



SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

June 6, 2014

Major General Jeffrey N. Colt
Deputy Commander, United States Forces – Afghanistan

Major General Kevin R. Wendel
Commanding General, Combined Security Transition
Command – Afghanistan

Major General Harold Greene
Deputy Commanding General Combined Security Transition
Command – Afghanistan

Dear Generals Colt, Wendel, and Greene:

Thank you for your response to our April 24, 2014 request for information on the \$3 million procurement of patrol boats for the Afghan National Police. I am grateful for the efforts you made to try to answer our questions and your prompt reply was greatly appreciated.

I continue to have concerns, however, because CSTC-A was unable to answer a significant number of my questions regarding the patrol boats. The list of unanswered questions is particularly troubling given the fact – which CSTC-A acknowledges – that this program had been an important national security priority for the Afghan National Security Forces prior to its cancellation.

This is not the first time SIGAR has been confronted with lapses in record keeping, which hinder our ability to conduct our congressionally-mandated mission to oversee U.S. reconstruction funds. In this case, the lack of records makes it especially difficult to discern the history of the procurement and cancellation decisions. Among the missing records are the following:

- A concept of operations for employment of the boats.
- Whether a feasibility review of the operational requirements was conducted.
- Documentation that the operational requirement was approved in 2010.
- Justification for including these boats on the Tashkil¹ in 2010.
- The extent of involvement, if any, of the Afghan Ministry of Interior in the procurement process and the decision to cancel.
- The reasons and justification for cancelling this requirement.

Further, CSTC-A's response indicates that its Security Assistance Office (SAO) led a review board that determined that the boats do not fill a valid requirement for Afghanistan. However, no explanation of the basis for this decision is given.

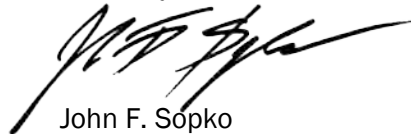
¹ The Tashkil is an Afghan government Ministry of Interior document that dictates the force structure, personnel end strength, command relationships, and unit/staff functions and mission descriptions for the ANP.

To help SIGAR better understand how these decisions were made, and to help us prepare lessons-learned reports intended to avert the waste of U.S. taxpayer funds in the future, please provide a detailed accounting of all of the elements of the SAO review boat's proceedings which led to that decision, including, transcripts, testimony, and exhibits.

By letter today, I have also requested the Department of the Navy to provide their plans for disposition of the boats, under the National Defense Authorization Act for Fiscal Year 2014 (Pub. L. No. 113-66), Section 1531.

Thank you for your cooperation and continued assistance in this matter. Please provide this information no later than June 27, 2014, to Jack Mitchell, Director of the Office of Special Projects, at [REDACTED] or [REDACTED]. Please do not hesitate to contact him should you have any questions.

Sincerely,



John F. Sopko
Special Inspector General
for Afghanistan Reconstruction

Enclosure: I - USFOR-A Response to SIGAR-14-54-SP Inquiry Letter: ANP Patrol Boats
II - CSTC-A Response to SIGAR-14-54-SP Inquiry Letter: ANP Patrol Boats

ENCLOSURE I: USFOR-A RESPONSE TO SIGAR-14-54-SP INQUIRY LETTER: ANP
PATROL BOATS

UNCLASSIFIED



HEADQUARTERS
UNITED STATES FORCES-AFGHANISTAN
KABUL, AFGHANISTAN
APO AE 09354

USFOR-A DCDR-S

25 May 2014

MEMORANDUM FOR United States Central Command Inspector General (CCIG), MacDill
Air Force Base, FL 33621

SUBJECT: United States Forces-Afghanistan (USFOR-A) Response to the SIGAR 14-54-SP
Inquiry Letter: ANP Patrol Boats

1. (U) Reference:

a. SIGAR 14-54-SP Inquiry Letter, 25 April 2014

b. Combined Security Transition Command – Afghanistan (CSTC-A) Response
memorandum to SIGAR 14-54-SP Inquiry Letter, "ANP Border Patrol Boats," 9 May 2014


2. [REDACTED] I have reviewed the SIGAR Inquiry Letter and the response provided by CSTC-A. CSTC-A exhausted all means to gather documentation locally, and from the Original Equipment Manufacturer and Naval Sea Systems Command, and responded appropriately.

3. [REDACTED] After a review of CSTC-A's response, I am confident that there was an operational requirement for 8 ANP patrol boats, but now only 4 patrol boats are authorized on the Tashkil. It is not clear, given the documentation at hand, that proper procedures to halt production and delivery of the boats were followed, but I have no evidence that CSTC-A's Security Assistance Office predecessors did not follow procedures. Lastly, given the current authority, the Department of the Navy will decide the best utilization plan for the patrol boats.

