safdary Construction Company | 1 |
| 144 | Panjsher Group | 1 |
| 145 | CCSO | 1 |
| 146 | Empire Construction Company | 1 |
| 147 | Black Panther Construction | 1 |
| 148 | ARY and Karimi Construction Company | 1 |
| Sub-total (148) | | \$3,044 |
| Remaining contractors (245) | | 28 |
| Total (393) | | \$3,234 |

Source: SIGAR analysis of USACE data.

Note: Totals affected by rounding. The total includes about \$162 million that USACE obligated for the purposes of supervision and administration expenses.

Air Force Center for Engineering and the Environment

We identified 17 contractors that received \$770 million in obligations AFCEE made against Afghanistan reconstruction contracts during fiscal years 2007-2009 (see table 13).

Table 13: Contractors and Obligations Made Against Afghanistan Reconstruction Contracts as Reported by AFCEE, FY 2007-FY 2009

| Contractor | Value of contract obligations (dollars in millions) |
|--|--|
| 1 AMEC Earth and Env. | \$166 |
| 2 ITSI | 108 |
| 3 URS Group Inc. | 106 |
| 4 CH2M Hill Constructors Inc. | 92 |
| 5 Toltest Inc. | 67 |
| 6 ECC | 56 |
| 7 Weston Solutions | 52 |
| 8 MACTEC Engineering | 44 |
| 9 PRI-DJI | 25 |
| 10 Versar Inc. | 15 |
| 11 Jacobs Engineering Group Inc. | 10 |
| 12 CDM/CAPE - Joint Venture | 8 |
| 13 TEAM, IE | 8 |
| 14 Lakeshore Engineering Services, Inc | 6 |
| 15 AECOM | 3 |
| 16 E2M | 2 |
| 17 Portage | 2 |
| Total (17) | \$770 |

Source: SIGAR analysis of AFCEE data.

Note: Totals affected by rounding.

APPENDIX III: OBLIGATIONS MADE BY USAID AGAINST CONTRACTS, COOPERATIVE AGREEMENTS, AND GRANTS

The U.S. Agency for International Development’s (USAID) Afghanistan-Pakistan Task Force provided us with data developed by the USAID Mission in Kabul for obligations made against contracts, cooperative agreements, and grants for Afghanistan reconstruction during fiscal years 2007-2009.

Contracts

We identified 214 USAID contractors that received about \$2 billion in obligations during fiscal years 2007-2009. Table 14 shows contractors with obligations totaling \$1 million or more.

Table 14: Contractors and Obligations Made Against Afghanistan Reconstruction Contracts as Reported by USAID, FY 2007-FY 2009

| Contractor | Value of contract obligations (dollars in millions) |
|--|--|
| 1 Louis Berger International, Inc. | \$736 |
| 2 Development Alternatives, Inc. | 296 |
| 3 Chemonics International, Inc. | 230 |
| 4 Bearing Point, Inc. | 130 |
| 5 Association for Rural Development | 70 |
| 6 Deloitte Consulting | 60 |
| 7 Norse Air Charter, Ltd. | 48 |
| 8 Creative Associates International, Inc. | 47 |
| 9 Checchi & Company | 42 |
| 10 International Foundation for Election Systems | 37 |
| 11 Personal services contracts ^(a) | 36 |
| 12 AECOM International Development | 36 |
| 13 International Relief and Development | 34 |
| 14 Emerging Markets Group | 32 |
| 15 Associates in Rural Development | 24 |
| 16 Advanced Engineering Associates | 24 |
| 17 Constella Futures International | 14 |
| 18 International Resources Group | 14 |
| 19 State University of New York | 8 |
| 20 Al-Haj Abdul Ghafar Ghazanfar Co.Ltd | 8 |

