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Project for Media and National Security  
George Washington University

Defense Writers Group

24 April 2019

**DWG:** We're on the record today with Mr. Sopko, who's been a Special Inspector General for Afghanistan Reconstruction since 2012. We were just discussing, I was a diplomat in Afghanistan just before you took over, so for 2010 and '11, so I'm particularly interested in your views now.

I'll start by asking a question and a follow-up and then we'll get as many questions in from everybody as we can.

Why don't I start, sir, with something very broad and ask you, based on long experience now, this is seven years, what do you estimate is the percentage of American federal spending in Afghanistan that involves waste, fraud and abuse? And what's the worst example that you've seen in seven years?

**Aa:** First of all, let me start by thanking you for inviting me here. I've done this roundtable I think twice before, so it's always a pleasure to come and talk to people such as yourselves, so thanks for having me. And thanks for the breakfast.

We've spent \$132 billion on reconstruction, so let's just put it into context. \$132 billion on reconstruction that's been appropriated. That's more than we've sent on reconstruction anywhere in the world.

We were asked by Congress not too long ago, and this was really difficult because Congress has asked us, everybody's asked us how much money have we wasted, how much has gone to fraud and all that. And we're an auditing agency, so we couldn't give an answer because it's very difficult. We didn't have records and all that. But we finally, I wouldn't say forced, but on the insistence of a lot of members of Congress, we actually did do an

audit and tried to answer the question that was just posed.

We were very conservative. We took, of the total \$132 billion, we only looked at what we had actually audited or investigated which was about \$50-some billion. \$53 billion roughly. So that \$53 billion we determined, and we had teams looking at it, asking the right questions, we peer-reviewed and all that, about 30 percent was, you could identify the fraud, waste or abuse.

Now as an auditor, I have to be cautious. I can't say that if we looked at all \$132 billion it would be 30 percent or 28 percent or 36 percent. I don't know. But that's our best guesstimate. It's very difficult to do that.

As a result of that request, because we didn't look at programs looked at by the DoD IG or the State IG or GAO or USAID IG, it's my understanding that those same requestors have sent requests to those agencies saying look at your audits, inspections, investigations, and see what you can come up with because I actually was talking to one of the other IGs and they said they're almost done with their analysis. We've done probably the most there.

What's the most egregious? You know, there's a dollar amount and then there's other things. I think the most egregious from a dollar amount is what we call the G-222, and I think one of the gentlemen here maybe wrote about it. It's an airplane that we purchased. It goes by other names too. C-27. And just in total amount, that's about \$500 million to buy a plane that couldn't fly. There's many reasons for that. We actually are conducting a criminal investigation. It's very difficult, so I can't really go into too much detail. But basically we bought 20-some airplanes out of the Italian, the Italian government had these in their boneyard. They were sitting. And somehow we purchased them for the Afghans. They were supposed to be short runway airplanes that could take off for cargo -- they weren't weaponized. And it turned out it was the wrong plane for the country. It turned out that the rehabbing of them was very poorly done. So much so that we had pilots tell us that they

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were basically death traps. When the planes landed in Afghanistan parts fell off.

A kind of semi-humorous story to this is that when we first noticed the planes they were sitting at the Karzai International Airport which is the main airport in Kabul, right across from the main waiting area. And there were all these planes, these gray airplanes just jumbled up with trees growing between them. Anybody who would come in and out, and you may have even seen them too, probably could have asked the question, what were those military planes doing there? So we finally did. And then found out the story of this thing, how poorly designed they were for Afghanistan and how poorly rehabbed.

So that's probably the biggest loss. It's hard to go beyond that.

The other thing I always like to remind people is fraud can kill. So it's a very much smaller in price tag fraud that occurred, but it killed GIs. There was a very, a couple of million dollars spent to put grates underneath the roads where our troops traveled, it was called a culvert denial system. And it turned out that the Afghan contractors who were contracted to, I believe it was the Air Force to do this. I don't know why the Air Force let the contract, but they did, they didn't put the culvert denial system up. What they did was they did one, took a photograph of it, and basically said this was where they had placed it.

