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January 28, 2016

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The Honorable Brian P. McKeon
Principal Deputy Under Secretary of Defense for Policy
2000 Defense Pentagon
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Secretary McKeon,

As Chair of the Senate Armed Services Readiness and Management Support Subcommittee, I want to thank you for testifying before my subcommittee on January 20, 2016, regarding the activities of the Task Force for Business and Stability Operations (TFBSO) in Afghanistan. In just five years, TFBSO spent almost \$640 million in taxpayer dollars, and serious questions have been raised about the task force's stewardship of those funds. As I have said, American taxpayers deserve to know how and why their money was spent and what results were achieved for the investments. We must have answers to these questions to avoid similar mistakes in the future.

With that goal in mind, please provide answers to the following questions or provide the requested materials without delay:

- In your oral testimony, you said that in “April of 2014, as the Task Force was winding down, Michael Lumpkin, then performing the duties of the Under Secretary for Policy asked the department Inspector General to perform an overarching audit of the Task Force's operations, financial actions and contracts. The IG declined to do so, due to limited resources and the need to focus its efforts on quote ‘projects with the greatest potential return on investment.’” **Please provide a copy of the Department of Defense (DoD) Inspector General’s response, declining to conduct this audit.**
- In your oral testimony, you said that, “In the fall of 2014 I requested a financial audit of the Task Force, which was completed last April.” **Are you referring to the April 30, 2015, report by Williams Adley entitled, “Agreed-Upon Procedures Report for the Task Force for Business and Stability Operations in Afghanistan”?**

That report says the following: “Because the procedures did not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on the TFBSO's financial information, nor do we express any form of assurance on (1) the TFBSO's or WHS's overall compliance with laws, federal regulations or DoD policies and procedures, or (2) the overall effectiveness with which

the TFBSO carried out its mission. Had we performed additional procedures or conducted an audit in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported to you.” **If this is what you were referring to, in light of the statement above which is contained in the report, why do you consider this an audit? Why did DoD’s Washington Headquarters Services (WHS) not have the contractor perform a financial audit as you stated in your testimony?**

- In your oral testimony, you said, “I personally am skeptical of the Department of Defense as a natural home for [economic development during a contingency operation]. As a government, we need to consider, and figure, and develop a functioning mechanism so that we’re prepared for future contingencies.” **How have your observations of TFBSO made you skeptical that DoD should be involved in these kinds of economic development activities during a contingency?**
- You testified that, “There may be other records elsewhere in the department not owned by the task force relative to this work.” You also said that TFBSO “contracting was done by other elements, not by the task force. There may be records in those components that are not in the hard drive that we gave Mr. Sopko.” **Has the DoD provided SIGAR all of the TFBSO-related documents and hard drives, both unclassified and classified, that DoD has in its possession?**
- **Which TFBSO-related questions posed to DoD by SIGAR has DoD not yet answered?**
- In your oral testimony, you said that DoD “can give you a list of the [TFBSO] contracts. And I believe we can tell you how all the money was disbursed broadly by sector.” **Please provide a list of all TFBSO contracts and all available details on how all \$638 million was disbursed. For all contracts, please provide the purpose of the contract, who received the contract, how much was disbursed for the contract, and whether DoD has evidence that a feasibility study was conducted. Please include the total costs of the “gem program”, “carpet program”, and “cashmere goat program”.**
- In your oral testimony you testified that TFBSO did not account for costs “on a project-by-project basis”. **How is it acceptable or possible that DoD cannot provide cost information on a “project-by-project basis” for TFBSO projects? If you can’t provide this information, how can TFBSO or DoD assess the performance of a project or ensure the money was not stolen? Has this problem been fixed for all**

present DoD task forces? If not, what steps are you taking to rectify this unacceptable situation? When do you expect this shortcoming to be remedied?

