Statement of
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Chairman Chabot, Ranking Member Ackerman, and members of the Subcommittee, thank you for the opportunity to discuss the United States' support to Iraq's fledgling democracy.

My testimony today focuses on the largest part of the continuing U.S. assistance effort in Iraq, the Police Development Program (PDP), which the Department of State (State) is implementing. Our recent audit of the PDP[1] was our 200th since the inception of my Office, the Special Inspector General for Iraq Reconstruction (SIGIR), over seven years ago. I am proud of the outstanding productivity, steady professionalism, and unfailing perseverance of my audit team on this and all of our audits.

I recently returned from my 31st trip to Iraq, during which I was briefed on the PDP by Ambassador Michele Sison, the senior State Department official in charge of the program. My testimony is informed by her comments on the PDP's recent progress.

Background

In April 2003, just after U.S. forces overwhelmed Iraq's armed forces and toppled Saddam Hussein's regime, about 4,000 poorly-trained police were patrolling the streets of Baghdad, trying to keep order among a populace of 7 million; but the city descended into chaos. This paltry complement of law enforcement personnel faced with an impossible mission was emblematic of the complete breakdown in Iraq's rule-of-law system in the spring of 2003. The consequences of this breakdown became quickly evident in the rampant looting that rapidly swamped the capital city.

In May 2003, Ambassador L. Paul Bremer III acted to stave off societal collapse by ordering the creation of police training programs, which consisted of classes of 25-30 students in refurbished classrooms with U.S. military police instructors. This rudimentary start was buttressed by a the allocation of $950 million from the Iraq Relief and Reconstruction Fund (IRRF) to bolster Iraq's

[1] Iraqi Police Development Program: Opportunities for Improved Program Accountability and Budget Transparency (SIGIR 12-006, October 24, 2011)

police forces. By November 2003, the United States had opened a new police training center in Jordan, with the first class of 456 Iraqi cadets then undergoing an 8-week training course.[2]

As a matter of U.S. policy, the State Department's Bureau of International Narcotics and Law Enforcement Affairs (INL), with support from the Department of Justice's International Criminal Investigation Training and Assistance Program, has the general duty to develop policies and programs that strengthen rule-of-law capacities outside of the United States. In Iraq, however, full control and responsibility for such programs was given to the Department of Defense (DoD), pursuant to National Security Policy Directive 36 (signed by President George W. Bush in May 2004).

The President took this significant decision to stabilize the faltering security situation in Iraq, to strengthen the expanding security training mission, and to provide for unity of command in this mission's execution. After the expiration of the Coalition Provisional Authority's mandate in June 2004, Ambassador John Negroponte, the newly-appointed Ambassador to Iraq, conducted a complete program review, shifting significant chunks of money from "bricks and mortar" projects to security programs, including police training. Support to the security sector significantly expanded in 2005, when the Congress created the Iraq Security Forces Fund, which has received about $25 billion in appropriations since its inception. SIGIR estimates that, as of October 2011, the United States has spent about $8 billion to staff, train, and equip Iraq's police forces.

Prior SIGIR Work On Police Training in Iraq

Several SIGIR audits previously examined U.S. programs to train the Iraqi police. Our latest report (released in October 2011)[3] builds upon and, to some extent, echoes our earlier findings and observations. For example, in October 2010, we issued a report on DoD's management of the police training program, identifying a variety of weaknesses, the most salient of which was DoD's lack of a comprehensive strategy to shape and guide the program. Because of frequent personnel rotations – virtually no one stays on assignment in Iraq longer than a year – DoD needed a comprehensive plan to ensure program continuity. But the absence of such an overarching plan meant that program focus and goals changed frequently. Thus, instead of one seven-year police training program in Iraq, DoD ended up with seven one-year programs.

SIGIR's October 2010 report also concluded that, despite years of spending billions in taxpayer dollars on training, the overall capabilities of the Iraqi police forces were unknown. We found that the DoD program had focused on output-oriented factors, such as numbers trained, rather than outcome-oriented factors, such as skill levels achieved. Further, DoD had failed to conduct a comprehensive assessment of the Iraqi police services. The few assessments DoD did conduct did not embrace the entire force. As a result, at the end of DoD's management of the program, it

[2] Hard Lessons, p.126

[3] Iraqi Security Forces: Police Training Program Developed Sizeable Force, but Capabilities Are Unknown (SIGIR 11-003, October 25, 2010)

was unclear precisely what was accomplished -- from an outcome rather than an output perspective-- after an expenditure of about $8 billion in U.S. taxpayer funds.