The contracting officers never did their jobs. The U.S. contracting officers. They never checked the system. And what it turned out is that there was a bogus system, they didn't exist. And as a result, some of our soldiers and some Afghan soldiers were killed.

To me, I think that's equally egregious. It's not price. Fraud can kill, and I think that's one of the points I wanted to mention.

I can cite you millions of cases. Every time I went there for a while I said I can't believe this. This is almost humorous except people can get killed. But transporting goats from Italy by airplane. I mean that was a great thing. You know. The liquified natural gas station up in Kunduz. The fact that we still have ghosts we're paying for.

**Qq:** Ghosts?

**Aa:** Ghost soldiers, ghost teachers, ghost police, and that's a seirous problem.

After 17 years we're still losing billions of dollasr in fuel every year. Really. We haven't been able to fix that.

**Qq:** Have those things improved at all? Those last two things you mentioned? The ghost soldiers and the fuel disappearance?

**Aa:** A little, but not enough. And I know the current commanding general there, General Miller, is just outraged by this and he wants to try to fix it. But we're showing some movement in that area but it is a serious, serious problem. WE're losing billions of dollars a year in fuel.

So I would say the biggest loss area right now, and it will continue unless we do something about it, si fuel, and also the whole idea of salaries. Because we pay the salaries through, for the police it's through the United Nations Trust Fund, and we pay the salaries through direct assistance to the military or through a World Bank Trust Fund for the other things. So those are two serious problems.

So we haven't designed a good enough personnel system and we haven't forced the Afghans to implement it. We haven't conditioned enough to force them to use the system, which we're trying and this last administration, and General Nicholson tried too. But we didn't really condition a lot of the money. I think it was only three years ago we had, I'm trying to remember the name of the general who ran CSTCA which is the Combined Security

Training Command Afghanistan. They're the guys who do the training for the military. He told us, and we published it in a report, that he was the first one to actually put conditions on any of the money going to the Afghans, and that was only I think about three or four years ago. WE've been doing this for 18 years. We only started to put conditions three or four years ago.

**Qq:** Did you notice an improvement after conditions were -- can you link conditions to improvement? Or is this more of an insolvable problem?

**Aa:** That's a very good question and I can't really tell you if we saw dramatic change at all. We haven't audited so we don't really know. It's just that it's a better practice to put those conditions on. So for example, not paying salaries unless they're actually in the system and there's biometrics that identify one person is the same person that you're paying is a better practice, but we've never gone back in to audit it. So I can't answer that question.

**Qq:** From where you stand, the SIGAR reports also do a good job of showing how much of the population and the Afghan territory is under government control versus Taliban control. From where you sit, do you see the United States achieving any of its strategic goals in Afghanistan right now?

**Aa:** Achieving?

**Qq:** Yes.

**Aa:** Any of its --

**Qq:** Strategic goals.

**Aa:** Are you talking military or --

**Qq:** Yes.

**Aa:** Two things. First of all, and I'll have to wait until the next quarter comes out. Our quarterly report comes out next week. We can give you embargoed copies starting Saturday if you want to see it. I would definitely take a look at district control and population control. It's going to be an interesting phenomena. I can't tell you exactly, I don't want to tease you, but please take a look at it if you're interested.

If you talk to RS, Resolute Support. That's our NATO operation there, they say they have achieved their strategic goal, and that is the new test now for success or failure there is they've driven the Taliban to the peace negotiations. There's no treaty yet, but there's negotiations.

I don't think, I can't say for sure if they have or not. I have to rely on what they say. We haven't audited it.

There are some successes. Now whether it met our goals, strategic or otherwise, in the development sector they have met, but ultimately I don't think we've met all of our strategic goals there. The two major goals were, we were going to get the terrorists out and create a government that could keep the terrorists out. Obviously we haven't kicked the terrorists out, they're still blowing things up and we're negotiating with them. That strategic goal has now changed to get them to the peace negotiations. So we've done that. So maybe ultimately we'll achieve that strategic goal. I don't know.

