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Pentagon Task Force: We Want Villas and Flat-Screen TVs in Afghanistan

In its latest salvo, the inspector general dings the controversial task force for spending \$150 million on private housing in Afghanistan, including fancy meals and round-the-clock bodyguards.

by Megan McCloskey
ProPublica, Dec. 3, 2015, 12:01 a.m.

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Task force director Paul Brinkley, shown in Herat, Afghanistan, said they were shaking up a traditionally bogged down development system and couldn't be bound by red tape.

(Beniamin Lowy/Getty)

The requirements were clear: Villas with no less than queen beds, flat-screen TVs of no less than 27 inches, meals of at least three stars, and round-the-clock bodyguards. Sounds more like a celebrity rider than a description of Afghanistan accommodations for U.S. government employees. But that's what the Pentagon's Task Force for Business and Stability Operations requested — at a cost of \$150 million, according to a letter released today by the Special Inspector General for Afghanistan Reconstruction, or SIGAR.

Pentagon Now Facing More Scrutiny Over \$766 Million Task Force

Senators were already questioning why the Defense Department was restricting a government watchdog. Now there are criminal investigations and questions about retaliation against a whistleblower. Read the story.

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The high-end demands add to a string of recent controversies involving the now-defunct task force. Last month SIGAR reported that the task force spent \$43 million on a gas station that should have cost about \$500,000 and had no customers regardless. There are also allegations the Pentagon has retaliated against a task force whistleblower as well on-going criminal investigations. And a standoff between SIGAR and Pentagon officials over access to documents that has gotten the attention of Congress.

The task force was supposed to be an entrepreneurial initiative to jumpstart the Afghanistan economy. The Pentagon hired investment bankers, equities traders from Bear Stearns, wealth managers and Silicon Valley expats. They were expected to create jobs and encourage foreign investors by bringing them into the country and showing them the money-making possibilities.

SIGAR has been digging into the task force to figure out what the Defense Department accomplished with five years and a budget of more than \$800 million.

The "villas" were a special arrangement not often seen for war zone workers, and some task force officials told SIGAR the pricey set up supported only a handful of employees at a time. Rather than living on military bases, which would have likely been free for a DOD organization, or at the embassy, which SIGAR estimates would have cost just \$1.8 million a year, the task force instead opted to spend about 20 percent of their total budget to live on their own in Kabul.

Army Lt. Col. Joe Sowers, a DOD spokesman, didn't comment on SIGAR's findings, saying only, "we have received the recent letter from SIGAR and will respond."

The task force's director, Paul Brinkley, has said they were shaking up a traditionally bogged down development system and couldn't be bound by red tape. Avoiding connections to the military and having easier access to the local community was part of that.

"The goal was to show private companies that they could set up operations in Afghanistan themselves without needing military support," Brinkley wrote in his book, "War Front to Store



The private residences of the Task Force for Business and Stability Operations in Kabul. The high-end accommodations plus private, 24-hour security cost taxpayers \$150 million. (SIGAR)

Business initiatives are normally the bailiwick of USAID and not the military. John Sopko, head of SIGAR, told ProPublica last year that he wants to know: "Why the hell was the DOD doing economic development?"

U.S. officials have said the task force didn't make many friends at the embassy. The task force, known by its acronym TFBSO, often didn't share information or coordinate with USAID. "TFSBO was a nascent organization with a much more flexible structure and mandate that was not nearly as conservative as USAID," according to one senior State Department official. The task force was a like a venture capital idea, and "USAID was both appalled and slightly envious" they "could try nine things and hope that one would work."

But SIGAR isn't sure that anything did.

"As far as we can see, they accomplished nothing," Sopko said last year.

The task force started in Iraq, and SIGAR has "grave concerns about whether that was a smart lesson to repeat in Afghanistan," he said.

Sopko said SIGAR has received more allegations about the task force than any other reconstruction project. "There's a whole list of concerns we have over TFBSO," he said.