To address these problems, we made several recommendations in our October 2010 report. Specifically, we called upon the Commanding General, U.S. Forces-Iraq, in consultation with the Assistant Secretary for INL, to work with the Iraq Ministry of Interior to assess the capabilities of the Iraq police forces and to provide that assessment to INL. Although they agreed to the recommendation, this assessment was not accomplished, a shortfall which now burdens the PDP.

Our other work on police training uncovered a variety of management weaknesses, including the following:

- In 2007, SIGIR and State's Office of Inspector General found that INL and the State's Office of Acquisition Management had put millions of dollars at risk, and that property acquired under contract was missing. $43.8 million was paid for a residential camp that was never used. State may have spent another $36.4 million for weapons and equipment that it could not account for.[4]
- In another 2007 audit, we reported that INL's system for managing invoices and supporting documents submitted by DynCorp was in disarray. As a result, INL did not know specifically what it had received for most of the $1.2 billion in expenditures under the DynCorp contract for the Iraqi Police Training Program.[5]
- In 2008, we reported that INL had made a concerted effort to implement recommendations made by SIGIR and State's Office of Inspector General in prior reports on the police training program and had developed a detailed project plan that included initiatives to improve contract management. SIGIR believed that, taken together, State was improving its overall contract administration in Iraq.[6]
- In 2010, we reported that INL continued to exhibit weak oversight of the DynCorp task orders for support of the Iraqi police training program. INL lacked sufficient resources and controls to manage the task orders. As a result, over $2.5 billion in U.S. funds were vulnerable to waste and fraud. In-Country Contracting Officer Representatives had failed to perform adequate reviews and tests of DynCorp's invoices. We observed in this audit that, as State takes responsibility for the police training program from DoD in 2011, it

[4] Review of DynCorp International, LLC, Contract Number S-LMAQM-04-C-0030, Task order 0338, For the Iraqi Police Training Program Support (SIGIR 06-029, January 30, 2007)(DoS/OIG Aud-OQO-07-020)

[5] Interim Review of DynCorp International, LLC, Spending Under Its Contract for the Iraqi Police Training Program (SIGIR-07-016, October 23, 2007)

[6] Progress on Recommended Improvements to Contract Administration for the Iraqi Police Training Program (SIGIR-08-014, April 22, 2008)

would be critical that it have in place effective contract management and controls to ensure that U.S. funds are effectively and efficiently spent.[7]

SIGIR's Current Report

In the summer of 2011, we revisited the police training issue to assess INL's efforts to take over the program. We examined program planning, costs, and the required contributions by the Government of Iraq.

Our report found that:

1) INL did not have a comprehensive and detailed plan on what it intends to accomplish through the PDP program;
2) INL's PDP budget lacked sufficient transparency and all requested funds may not be needed; and
3) Iraq support for the PDP was limited.

INL Lacks a Comprehensive and Detailed Plan for the PDP

INL spent more than two years preparing to take over police training from DoD. It developed a concept of operations for the PDP, but it did not produce (a) a detailed plan indentifying what it planned to accomplish, (b) a comprehensive set of intermediate and longer-term milestones to judge progress, or (c) sufficient goals and metrics to assess program outcomes.

Burdening INL's approach was the lack of a current assessment of Iraqi police capabilities. In 2009, a Joint Transition Planning Team made a three-week visit to Iraq to gather a baseline understanding of the capabilities of Iraq's police forces. The team concluded that a number of follow-on steps would be required for effective program design, including a force assessment. But these follow-on steps were not fully accomplished, including, as noted, the much-needed force assessment.

Under the PDP concept of operations, the program tasks require INL advisory teams "to advise and mentor" Iraqi police. Mentoring and advising are vague concepts. If no specific goals for mentoring and advising are established, then outcomes will remain in the shadows.

Over the course of our audit, State provided us with a number of documents that described the PDP. In our review of them, we found that none of the documents contained the elements required of a comprehensive and detailed plan. Moreover, they were not based on a current police force capability assessment, and they did not include outcome-based metrics.

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[7] Long-standing Weaknesses in Department of State's Oversight of DynCorp Contract for Support of the Iraqi Police Training Program (SIGIR 10-008, January 25, 2010)

Actual Program Funding Needs Remain Uncertain

INL's current program will be limited to 115 advisors distributed among three hub locations; this is a decrease from the 192 advisors previously anticipated. INL reduced the number of training sites from 28 to 21. Because some operational and security costs are fixed, the reduction to 115 advisors will likely result in an increase in the operating costs per advisor. INL personnel told SIGIR that approximately $500 million is needed to operate at the 115-advisor level. Ambassador Sison briefed me two weeks ago that 100 of the 115 personnel are already on board.

