



Wartime Contracting hearing will probe weak controls and waste in Afghan construction projects

ARLINGTON, VA, Jan. 19, 2011 – The independent and bipartisan federal Commission on Wartime Contracting in Iraq and Afghanistan will conduct a hearing on Jan. 24, 2011, on problems in U.S.-funded construction projects in Afghanistan.

Witnesses for the Capitol Hill hearing, “Recurring Problems in Afghan Construction,” include Maj. Gen. Arnold Fields (USMC, Ret.), the departing Special Inspector General for Afghanistan Reconstruction; military and federal-civilian officials; and a panel representing key contractors performing work in Afghanistan.

The hearing will begin at 9:30 a.m. Monday, Jan. 24, in Room 216 of the Hart Senate Office Building, 2nd and C Streets, NE, Washington, DC. The hearing is open to the public and to news media.

The U.S. government has committed billions of dollars to construction projects in Afghanistan since the anti-Taliban intervention was launched in 2001. Goals include supporting U.S. and allied troops, providing facilities for the Afghan government, reconstructing damaged properties, and promoting economic development. The lead agencies involved are the Department of State, U.S. Agency for International Development, and the Department of Defense, all of whom employ large numbers of contractors.

Projects include the \$300 million Kabul power plant, schools, hospitals and clinics, prisons, and facilities for the Afghan National Army and Police; plus barracks, airfields, clinics, dining facilities, and other support for American and allied troops in the country.

“I’ve seen first-hand the Afghan people’s need for modern infrastructure, schools, and health-care facilities,” said commission Co-Chair Michael Thibault. “Providing them with that help is a humane thing to do, as well as an element in reducing support for the Taliban and other extremists. Our hearing isn’t challenging those objectives, but it is raising questions about how wisely American taxpayers’ dollars are being spent and how well contractors are being supervised. Both government and contractors need to do better.”

Commission Co-Chair Christopher Shays said, “We have built a power plant that the Afghans can’t afford to run and can’t maintain on their own. We have built clinics without staff and schools without teachers. We have built wooden structures in termite-ridden areas. We have committed billions to construction without adequate planning, supervision, or good records on contractor performance. It’s no surprise that many projects exhibit delays, cost overruns, quality problems, and sustainability issues.”

The three panels for the hearing are as follows:

PANEL ONE: The Special Inspector General for Afghanistan Reconstruction (SIGAR).

- Maj. Gen. Arnold Fields, who was appointed SIGAR in June 2008, and who will leave government service on Feb. 4, will testify on his agency’s work in Afghanistan. The SIGAR organization’s recently reported that inadequate oversight of contractors led to “shoddy construction” of facilities for the Afghan National Police in Kandahar and Helmand.

PANEL TWO: Federal officials on construction-contract management and oversight.

- Maj. Gen. Jeffery J. Dorko, Deputy Commander for Military and International Operations, U.S. Army Corps of Engineers, responsible for policy, programming, and technical support in the execution of over \$28 billion of design, construction, and environmental programs.

- Col. Wilfred T. Cassidy, Deputy Director, Air Force Center for Engineering and the Environment, assisting in leading a 500-person workforce that manages the Air Force's military and housing construction, environmental restoration, and privatized military family housing programs.

- William J. McGlynn, Principal Deputy Assistant Secretary, Bureau of International Narcotics and Law Enforcement, Department of State, which supports training for the Afghan National Police.

- (The Commission has asked the U.S. Agency for International Development, which sponsors significant construction in Afghanistan, to provide a senior-level witness for this panel.)

PANEL THREE: Construction contractors with projects in Afghanistan (invited witnesses).

- Larry Walker, President, Louis Berger Group, one of USAID's prime contractors for schools, clinics, and roads. Partner with Black and Veatch in power projects including the Kabul Power Plant.

- William Van Dyke, President, Black & Veatch Special Projects.

- Michael E. McKelvy, President, Government, Environment & Nuclear Division, CH2M Hill, whose work in Afghanistan has included military-base expansions.

- Charles Mouzannar, Executive Vice President, AMEC Earth and Environmental, Inc., which is responsible for the Afghan Defense University in Kabul and the Afghan National Army garrison in Herat.

- Bruce McCarron, Regional Director, UNOPS, which acts as USAID's implementing partner (a grant recipient rather than a contractor) for the Ghazi Boys School project.

Congress created the commission in 2008 (Public Law 110-181) to examine contingency contracting for reconstruction, logistics, and security functions, and to recommend improvements. Co-chairs are Michael Thibault and Christopher Shays; other members are Clark Kent Ervin, Grant Green, Robert Henke, Katherine Schinasi, Charles Tiefer, and Dov Zakheim. The Commission's executive director is Robert Dickson; its website is www.wartimecontracting.gov.

The commission has made a 2009 interim report and three special reports to Congress. The commission's final report to Congress is due in July 2011.

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