The task force shut down last spring. Many members quit after Congress decided that its mission should be under USAID and not the Pentagon. Brinkley told the Washington Post at the time that having a humanitarian agency do the work was "like asking General Motors to make potato chips." Brinkley has so far refused to cooperate with SIGAR.

What has happened to the task force projects is unclear. When ProPublica asked military officials in Afghanistan about the current status of TFBSO projects, they said they couldn't provide answers and to talk to USAID. USAID said they had nothing to do with it and told us to talk to the military.

In Sopko's letter to Secretary of Defense Ash Carter, he asked for more information, including whether a cost-benefit analysis had been done on the living arrangements, and a list of what private companies the task force had brought into the country and how much any of them ended up investing. SIGAR has had little success getting any answers to previous questions. The Pentagon has repeatedly told SIGAR that because the task force shut down, the DOD no longer had "the personnel expertise to address these questions."

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Megan McCloskey

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Plot Thickens: Pentagon Now Facing More Scrutiny Over \$766 Million Task Force

Senators were already questioning why the Defense Department was restricting a government watchdog. Now there are criminal investigations and questions about retaliation against a whistleblower.

by Megan McCloskey ProPublica, Nov. 25, 2015, 12:45 p.m.

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Defense Secretary Ashton Carter holds briefing at the Pentagon. (Chip Somodevilla/Getty)

The Pentagon is scrambling to justify its actions in restricting the government watchdog investigating a \$766-million task force in Afghanistan — with more controversy seemingly erupting by the day. Now there are allegations that Defense Department officials retaliated against a whistleblower and news of several ongoing criminal investigations. Earlier this month, we reported that the Pentagon was making it difficult for the Special Inspector General for Afghan Reconstruction to investigate reports of gross waste and mismanagement by the now-defunct, five-year Task Force for Business Stability Operations. One of its projects, a gas station, cost 140 times what it should have.

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Since then, several members of Congress have demanded that the Pentagon cooperate fully with SIGAR.

The Defense Department has been unable to provide a reasonable explanation for why it only restricted SIGAR when the inspector general turned his attention to the troubled task force and how the department will work with SIGAR in the future. The DOD has been legally required to provide free access to the inspector general since SIGAR'S inception in 2010. Here's the background: After receiving numerous complaints about the task force, called TFBSO, SIGAR launched an investigation. As it typically does, the inspector general requested task force documents. But the Pentagon refused to comply, telling SIGAR that it was placing new rules and restrictions on access. The Pentagon told SIGAR that it must review the documents in a DOD-controlled "reading room" in Washington and any documents SIGAR wanted to take must first have names redacted. The DOD said it believed SIGAR had inappropriately released documents with names of service members in response to an unrelated Freedom of Information Act request from ProPublica.

In response to questions from ProPublica, Lt. Col. Joseph Sowers, a DOD spokesman, insisted this wasn't a new policy, but a "common sense safeguard."

That safeguard, however, has only applied to task force documents — not any other material requested by SIGAR that contained names. That contradiction prompted SIGAR to call DOD's explanation a "red herring."

When ProPublica asked the Pentagon why the restrictions weren't applied across the board, the agency fumbled to find an answer.

First DOD officials said that "the same ground rules" would apply to all future SIGAR requests. But when asked how this would work in Afghanistan, where SIGAR has 35 people and there is no reading room, officials backpedaled. They couldn't answer questions about where SIGAR staff would read the documents, who would redact the sometimes thousands of pages in a SIGAR request, or even whether Army Gen. John Campbell, who oversees the military in Afghanistan, was involved in the decision.

The Pentagon then said the restrictions would not, after all, apply to every future SIGAR request. Instead the Pentagon would decide on a "case by case basis." DOD officials wouldn't say what criteria would be used to decide whether the documents would be restricted or who would make the decision.

Sowers said that regardless of the reading room requirements, SIGAR has "unfettered access" to do its job and evaluate the TFBSO. SIGAR, however, called the restrictions borderline obstructive and said at the very least they violate the spirit, if not the letter, of the inspector general act and the law that established SIGAR.