- **For each TFBSO project, provide the written performance metrics that were established for that project and whether each of those performance metrics were met. For which TFBSO projects is there no evidence that there were written performance metrics?**
- **In your oral testimony, you said that you could not dispute that there was not a feasibility study conducted for the CNG filling station project. Please confirm whether TFBSO conducted a feasibility study for the CNG filling station project. If one was performed, please provide a copy of the feasibility study. Who made the decision to proceed with the CNG filling station project?**
- **In your testimony, you mentioned that you asked the Defense Security Cooperation Agency comptroller to review records related to the cost of the CNG filling station. Please provide the comptroller's cost analysis of the CNG filling station, including all related work papers and records used to produce the cost analysis.**
- **When do you expect DoD to provide SIGAR a response to its November 25, 2015, letter related to the TFBSO ‘villas’?**
- **In response to my questions about TFBSO living in ‘villas’, as well as their private security, you cited a memorandum of understanding between USFOR-A and TFBSO which apparently discussed the possibility of TFBSO living on base or being supported by the military. Please provide a copy of that MOU.**
- **Provide any documentation related to the ‘villas’ and the decision to use them instead of staying on base, including any cost-benefit analysis used as a basis for this decision.**
- **During the hearing, I raised the issue of the Chinese National Petroleum Corporation—International (CNPC-I) winning the oil tender process that TFBSO spent \$55 million to facilitate. Please provide details regarding this TFBSO project. Was a feasibility study conducted? Did that study anticipate a country like China winning the contract? Did TFBSO, DoD, or the U.S. government make any effort to encourage Afghanistan to award the contract to a company from the U.S. or other member of ISAF?**

- **Please provide a list of all TFBSO projects in which the overhead costs exceeded the direct costs of the program.**
- **Please provide a list of all foreign travel of TFBSO personnel outside Afghanistan or the United States. Include the date of the trip, the number of individuals who traveled, where they went, the purpose of the trip, and the total cost of the trip. Please include suspected trips to Europe for the carpet project and India for the jewelry project.**
- **Did TFBSO import goats from Italy to Afghanistan? Please provide details, including activities and costs. Was a feasibility study conducted for this project? Who approved this project? How were they transported to Afghanistan? How much was spent to bring the goats to Afghanistan? What were the results of bringing the goats to Afghanistan?**
- **Does DoD have classified information related to TFBSO? If so, why hasn't that information been provided to SIGAR?**
- **I appreciate that TFBSO sponsored a RAND study of the task force. However, the fact that many concerns from the 2010 CSIS report and the 2011 GAO report were not addressed increases my concern that DoD will likely make the same mistakes again if a concerted effort is not made to garner and codify lessons learned. What are DoD's specific lessons learned from TFBSO and how are those lessons being codified within DoD, in coordination with other relevant agencies, to avoid similar mistakes in the future? What office or agency is responsible for maintaining those lessons learned for future application? Please provide a detailed answer. If DoD expects other agencies to take certain steps, please detail what DoD has done to request certain actions from other agencies and how those agencies have responded.**
- **When DoD provided the list of TFBSO employees to SIGAR, did that list include military service members assigned to the task force? If not, why not? Do DoD cost estimates of TFBSO include the costs associated with military service members assigned to TFBSO? How many military service members worked for TFBSO during its tenure in Afghanistan?**
- **What was the specific date when former TFBSO Director Joseph Catalino was hired by the Department of Defense to work in the Office of the Undersecretary of Defense for Policy after he departed TFBSO?**

- Some have suggested that one of the justifications for a DoD task force like TFBSO is that it filled a niche supporting military commanders that the State Department and USAID did not. Yet, the January RAND report, sponsored by TFBSO, concluded that, "...integrating TFBSO operations into tactical and strategic military operations remained a challenge through the organization's life in Afghanistan." The report found that, "there was a significant gap with the U.S. military on types of activities that TFBSO should be engaged in..." The RAND report also concluded that, "A prevailing view among the military respondents was that TFBSO was a tool that should have benefited the military effort, but that it 'stayed out on an island' rather than becoming a team player." **What is your assessment of those RAND findings in a report sponsored by TFBSO?**
- **Were any TFBSO projects in Afghanistan transitioned to USAID or any other U.S. government entity? If not, why not? Is there any evidence that TFBSO made an effort to transition their projects to other agencies?**

Please provide at least an interim response with these answers and materials to my personal office, as well as the Senate Armed Services Committee, no later than March 1, 2016.

Thank you for your service to our country, as well as your commitment to transparency and cooperation with SIGAR and this subcommittee. I look forward to reviewing your responses.

Sincerely



Kelly A. Ayotte
Chair, Senate Armed Services
Readiness and Management Support Subcommittee