4. [REDACTED] Point of Contact for this action is Mr. Cliff Messman at DSN [REDACTED] or via email at [REDACTED], or COL Thurinton Harvell at DSN [REDACTED] or via e-mail at [REDACTED].

Encls:

1. SIGAR Inquiry Letter, 25 April 2014
2. CSTC-A Response, 22 May 2014


JEFFREY N. COLT
Major General, U.S. Army
Deputy Commander, Support
United States Forces-Afghanistan

UNCLASSIFIED

ENCLOSURE II: CSTC-A RESPONSE TO SIGAR-14-54-SP INQUIRY LETTER: ANP
PATROL BOATS



REPLY TO
ATTENTION OF
CSTC-A

HEADQUARTERS
COMBINED SECURITY TRANSITION COMMAND - AFGHANISTAN
MINISTERIAL ADVISORY GROUP
KABUL, AFGHANISTAN
APO AE 09355

22 MAY 2014

MEMORANDUM THRU United States Forces - Afghanistan (CJIG), APO AE 09356
United States Central Command (CCIG), MacDill AFB, FL 33621

FOR: Special Inspector General for Afghanistan Reconstruction, 2530 Crystal Drive, Arlington,
VA 22202

SUBJECT: CSTC-A Response to SIGAR 14-54-SP, "ANP Border Patrol Boats", dated 25 April, 2014.

1. The purpose of this memorandum is to provide a response to SIGAR's request for information contained in the SIGAR 14-54-SP letter of inquiry concerning ANP Border Patrol Boats.
2. CSTC-A's approach to resourcing and fulfilling Tashkil requirements of the Afghan National Security Force (ANSF) is a top priority. Undoubtedly, the procurement of eight rigid-hulled inflatable boats (RHIB) for the Afghan National Police (ANP) Border Patrol in 2011 was an equally important priority. Unfortunately, 2011 records of decision are not available to support all the actions taken that led to the RHIBs not being transferred to the ANP as originally planned. The RHIBs are in storage at the Naval Weapons Station/Cheatham Annex, Yorktown, VA, and will remain so until the Department of the Navy decides on the best utilization plan. CSTC-A has exercised appropriate due diligence in searching for information pertinent to this request. (Encl)
3. Point of contact for this action is CPT Todd R. Williams at DSN [REDACTED], or via e-mail at [REDACTED]


HAROLD J. GREENE
MG, USA
Deputy Commanding General, CSTC-A

Encl:
1) CSTC-A RFI Response

Enclosure 1
SIGAR Request for Information (RFI)
"ANP Patrol Boats"
(SIGAR 14-54 Letter of Inquiry)

In order to provide SIGAR with information about the operational requirements that initiated the procurement of the border patrol boats for the Afghan National Police (ANP), the reasons for cancellation, and the requirement for the U.S. government to pay for storage; please respond to the following questions:

1. How many watercraft do the Afghan National Security Forces (ANSF) currently operate? What is their mission?

- The Afghan Border Patrol (ABP), an element of the ANP, currently operates 4 patrol boats. In both SY1388 and SY1391, the ANP Tashkil authorization matched the on-hand quantity: four (4) ABP Patrol Boats.
- The CONOPS for patrol boats currently in the MOI inventory is to patrol the border along rivers in the North and West. They are also used to move supplies to the Kandaks deployed in these areas. These boats are used to interdict and to deter smuggling and illegal entry into Afghanistan.

2. What was the initial operational requirement for these boats? Was a concept of operations (CONOPS) written for the employment of these boats?

- As stated in the Memorandum of Request (MOR), the initial operational requirement was for 8 ANP boats. The requirement called for two boats each to be located at four locations including Heratyn, Ay Khanom, Khan Bandar and Abrishime. CSTC-A is unable to locate a proposed concept of operation for employment of the boats.

3. Which Afghan and coalition organizations reviewed and approved the requirement and CONOPS for these boats?

- The MOR documents a review of this requirement by the Security Assistance Office (SAO) of CSTC-A, as well as the Deputy Commander for programs. CSTC-A does not have records showing the requirement was approved in 2010, or documentation of CONOPS for employment of the boats.

4. Did CSTC-A review the feasibility of the operational requirement and proposed equipment solution before the procurement request decision was made?