Sen. Chuck Grassley, R-lowa, and several other senators have said they are concerned not just with the Pentagon's policy for SIGAR, but also with the wasteful spending of the task force. That includes building the gas station, which cost \$43 million dollars when it should have cost between \$200,000 and \$500,000. Sen. Kelly Ayotte, R-N.H., has called a hearing next month on the gas station. Grassley has demanded the Pentagon turn over all the task force documents to his office, and has asked the DOD inspector general to launch its own investigation into the task force.

In addition to auditing the task force, SIGAR's criminal division is also conducting several investigations into the task force, but cannot comment on specifics, according to Grassley. "I expect the Pentagon to cooperate fully with the inspector general and with my office in all inquiries involving the task force," he said in a statement. "With the poor track record reported on the auditing side, there's reason to be skeptical on the level of cooperation with the inspector general on the criminal side."

Grassley is also seeking answers about the allegations of Army Col. John C. Hope, the former director of operations of the task force. Hope said he is being retaliated against for "speaking the truth" about a lack of accountability with the task force in an official Army report, according to a <u>letter</u> Grassley wrote to Defense Secretary Ash Carter this week. Hope

claims his evaluation is being purposefully withheld, which jeopardizes his next assignment and affects possible promotion.

Brian McKeon, the deputy under secretary of defense who made the decision to restrict SIGAR's access to the documents, is Hope's senior evaluator. McKeon, as well as the former task

force director, Joseph Catalino, are responsible for completing Hope's evaluation.

"Neither has reportedly signed [the evaluation]," Grassley wrote to Carter, and "both would have received Hope's highly critical [report] about a total 'lack of accountability' at TFBSO."

The Pentagon said it was agency policy not to speak about individual officer evaluations. "We welcome continued review by SIGAR in their effort to ensure the TFBSO activities are properly assessed and analyzed," Sowers said

"If the Pentagon is retaliating against someone for speaking out on poor accountability and wasteful spending, that's unacceptable," Grassley said in a statement. "It's detrimental to the individual and to the taxpayers.

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Grassley has asked Carter to step in personally.



Megan McCloskey

Megan McCloskey covers the military for ProPublica. Previously she was the national correspondent at Stars and Stripes. Follow @MeaMcCloskev

Watchdog Accuses Pentagon of Evading Questions on \$800 Million Afghanistan Program

Despite lacking access to key documents and personnel, the inspector general determined that nearly \$43 million had been spent on a natural gas station that should have cost closer to \$300,000.

by Megan McCloskey ProPublica, Nov. 2, 2015, 8:35 a.m.

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John Sopko, Special Inspector General for Afghanistan Reconstruction (SIGAR). He wrote that he finds it "both shocking and incredible" that the Defense Department asserts it no longer as any knowledge about the \$800 million program. (Charles Dharapak/AP)

This story has been updated

The watchdog charged with overseeing U.S. spending in Afghanistan says the Pentagon is dodging his inquiries about an \$800 million program that was supposed to energize the Afghan economy.

John Sopko, the Special Inspector General for Afghanistan Reconstruction, said the military is restricting access to some documents in violation of law and has claimed there are no Defense Department personnel who can answer questions about the Task Force for Business Stability Operations, or TFBSO, which operated for five years.

"Frankly, I find it both shocking and incredible that DOD asserts that it no longer has any knowledge about TFBSO, an \$800 million program that reported directly to the Office of the Secretary of Defense and only shut down a little over six months ago," Sopko wrote in a letter to Secretary of Defense Ash Carter released today.

The Pentagon's claims are particularly surprising since Joseph Catalino, the former acting director of the task force who was with the program for two years, is still employed by the

The Pentagon's claims are particularly surprising since Joseph Catalino, the former acting director of the task force who was with the program for two years, is still employed by the Pentagon as Senior Advisor for Special Operations and Combating Terrorism.