**Og:** And how many Afghan troops and police are ghosts at this point?

**Aa:** We don't know. Thousands, tens of thousands. And the same would also probably apply to their teachers.

It was President Ghani who first turned me onto the whole problem of ghosts. This was before he was president. I had dinner at his house. This has got to be five or six years ago. He said you know, Mr. Sopko, you, the United States, are paying an Afghan's salary as a policeman, but you're also paying his salary

as a teacher, you're also paying his salary as a soldier, and he doesn't exist. I said well, that's kind of interesting. And then he started describing the whole problem of the personnel system.

So I can't tell you for sure, we haven't done the audit. But I would say thousands.

**Qq:** Tens of thousands?

**Aa:** Tens of thousands.

**Qq:** Thank you.

**Qq:** [Inaudible], Reuters?

**Qq:** Can you talk about the access you have the access you have in country? A decade ago you could probably go around the country a bit more freely just because there were more U.S. troops and personnel. What's your access when you go in and can you look at the same things, the same level of detail that you were a few years ago?

**Aa:** No, we cannot and it's because of the security situation. We try as much as we can. We try using novel techniques. We also use Afghan entities to try to get us out further because they can stay a little longer, they're less of a security risk. We tend to travel, because of the security situation, in a very obvious way so it draws attention. We have teamed up with a civil society organization to help us. But we can't get out, and that's a concern of ours, particularly, and I do want to mention this report. We have copies of it if you don't have it already. This is our, every two years we come up with a high risk list and these are the biggest threats to reconstruction. This one we spend a lot of time talking about.

**Qq:** There are some copies of it back tehre.

**Aa:** Risks caused by or risks to an eventual peace. This is the

first time we talk about that. And one of the things we emphasize is oversight and access.

**Qq:** And if the troop, the U.S. number is further reduced, that would impact the oversight.

**Aa:** It could devinitely have an impact unless we come up with other ways to protect the money. The concern we raise is if you don't plan for that now, if peace happens and there's a drawdown in either troops, AID officials DoD officials, civilian as well as military, State officials, don't forget about oversight, because we're still pumping money in and we will continue to pump money in. And one of the points we make here is, one of the high risks is the financial situation in Afghanistan. The government cannot pay for itself. So we, and that's nothing new, it's just that that's a high risk if yo have peace and everybody figures okay, war's over, let's leave. A dramatic decrease in not only troops, but a dramatic decrease in support, financial support to the Afghan government will mean the collapse of the government.

**Qq:** Paul Shakeman.

**Qq:** Sir, as I understand it, the Afghan government has stopped publicly releasing casuaslty counts of Afghan forceds who are dying every year. I think that's as of 2017 or 2018. But from all the open source reporting that we have, it looks as though it's only gotten significantly worse than it was the last time it was publicly available three or four years ago.

American officials frame the current situation as one of simultaneous fighting and talking.

**Aa:** Yes.

**Qq:** I wonder if from your perspective, whether you think the model that exists now with the fighting that's taking place is a sustainable one? How long do you think these pro-government forceds can continue to fight and talk at the same time?



**Aa:** That's difficult to answer. Particularly difficult because a lot of the answers or the information to answer that question is classified now. Again, it would behoove you, if you're interested in any of this, to take a look at the quarterly report that comes out, because what we are finding is now almost every indicia, metrics, however you want to phrase it, for success, for failure is now classified. Or non-existent.

**Qq:** So things that weren't classified have now been classified?

**Aa:** Over time it's been classified or it's no longer being collected. So I'm just saying please read the quarterly report for that. It's very difficult for me to answer that question.

Public sources will tell you that the casualty rate is high, it's growing for the Afghan forces, and the question of whether it's sustainable or not is an open question. I can't answer that in a public forum this morning. I'm sorry. I can't.

But look at our quarter report and we try to answer that.

Now why is it important? I know this became a big deal at a press conference in the White House about why is this information being discussed publicly. Well, by law we have to. Congress established this quarterly report system and Congress says your reports have to be made public unless they're classified. So we have a classified annex. We've had a classified annex for years. That's always what we were doing.