- CSTC-A is unable to confirm if a feasibility review of the operational requirements was conducted. However, then as in now, CSTC-A is required to thoroughly research the necessity of all requirements. This process:
 - Ensures transparency, accountability and oversight of requirements validation and resourced solutions
 - Requires Afghan ownership to solve challenges while providing assistance from U.S. forces to deliver capabilities from conception to delivery
 - Ensure solutions are affordable, appropriate, feasible, and sustainable from an Afghan perspective
 - Assesses the effectiveness of delivered capabilities.

Enclosure 1
SIGAR Request for Information (RFI)
"ANP Patrol Boats"
(SIGAR 14-54 Letter of Inquiry)

5. How many patrol boats did that initial requirement call for and what was the cost estimate for their procurement and initial spares?

- As stated in the MOR, the initial requirement was for eight boats. Two boats each would be delivered to four locations.
- The initial requirement included one spare engine at each of four operational locations as well as one week training support at each of the four locations
- Initial cost estimate, including administrative fees and transportation was \$3,019,668.13

6. Provide a breakdown of the \$3 million dollars expended for these boats.

- As stated in the MOR, the breakdown of dollars spent for this requirement is listed below.
 - Eight patrol boats totaling \$2,163,381
 - Spare parts and four additional engines at a total of \$338,198
 - Technical Assistance at a cost of \$90,000
 - In-country Training at \$128,398
 - Contract Admin Service \$38,275
 - Admin Fee \$102,979
 - Transportation Fee \$206,712

7. Were any of these ANSF funds returned? The MOR states that the RHIBs were required by the ANP Tashkil1. What was the justification for including this capacity on the Tashkil? Does CSTC-A review the feasibility of Tashkil requirements before filling them?

- Approximately \$350,000 of residual funds was returned on this case.
- CSTC-A is unable to locate records providing the justification for including these boats on the Tashkil in 2010.
- It is normal practice for CSTC-A to conduct thorough research into the necessity of all requirements.

8. Was the Afghan Ministry of Interior (MOI) involved with this procurement? If so, how?

- CSTC-A is unable to locate records that describe the extent of involvement that MoI had during the procurement process for the RHIBs.

Enclosure 1
SIGAR Request for Information (RFI)
"ANP Patrol Boats"
(SIGAR 14-54 Letter of Inquiry)

9. Why did CSTC-A cancel the requirement for the patrol boats only nine months after the MOR was issued? Who cancelled the requirement? Were MOI officials involved in the cancellation decision or notified of the cancellation after the fact? Did they concur with the decision?

- Records of correspondence from the SAO-A Director are available discussing disposition following the cancellation of the requirement, but no cancellation direction has been located. CSTC-A is unable to locate records of MOI involvement or notification regarding the cancellation.

10. Was the DOD Afghanistan Resources Oversight Council (AROC) involved in the cancellation decision? If so, what was their role and position?

- The AROC was not involved in the cancellation decision due to the established \$100 million threshold for cancellation of non-standard equipment. The RHIBs were valued at just over \$3 million and did not meet this requirement.

11. What is the accumulated cost of storing and preserving these boats, and what are these costs expected to be in the future?

- \$9,600 was paid for one year of storage through Afghan Security Forces Funds (ASFF). No evidence of subsequent fees for storage exists within CSTC-A's records. These boats remain in the hands of the Department of the Navy until disposition instructions are received authorizing them to be transferred.

12. What are the plans for disposing of or utilizing the patrol boats?

- There are no current plans for utilizing the patrol boats in Afghanistan. Recent Congressional Legislation now authorizes the disposition of ASFF procured equipment vice delivery to the ANSF. These boats will be dispositioned under the National Defense Authorization Act, Section 1531, dated December 12, 2013. This legislation authorizes that equipment be returned to the appropriate military departments (MILDEP) for reutilization, resale or destruction. In this case the Department of the Navy is responsible for appropriate disposal of the eight boats.

13. Has CSTC-A conducted any review as a result of the procurement and subsequent non-delivery of the ANP patrol boats? If so, what were their findings and actions?

- CSTC-A's Security Assistance Office (SAO) led a Review Board Disposition Process on April 25, 2014 to consider the disposition of the boats. Organizations attending the SAO Review board included MOI and MOD MAG, NATC-A, and SOAG SMW. The board determined the boats do not fill a valid requirement in Afghanistan, and will be disposed of per applicable law (see item 12).



SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

April 24, 2014

Major General Kevin R. Wendel
Commanding General, Combined Security Transition
Command – Afghanistan/Ministerial Advisory Groups

Dear General Wendel:

I am writing to request information on a \$3 million procurement of patrol boats for the Afghan National Police (ANP) initiated by the Combined Security Transition Command-Afghanistan (CSCT-A) in 2010. My focus is on the operational requirements that initiated the procurement of the patrol boats for the ANP and the reasons for the cancellation nine months later. Additionally, I am also interested in the requirement for the U.S. government to pay for the storage and related expenses for these boats for the last 3 years, boats that apparently have no planned use.

In a memorandum of request (MOR) dated 12 October 2010 (enclosure I), CSTC-A requested that the U.S. Department of the Navy purchase eight rigid-hulled inflatable boats (RHIBs) for use by the ANP to patrol the Amu Darya river between Northern Afghanistan and Uzbekistan (see figures 1 and 2). According to the MOR, the total cost of the patrol boats, including spare parts and technical assistance, would come to just over \$3 million.

In response to the MOR, the Department of the Navy procured the patrol craft using the Afghanistan Security Forces Fund (ASFF). According to documents obtained by my office, in July 2011, CSTC-A cancelled the requirement for the patrol boats and requested that the contract be terminated and that the disbursed funds be returned. However, because 80 percent of the funds had been disbursed at the time of the requirement cancellation and the boats were nearly finished, it was decided that the contract should be allowed to proceed to completion. According to officials at the Defense Security Cooperation Agency (DSCA), the patrol boats were manufactured and delivered to the Navy in 2011 and have been in storage at the Naval Weapons Station/Cheatham Annex, Yorktown, Virginia ever since.



Figure 2 – Region where patrol boats were intended to operate



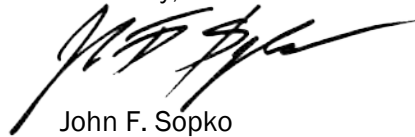
Figure 1 - One of the patrol boats purchased for the ANP

I would appreciate answers to the following questions raised by this procurement decision and subsequent cancellation:

- How many watercraft do the Afghan National Security Forces currently operate? What is their mission?
- What was the initial operational requirement for these boats? Was a concept of operations (CONOPS) written for the employment of these boats?
- Which Afghan and coalition organizations reviewed and approved the requirement and CONOPS for these boats?
- Did CSTC-A review the feasibility of the operational requirement and proposed equipment solution before the procurement request decision was made?
- How many patrol boats did that initial requirement call for and what was the cost estimate for their procurement and initial spares?
- Provide a breakdown of the \$3 million dollars expended for these boats.
- Were any of these ANSF funds returned? The MOR states that the RHIBs were required by the ANP Tashkil.¹ What was the justification for including this capacity on the Tashkil? Does CSTC-A review the feasibility of Tashkil requirements before filling them?
- Was the Afghan Ministry of Interior (MOI) involved with this procurement? If so, how?
- Why did CSTC-A cancel the requirement for the patrol boats only nine months after the MOR was issued? Who cancelled the requirement? Were MOI officials involved in the cancellation decision or notified of the cancellation after the fact? Did they concur with the decision?
- Was the DOD Afghanistan Resources Oversight Council (AROC)² involved in the cancellation decision? If so, what was their role and position?
- What is the accumulated cost of storing and preserving these boats, and what are these costs expected to be in the future?
- What are the plans for disposing of or utilizing the patrol boats?
- Has CSTC-A conducted any review as a result of the procurement and subsequent non-delivery of the ANP patrol boats? If so, what were their findings and actions?

Please provide your response no later than May 9, 2014. Should you have any questions or concerns, please contact Mr. Jack Mitchell, Director, Office of Special Projects, at [REDACTED] or [REDACTED].

Sincerely,



John F. Sopko
Special Inspector General
for Afghanistan Reconstruction

Enclosure: CSTC-A Memorandum of Request to the Department of the Navy requesting the procurement of the patrol boats for the Afghan National Police

¹ The Tashkil is an Afghan government Ministry of Interior document that dictates the force structure, personnel end strength, command relationships, and unit/staff functions and mission descriptions for the ANP.