In June, the DOD wrote in an official response to Sopko that it "no longer possess[es] the personnel expertise to address these questions," a point the Pentagon reiterated in October.

However, in response to questions from ProPublica Friday, a Pentagon spokesman said in an email that Catalino will be made available for questions. SIGAR had previously spoken to him before the task force shut down in March.

The Pentagon has also refused to allow SIGAR to freely review all the task force documents. Normally the inspector general is simply given the documents it requests, but the Pentagon is insisting that anything related to the task force be read in a DOD-controlled room on DOD computers, and any documents SIGAR wishes to take must first be reviewed and redacted by the Pentagon.

"We have established a reading room at the task force document storage facility specifically for SIGAR use," said Army Lt. Col. Joe Sowers, a Department of Defense spokesman, in his email.

These "appropriate security safeguards," as Principal Deputy Under Secretary Brian McKeon called them in a letter to Sopko, "are necessary due to SIGAR's actions that revealed Personally Identifiable Information [PII] in an unrelated incident."

The incident McKeon referenced involved information requested by ProPublica under a Freedom of Information Act request last November. ProPublica sought the Commander's Emergency Response Program database from Afghanistan, which documents how commanders spent money on local projects. SIGAR provided the database, but did not redact names of military personnel, which the Pentagon said should have been done. ProPublica used the database to <u>create an interactive that allows readers to search and sort how the troops spent \$2 billion in petty cash.</u>

ProPublica has been analyzing how the Pentagon spent money in Afghanistan, closely tracking waste, such as this \$25-million headquarters that no one needed and was never used. In SIGAR's report, Sopko said he didn't buy the Pentagon's reasoning for not cooperating. SIGAR has refused to abide by the Pentagon's terms because it believes the law does not allow for them.

"SIGAR believes this vague accusation is a red herring intended to divert attention from DOD's continued refusal to answer any questions related to TFBSO activities," the report says. "For example, in response to SIGAR audits and investigations of other matters, DOD has continued to provide unrestricted information and unfettered access requested by SIGAR auditors and investigators."

But in a follow-up email, Sowers said that the Defense Department's general counsel said that it "would expect same ground rules for future requests for unclassified docs containing [personally identifiable information] or other sensitive FOIA exempt info." A SIGAR spokesman said today that the inspector general would wait to comment until officially informed of the broader change in policy.

Despite the Pentagon's restrictions, SIGAR has documented serious problems with at least one chunk of the \$800 million tab. The task force spent nearly \$43 million to build a compressed natural gas station in Afghanistan with the hopes of helping the country develop its natural resources and become less dependent on foreign fuel imports. The single station was intended as a model that would be replicated in other areas of the country.

The project, SIGAR found, was ill-conceived from start to finish. Were a similar station built in neighboring Pakistan, SIGAR noted, it would cost about \$300,000. The task force spent 140 times that. Even factoring in the extra security costs to build in Afghanistan, "this level of expenditure appears gratuitous and extreme," SIGAR wrote.

Cost aside, military planners also failed to account for Afghanistan's lack of a viable local infrastructure to move the natural gas and for the hundreds of millions it would take to build one, SIGAR said.

On an even more prosaic level, the task force forgot to account for one more key item: customers. Besides the 120 cars the United States paid to convert to natural gas, most Afghans have no use for the station. That's because it costs at least \$700 in Afghanistan to convert a car from gasoline to natural gas — more than an average Afghan makes in a year. SIGAR's report has generated outrage among some members of Congress who are unhappy not only about the \$43-million gas station, but the Pentagon's lack of cooperation. "This is shocking in multiple ways. The cost of an unnecessary gas station in Afghanistan skyrocketed to a ridiculous height. Now, the Department of Defense is blocking access to documents and personnel that would shed light on how the money was spent" said Sen. Chuck Grassley, R-lowa, in a statement. "The lack of accountability and transparency is disgraceful."

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