

SIGAR'S SOPKO RE \$50 MILLION SOLE SOURCE RULE OF LAW CONTRACT: "YOU CAN'T MAKE THIS UP"



John Sopko

The Special Inspector General for Afghanistan Reconstruction (SIGAR) has discovered that the State Department has awarded a sole source contract for nearly \$50 million to provide training on the rule of law in Afghanistan. Remarkably, the State Department ignored its own rules for contracting and provided no mechanism for verifying spending under the contract. SIGAR also has found that the International Development Law Organization, which was awarded the contract, is particularly ill-equipped to manage such a large contract and is refusing to cooperate with SIGAR's investigation.

From the alert letter (pdf) sent to Secretary of State John Kerry from Special Inspector General John Sopko:

I write to alert you to serious deficiencies related to the Afghanistan Justice Training Transition Program administered by the Department of State, Bureau of International Narcotics and

Law Enforcement Affairs (INL). In the course of performing an audit of rule of law programs managed by INL, SIGAR became aware of INL's sole source award to the International Development Law Organization (IDLO) for Afghan justice sector training services. This award does not appear to contain basic provisions that would allow INL to ensure proper monitoring and evaluation of a project expected to cost U.S. taxpayers nearly \$50 million.

On December 27, 2012, INL offered IDLO \$47,759,796 in exchange for work on a project titled, "Completing the Transition in Afghanistan: Justice Training Transition Program (JTTP)" (see attached). On January 2, 2013, IDLO accepted INL's offer by initialing a two-and-a-half page Letter of Agreement. According to INL, this is the largest project IDLO has ever worked on and the United States has already obligated \$20 million towards its completion.

It is very easy to see that this is the largest project IDLO has ever worked on. Their website is pathetic. The "people" section lists only one person, Irene Khan, noting that she served as Director General of Amnesty International from 2001-2009. The page fails to mention that she was removed from that post and caused quite a scandal with the huge payout she forced Amnesty International to give her in order to leave.

Returning to Sopko's letter, we see that IDLO was chosen to replace another organization, PAE (whose new Executive Chairman just came from CACI, scary folks there...) and that SIGAR had "significant concerns raised regarding award and management of the PAE contract". It appears that the State Department can't quite figure out how to observe the law in giving out grants to train Afghans on the administration of justice. Further, SIGAR found that the State Department ignored its own rule in awarding this contract

in a manner that makes oversight almost non-existent, even though it did require oversight on the portion of the program that is contracted to the Afghan government.

Regarding IDLO itself, the letter is devastating (emphasis added):

Preliminary information gathered by SIGAR auditors suggests that **IDLO is ill-prepared to manage and account for how U.S.-taxpayer funds will be spent** on the JTTP. Documents provided to SIGAR indicate that IDLO's annual budget is about \$27 million (at €1.32 to the dollar). A State Department official told SIGAR auditors that IDLO's budget has declined in recent years, even as its portfolio of projects has increased, forcing IDLO to implement its projects with less funding. According to this official, IDLO also lacks proper international financial certifications, which prevents it from validating its internal spending. Therefore, in the absence of further explanation, it seems ill-considered for INL to have awarded almost \$50 million to an organization that may not have the ability to account for the use of those funds, under an agreement in which INL failed to require proper provisions for oversight.

The oversight risks associated with INL's sole source award prompted SIGAR to request substantive information directly from IDLO. However, **IDLO has refused to fully comply with SIGAR's repeated requests for information regarding its budget, organizational structure, and financial relationship with the U.S. government.** IDLO has also refused to provide complete copies of the materials it uses to help train Afghan justice sector officials under its award from INL. IDLO's failure to comply with these requests raises

serious concerns regarding its commitment to transparency and willingness to acknowledge the authority of the U.S. government to oversee how U.S. taxpayer funds are spent.

It should come as no surprise then, that Inspector General Sopko would have this to say about the contract:

The State Department – for some inexplicable reason – gave IDLO \$50 million in U.S. taxpayer dollars, then gave away any oversight of this foreign entity. The irony here is that State violated its own written policy and gave them a huge check to teach the Afghans about the ‘rule of law.’ As the saying goes, you can’t make this up. We’re going to get to the bottom of this and hold people accountable.

Well said. Although, being foul-mouthed, I would have gone all the way to “You can’t make this shit up”.

Update: IDLO just tweeted this link to me with their rebuttal of SIGAR’s charges: http://www.idlo.int/Documents/IDLO_Statement_re_SIGAR.pdf