

MEMORANDUM

September 8, 2016

TO:

John F. Sopko

Special Inspector General for

Afghanistan Reconstruction (SIGAR)

FROM:

Herbert Smith, Mission Director

SUBJECT:

Mission Response to Draft SIGAR Review titled:

"Afghanistan's High Office of Oversight: Personal Asset

Declarations of High Ranking Afghan Government Officials Are Not Being Consistently Registered and

Verified" (SIGAR-16-XX-SP)

REF:

SIGAR Transmittal email dated 8/23/2016

USAID thanks SIGAR for the opportunity to comment on this Draft Review.

USAID concurs with SIGAR's overall assessment of the institutional weaknesses attributed to the High Office of Oversight (HOO). USAID stands by its initial decision to support the HOO, which at the time was a newly established and untested institution and appeared to be a promising vehicle for combatting Afghanistan's rampant corruption. Over time, USAID shifted the focus of its anti-corruption assistance to other partner institutions, where it felt its assistance would have more impact.

Technical Comments:

USAID requests that SIGAR revise the report to correct or add statements regarding funds allocated for support of the I-IOO by USAID:

1. **SIGAR draft report, page 4, para. 3:** Under the Strategic Support to the Islamic Republic of Afghanistan Project, implemented by the Asia Foundation, support to the HOO constituted a small component of USAID's entire assistance. Please note that the funds allocated and expended under this project totaled \$85 million. Please revise in the report the total sum of the project from \$87 million to \$85 million.

Also please add the following sentence to the end of the paragraph: "This technical assistance to the HOO represented approximately \$9 million of the total \$85 million award."

2. SIGAR draft report, page 4, para. 4: The total amount allocated to Task Order # DFD-I-06-08-00072 under the Indefinite Quantity Contract (IQC) # DFD-I-00-08-00072 was \$9.4 million. The Task Order was issued to Management Systems International (MSI) to assist the HOO to carry out responsibilities in priority areas. Therefore, please replace the sentence "USAID awarded this \$26.6 million, 3-year contract to Management Systems International in September 2010." with the sentence "USAID awarded this \$9.4 million, 3-year Task Order to Management Systems International in September 2010."

The documents supporting the requested corrections were provided to SIGAR in course of its field work under the subject Special Project review.

cc: Robert Clark, Controller, USAID/Afghanistan Daniel Wartko, U.S. Embassy/Kabul OAPA Audit