

REMARKS OF EVELYN R. KLEMSTINE  
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AUDIT

U.S. DEPARTMENT OF STATE AND  
THE BROADCASTING BOARD OF GOVERNORS

BEFORE THE

UNITED STATES SENATE  
COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL  
AFFAIRS  
SUBCOMMITTEE ON CONTRACTING OVERSIGHT

ON

DOD OBLIGATIONS AND EXPENDITURES OF FUNDS PROVIDED  
TO THE DEPARTMENT OF STATE FOR THE TRAINING AND  
MENTORING OF THE AFGHAN NATIONAL POLICE

APRIL 15, 2010

Thank you Chairman McCaskill and Ranking Member Brown for the opportunity to present our joint audit on the national police training program contract in Afghanistan with the Department of Defense (DOD) Inspector General.

We conducted this joint audit in response to a Congressional request, with an objective of determining the ability of the Afghan National Police (ANP) training program to address Afghan security needs. We also reviewed contract management activities and the status of Afghanistan Security Forces (ASF) funds provided by DOD to the State Department.

In 2006, when the security environment in Afghanistan was more stable, DOD decided to use the State Department's existing Civilian Police Program (CIVPOL) contract to implement the ANP training program. The contractor, DynCorp International, was awarded two task orders, valued in excess of \$1 billion. These two task orders directed DynCorp to provide personnel, life support, and communications for the training program. The State Department was responsible for procuring services, overseeing the contract, and managing and reporting on funds transferred from DOD.

We found that under the CIVPOL contract, DOD did not have the authority to direct the contractor, thereby restricting DOD's ability to rapidly modify ANP training to respond to the rising insurgency and the changing security situation in Afghanistan. While the State Department was focused on training the ANP to be an effective

police force after security in Afghanistan had been stabilized, DOD was focused on the survival and tactical training of the ANP to counter the growing insurgency. In addition, while the foundation has been laid for an effective women's police training program, there has been inadequate progress in training a sufficient number of Afghan women. The lack of trained women's police corps members has limited the effectiveness of law enforcement in Afghanistan.

We recommended correcting these deficiencies by clearly defining ANP training program requirements, increasing the training facility capacity for women police members, and enhancing efforts to recruit women training instructors. In response to the draft report, management provided a detailed description of the requirements for the training program and agreed to provide additional resources for training women police.

In overseeing the CIVPOL contract, we found that State Department contracting officials did not assign sufficient numbers of contract oversight personnel to the ANP task orders and did not prepare a Quality Assurance Surveillance Plan to ensure that the contractor met the performance requirements of the statement of work. In addition, those contracting personnel who were assigned to monitor the task orders did not provide adequate oversight to ensure that all goods and services were received. Specifically, the following internal control weaknesses were identified:

- (1) Government-furnished property was not adequately accounted for;
- (2) Contract files were incomplete and not always available;
- (3) Deliverables were not always matched to receiving reports; and
- (4) Procedures for reviewing contractor invoices to determine whether the costs were proper were not followed.

As a result of these internal control weaknesses, State Department personnel could not ensure that funds allocated by DOD for the program were expended in accordance with DOD requirements. We recommended that the number of contract personnel responsible for contract oversight be increased, that a complete inventory of Government property be performed, that the contracting officer maintain complete and accessible contract files, and that goods and services be matched against invoices. In addition, we recommended that the Defense Contract Audit Agency (DCAA) perform an audit to determine whether all expenditures were allowable, allocable, and reasonable and request reimbursement from DynCorp for any payments that DCAA determines to be improper. In response to our recommendations, management agreed to increase the number of oversight personnel going forward, strengthen internal controls, and undertake an audit.

In addition to identifying various internal control weaknesses, we also requested contractor invoices and other supporting

documents for \$217 million in ASF funds already expended. Unfortunately, State Department financial managers did not provide detailed transaction data until after the draft report was issued. As a result, we could not determine whether the Department had expended funds in accordance with Congressional intent. However, we did ascertain that \$80 million in funds transferred from DOD remained unexpended well after the end of their availability period established by appropriations law. We recommended that the State Department determine the status of ASF funds and that any excess funds, to include the \$80 million in expired funds, be returned.

In March 2009, the President announced a comprehensive new strategy for Afghanistan, which included an emphasis on training and increasing the size of Afghan security forces. The State Department and DOD are committed to providing a stable and secure environment for all Afghan citizens. This requires that we effectively train and mentor Afghan forces, monitor our contracts effectively, and ensure that the taxpayers' money is spent appropriately.

Finally, I would like to note that this audit was conducted in six months. Given the scope of the work, which took place in the United States and six locations in Afghanistan, the short time for its successful completion is a tribute to the professionalism of the audit co-directors, Mr. Mark Ives from DODIG and Mr. Jim Pollard from the State Department OIG, and their teams.

Once again, I thank you, Chairman McCaskill and Senator Brown, for the opportunity to appear today, and I am ready to answer your questions.