| Contractor | Value of contract obligations (dollars in millions) |
|---|--|
| 21 Rashad Elham Trading Company, Ltd. | 8 |
| 22 Ahham FZCO, Ltd. | 6 |
| 23 Partnership for Child Healthcare | 6 |
| 24 PA Government Services, Inc. | 6 |
| 25 Global Strategies Group | 6 |
| 26 Afghanistan Management Group | 5 |
| 27 Descon Holdings, Ltd. | 5 |
| 28 ECODIT | 5 |
| 29 Camp Dresser McKee International | 3 |
| 30 Aircraft Charter Solutions, Inc. | 3 |
| 31 IO Global Services | 2 |
| 32 QED Group | 2 |
| 33 Protection Devices, Inc. | 2 |
| 34 Lakeshore Engineering Services, Inc. | 2 |
| 35 University Research Company | 2 |
| 36 Bank Alfalah, Ltd. | 2 |
| 37 Macro International | 2 |
| 38 Agility International, Inc. | 1 |
| 39 GW Consulting | 1 |
| 40 Dell Computer | 1 |
| 41 Computer Sciences Corporation | 1 |
| 42 MWH Americas, Inc. | 1 |
| Sub-Total (42) | \$1,997 |
| Remaining contractors (172) | 8 |
| Total (214) | \$2,005 |

Source: SIGAR analysis of USAID data.

Notes: Totals affected by rounding.

^(a) We identified 226 personal services contracts that were funded with Afghanistan reconstruction funding.

Cooperative Agreements

We identified 53 USAID implementing partners that received \$1.1 billion in obligations against cooperative agreements during fiscal years 2007-2009. Table 15 shows implementing partners with cooperative agreements and obligations totaling \$1 million or more.

Table 15: Implementing Partners and Obligations Made Against Afghanistan Reconstruction Cooperative Agreements as Reported by USAID, FY 2007-FY 2009

| Implementing Partner | Value of cooperative agreement obligations (dollars in millions) |
|---|---|
| 1 International Relief and Development | \$358 |
| 2 Academy for Education Development | 109 |
| 3 United Nations | 95 |
| 4 International Organization for Migration | 80 |
| 5 U.S. Army Corps of Engineers | 48 |
| 6 Management Sciences for Health | 48 |
| 7 Consortium for Elections and Political Process Strengthening | 46 |
| 8 CARE International | 36 |
| 9 Development Alternatives, Inc. | 35 |
| 10 International City/County Management Association | 28 |
| 11 The Asia Foundation | 28 |
| 12 Jhpiego Corporation | 22 |
| 13 Counterpart International, Inc. | 15 |
| 14 PACT | 14 |
| 15 Mercy Corps | 12 |
| 16 American University of Afghanistan | 11 |
| 17 Central Asia Development Group | 10 |
| 18 Volunteers for Economic Growth Alliance | 9 |
| 19 Washington State University | 8 |
| 20 Creative Associates International, Inc. | 8 |
| 21 New Mexico State University | 8 |
| 22 U.S. Department of State | 8 |

| | Value of cooperative agreement obligations (dollars in millions) |
|---|---|
| 23 Loma Linda University | 8 |
| 24 Department of Agriculture | 7 |
| 25 Catholic Relief Services | 6 |
| 26 Danish International Development Agency | 5 |
| 27 Oasis International Schools, Inc. | 5 |
| 28 Democracy International | 5 |
| 29 Government of Afghanistan | 5 |
| 30 Wildlife Conservation Society | 5 |
| 31 World Vision | 4 |
| 32 University of California | 4 |
| 33 KNCV | 4 |
| 34 Purdue University | 4 |
| 35 U.S. Department of Transportation | 3 |
| 36 Citizen Network for Foreign Affairs | 3 |
| 37 U.S. Department of Treasury | 3 |
| 38 Turquoise Mountain Trust | 3 |
| 39 Cornell International Institute for Food, Agriculture and Development | 2 |
| 40 U.S. Institute of Peace | 2 |
| 41 Education Development Center | 1 |
| 42 Center for International Private Enterprise | 1 |
| 43 ABT Associates | 1 |
| 44 International Center for Integrated Mountain Development | 1 |
| 45 Christian Children's Fund | 1 |
| 46 Public Health Institute | 1 |
| Sub-Total (46) | \$1,123 |
| Remaining Implementing Partners (7) | 1 |
| Total (53) | \$1,124 |

Source: SIGAR analysis of USAID data.

Note: Totals affected by rounding.