² The AROC is responsible for approving all financial and activity plans for the Afghanistan Security Forces Fund (ASFF)

ENCLOSURE I: CSTC-A MEMORANDUM OF REQUEST TO THE DEPARTMENT OF THE NAVY REQUESTING THE PROCUREMENT OF THE PATROL BOATS FOR THE AFGHAN NATIONAL POLICE

MOR # 10S-E2P-916



NATO TRAINING MISSION – AFGHANISTAN
 COMBINED SECURITY TRANSITION COMMAND – AFGHANISTAN
 KABUL, AFGHANISTAN
 APO, AE 09356

REPLY TO ATTENTION OF
 NTM-A/CSTC-A, SAO-A FMS

12 October 2010

Department of the Navy
 Navy International Program Office
 2521 Clark Street, Suite 800
 Arlington, Va 22202-3928

SUBJECT: New Case for the CONUS Procurement of Boat, Patrol (7m RIB) Trailers and 4 extra engines for the Afghan National Police (ANP)

1. Request the purchase of the below items in the quantities listed in the MOR column.

Item	Tashkil	Acquired				Total	Tashkil Fill
		Issued	On Hand	On Order	MOR		
Boat, Patrol	8	0	0	0	8	8	100%

2. Request release of \$ 3,019,668 (fees included) from the FY10 Afghan Security Forces Fund (ASFF). The total case value is \$ 3,019,668.

MOR Number	Above the Line Cost		Admin Surcharge	Transportation	MOR Value	Total Case Value
	Basic Cost	CAS				
10-E2P-916	\$ 2,709,977	\$ 38,275	\$ 102,979	\$ 206,712	\$ 3,079,668	\$ 3,019,668

3. **Justification:** This request for equipment is LAW the 134 K Tashkil for the ANP and is designed to meet fielding requirements in June 2011.

4. **Funding:** Funding for this MOR is supported by the FY 10S spend plan.

5. **Transportation:**

a. Boats will be shipped via DTS. CSTC-A requests "Enhanced Physical Security" on all surface shipment items for this portion of the case. Specifically, CSTC-A requires the shipper to use only ST-675-1 tags.

b. In addition to required documentation, these items must be shipped with a placard no smaller than 11"x 17" on all visible sides of the pallet or container, showing in clear, bold English letters:

"These items are allocated for the Afghan National Police. Case Designator [XX-X-XXX]"

c. Request delivery of vehicles to the ANP Vehicle Depot in Kabul, Afghanistan.

	June
Boat, Patrol	8

6. Request Field Service Representative (FSR) arrive approximately 30 days after the boats arrive in Kabul Afghanistan. The FSR will spend approximately 6 weeks in Afghanistan with a week in each of the following cities: Heratyn, AyKhanom, Khan Bandar and Abrishime. All transportation on and life support inside Afghanistan will be provided by coalition forces. The training will encompass the reactivation and testing of the systems as well as basic boat operations and maintenance at each location.

7. The total value of this MOR cannot be exceeded without authorization from the Security Assistance Office-Afghanistan (SAO-A). SAO-A prior approval is required to adjust quantities or change requirements.

8. POC for this case will be Maj. Brian P. Phillips, DSN [REDACTED], [REDACTED].

CHRISTOPHER M. O'BRIEN
Major, U.S. Army
Chief, ANP FMS Branch, SAO-A

MICHAEL T. POWERS
GS 15, DOD
Comptroller, CJ 8, CSTC-A

MARK F. CONROE
Colonel, U.S. Army
Director, SAO-A

JOHN G. FERRARI 13 OCT 2010
Colonel, U.S. Army
Deputy Cominander for Programs

Attachment:

I. Line Cost Detail

- cc: DSCA, ATTN: Brett Floro, [REDACTED]
- USASAC, ATTN: Mike Williams, [REDACTED]
- USASAC, ATTN: Lil Wisson, [REDACTED]
- NAVSEA, PEO SHIPS, [REDACTED]

MOR # 10S-E2P-916

Attachment 1 – Line Item Cost Detail

Item Description	QTY	Unit Cost	Above the Line Cost	CAS 1.5%	Admin Fee 3.8%	Trans	Total Cost
Boat, Patrol	8	\$ 265,250.00	\$ 2,153,381.00	\$ 31,360.00	\$ 81,928.44	\$ 131,463.01	\$ 2,366,672.45
Spare Parts	1	\$ 333,200.00	\$ 338,198.00	\$ 4,998.00	\$ 12,851.52	\$ 75,249.06	\$ 426,296.58
Tech Assist	1	\$ 90,000.00	\$ 90,000.00	\$ -	\$ 3,420.00	\$ -	\$ 93,420.00
In Country Training	1	\$ 126,500.00	\$ 128,398.00	\$ 1,897.50	\$ 4,879.11	\$ -	\$ 133,277.11
			\$ 2,709,977.00	\$ 38,275.50	\$ 102,979.07	\$ 206,712.07	\$ 3,019,668.13

Boat, Patrol includes trailer.
 Spare parts included one extra engine per boat.
 Tech Assist will spend 6 weeks in Afghanistan.