But what's important I think is the public discussion and the people should know how their money's being spent, and if everything's classified, the people don't know how their money's being spent and they can't ask important questions like are we doing a good job or not? Should we be there or not? Whatever.

Congress also has a difficulty discussing and debating and understanding an issue when all the information is classified. Because although congressmen don't have to worry about security clearances, their staff do. So all this information is put in

the basement of the capitol or someplace. It's extremely difficult to get to. And the classification, we think in some areas, is needless. There's no need to classify some of this stuff. But we don't have classifying authority so all we can do is tell the Congress please read the information.

But yo're going to see this, more and more information -- I'm pointing at this report. This report is totally unclassified. But when you get to our quarterly report on casualties and on other things.

**Qq:** Can you say how much worse the casualty rate is --

**Aa:** No.

**Qq:** -- in any metric?

**Aa:** No.

**Qq:** And can you talk about what you just said, about the classification. Have you ever seen something that was classified that in your mind was strictly for political reasons, not because it was in the interest of protecting the war effort or --

**Aa:** My personal opinion, and it's not just in this job but in prior jobs. Of course. I worked on the Hill for nearly 25 years. I've seen a lot of stuff classified because it's embarrassing?

**Qq:** Can you give us an example?

**Aa:** Oh, God. I'd have to go back to when I worked for Sam Nunn. Embarrassing things tend to get classified in this town.

It's as simple as this. Look, governments usually don't classify good news. Okay? [Laughter]. Have you ever heard of a U.S. government agency or UK or anybody classifying good news? And if they do, by mistake, it's leaked. [Laughter]. So I can say that based upon not my current experience. I've been in this down

since 1982. I've been working in the government on and off since 1977. So based upon that years of experience. The government does not classify good news. I'll leave it at that.

**Qq:** In the last couple of years your reports have increasingly raised this issue of classification of more and more metrics, and I'm wondering whether, you brought this up, I'm wondering where there's been an additional, just this year for example, have there been additional steps taken in that direction? Or are you just referring to what's happened over the past couple of years?

**Aa:** In part the classification has just been continuing. But again, I can't tell you, I know I'm a tease on this and I hate to do it, but the quarterly report will be available to all of you embargoed on Saturday. You can get it from him. Take a look at it. I think you're going to find some interesting information in it.

**Qq:** Kathy?

**Qq:** To get back to the question of Taliban control and how that is measured, there are a couple of different metrics out there and I'm wondering which one you use. The Times, for example, has published maps that show the Taliban in control of more districts than at any time since 2001. There are other metrics that show they're in control of like eight percent or something like that. So the degree of control I think is a little bit confusing. How do you drill down on that and what's the best metric?

**Aa:** We use the metric that our military uses. That's how we do it. We do not come up with our own independent assessment. This was something that the military always gave us on population control and district control. You're right, that is kind of squishy because we don't have people out there. By we, I mean our military. In the heyday when your colleague here was over there when we had 130-some-thousand troops and we had bases everywhere, you kind of knew because we had soldiers going up and down the road, whether that district was controlled by the Taliban or not and whether they controlled it at night. That's

another thing is, who controls it in the day and who controls it at night, and how do you define it?

So we're not in that business. We took the data that has been given to us by the military and they got it, I think, both from their own capabilities, their own troops, as well as what the Afghans have been telling them.

**Qq:** Do you know how they define controlled? I had heard it's something like if the Taliban's capable of pulling off like two attacks per month, which --

**Aa:** I don't know the details of that. I think at one point, and I'm going to turn to my colleague here to remind me. I think the quarterly report actually, one of our quarterly reports, we actually came up and we used their definition. So we've listed the definition when we cite this data. I don't know which quarterly report, but we can get back to you.

**Qq:** Great.

**Qq:** Ashley?

**Qq:** I wanted to ask about the [SFAB], the second [SFAB] have recently implied that there was sort of like a gap between the first and the second. Can we get some of your insight on is it making, the [SFABs] making a difference? How do you quantify the training and the difference they're making?

**Aa:** We discuss that in great detail in our quarterly report. I can't give you a really good answer on that. We have talked about the [SFAB] before