Grants

We identified 17 USAID implementing partners that received about \$625 million in grant obligations during fiscal years 2007-2009. Table 16 shows implementing partners with grants and obligations totaling \$1 million or more.

Table 16: Implementing Partners and Obligations Made Against Afghanistan Reconstruction Grants as Reported by USAID, FY 2007-FY 2009

| Implementing Partner | Value of grant obligations (dollars in millions) |
|--|---|
| 1 The World Bank | \$322 |
| 2 United Nations | 160 |
| 3 World Health Organization | 81 |
| 4 The Asia Foundation | 18 |
| 5 Catholic Relief Services | 11 |
| 6 Agency for Technical Cooperation and Development | 7 |
| 7 International Organization for Migration | 5 |
| 8 Cooperative Housing Foundation International | 5 |
| 9 CARE International | 4 |
| 10 CHF International | 4 |
| 11 Shelter for Life International, Inc. | 2 |
| 12 Aga Khan Foundation | 2 |
| 13 ARZU, Inc. | 1 |
| 14 Programe-e-Tahkem Solh | 1 |
| 15 New York University | 1 |
| Sub-Total (15) | \$624 |
| Remaining Implementing Partners (2) | 1 |
| Total (17) | \$625 |

Source: SIGAR analysis of USAID data.

Note: Totals affected by rounding.

APPENDIX IV: COMMENTS BY JOINT CONTRACTING COMMAND-IRAQ/AFGHANISTAN



HEADQUARTERS
CENTCOM CONTRACTING COMMAND
BAGHDAD, IRAQ
APO AE 09342



C³-COS

06 October 2010

MEMORANDUM FOR RECORD

SUBJECT: CENTCOM TASKER 20100930-034 – SIGAR Draft Audit Report 11-4.

1. This memorandum is in response to CENTCOM TASKER (20100930-034) "Contract Performance and Oversight."
2. CENTCOM Contracting Command (C³) was tasked to review and comment on SIGAR's findings, as documented in the draft report.
3. Comments are as follows:
 - a. SCO-A has been an active participant in several working groups in the fourth quarter of FY 10 that have included USAID, USACE and the US Embassy. The purpose of these working groups is to strengthen strategic partnerships and promote the Afghan First Policy for reconstruction projects.
 - b. SCO-A has also improved its Standard Procurement System (SPS) data protocols by instituting a 5 July 2010 SPS/ Procurement Desktop Defense (PD2) Date Entry and Data Integrity Policy Memorandum (#10-6). This action has mitigated and reduced duplicate names and inaccurate date entries, thereby allowing the users to better identify contract periods of performance as mentioned in the Draft Audit Report.
 - c. Overall, SCO-A continues to improve its data collection and data repository, allowing for Afghan First Reconstruction contracts and projects to improve, track trends, and meet COMISAF's Counter-Insurgency (COIN) Contracting Guidance.
4. POC is LTC William Canaley, William.canaley@iraq.centcom.mil, DSN 318-485-4095.


GREGORY F. STROH
CAPT, SC, USN
Chief of Staff

(This report was conducted under the audit project code SIGAR Audit 018-A)

SIGAR's Mission

The mission of the Special Inspector General for Afghanistan Reconstruction (SIGAR) is to enhance oversight of programs for the reconstruction of Afghanistan by conducting independent and objective audits, inspections, and investigations on the use of taxpayer dollars and related funds. SIGAR works to provide accurate and balanced information, evaluations, analysis, and recommendations to help the U.S. Congress, U.S. agencies, and other decision-makers to make informed oversight, policy, and funding decisions to:

- improve effectiveness of the overall reconstruction strategy and its component programs;
- improve management and accountability over funds administered by U.S. and Afghan agencies and their contractors;
- improve contracting and contract management processes;
- prevent fraud, waste, and abuse; and
- advance U.S. interests in reconstructing Afghanistan.

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- Phone DSN Afghanistan 318-237-2575
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- Phone DSN International: 312-664-0378
- U.S. fax: +1-703-604-0983

Public Affairs

Public Affairs Officer

- Phone: 703-602-8742
- Email: PublicAffairs@sigar.mil
- Mail: SIGAR Public Affairs
400 Army Navy Drive
Arlington, VA 22202