In August 2010, INL received $450 million for startup costs and $200 million for FY2011 4th quarter operating costs. According to its spend plan, INL expected to use most of these funds to upgrade hub and aviation facilities and purchase rotary wing aircraft. However, INL has suspended plans to operate dedicated aircraft for the PDP. According to expenditure data from September 2011, approximately $83 million of the $450 million remained.

In its FY 2011 Foreign Operations budget justification, State requested an additional $314.6 million to pay for virtually the same requirements it had requested in its FY 2010 supplemental, namely, "start-up requirements such as facilities upgrades, security infrastructure, and procurement of aircraft, as well as costs associated with recruiting; hiring; training; deploying; and supporting key program, support, and security personnel." INL did not provide SIGIR with its FY 2011 Spending Plan. According to INL officials, the PDP has received $94.56 million of the $314.6 million in FY 2011 funding. INL documents received by SIGIR in August 2011 indicated that none of the $94.56 million FY 2011 funds had been obligated at that time. Based on this data, SIGIR estimates that about $200 million to $300 million could be available from FYs 2010 and 2011 funds to pay for FY 2012 program expenses.

State's spend plan for the $200 million received in the FY 2010 Supplemental (for FY 2011 4th quarter operating costs) shows that only about 12% of these funds were targeted to hire, train, and deploy police advisors and managers. The remaining 88% were for (1) life and mission support for the advisors and staff, (2) security for sites and transportation, and (3) operation and maintenance of the helicopter air wing.

In its FY 2012 budget request to the Congress, State asked for $887 million to support the PDP. The MOI today conducts its own basic training and functions on an annual budget of $6.3 billion – which pays for the salaries, equipment, and maintenance for a force of over 650,000. The U.S. program is equivalent to about 15% of the entire MOI budget.

PDP and the Government of Iraq

A cardinal rule for successful international development programs is that the host government must be fully engaged in and supportive of program planning and execution. As SIGIR has found from seven years of oversight work in Iraq, programs must be geared to indigenous priorities, capacities, and needs. In the broader context of the U.S. engagement in Iraq, "detailed joint planning with Iraqi officials, perhaps the most important prerequisite for success after security,

only gradually improved over time."[8] This lesson must be fully applied to future execution of the PDP.

Senior officials from Iraq's Ministry of Interior told SIGIR this fall that they are ready and willing to work with INL on the PDP, but they also noted that the program's merits are impossible to assess as of yet, that they were not sufficiently consulted on the program's scope, and that they are withholding judgment until they see what benefits come from it. In an October meeting with my deputy, Senior Deputy Minister of Interior Adnan al Asadi said: "What tangible benefit is there to my ministry of 650,000 people who are in the midst of massive security challenges on the streets of Iraq? Very little." He modified his tone in his recent meeting with me but raised similar concerns.

SIGIR's discussions with the senior leadership at the Ministry of Interior make it clear that the GOI views the PDP with some concern. While they are not opposed to receiving the advising and mentoring proposed by the State Department, they also recognize the limitations of any program managed by the U.S. government in Iraq's current volatile environment. Moreover, Iraqi officials expressed concern that the majority of funds – about 88%, according to our latest audit –will be absorbed by the costs of security, housing, transportation, and logistics.

While the U.S. government views the PDP as about a billion dollar capacity-development program, the Iraqis view it as 115 English-speaking police advisors (25 of whom will be stationed in the stable Kurdistan Region) providing diverse training and support. With those advisors come burdens, including requests from the U.S. Embassy for land use agreements, for visas for third country national security guards, for weapons permits for armed security teams, and the like. The land use issue is significant. The primary PDP location in Baghdad is at Forward Operating Base Shield, which is right in the middle of an unstable area of Baghdad that houses the Ministry of Interior, the Ministry of Oil, and the Baghdad Police College. The Iraqis expressed concern that the placement of American advisors in that location may attract attacks that could affect nearby facilities.

The PDP is not just as a capacity development program for Iraq's MOI; it also will serve as an important tool for engagement with senior MOI officials, which will enhance relational continuity and promote the effective flow of information that is crucial to the security of U.S. personnel and facilities across Iraq. This is a valid concern. Whether $1.2 billion is a fair price to pay to achieve these goals is subject to question.

The State Department has said that the GOI, and specifically, the MOI leadership, strongly support the PDP program. This position is consistent with statements made by the MOI after our audit and latest quarterly report were released; Deputy Minister al Asadi had been engaged by the Embassy on the comments he made to SIGIR about the PDP and which we reported. Effective diplomacy notwithstanding, ensuring authentic "buy-in" by the Iraqis on this, the single largest continuing program in Iraq, is crucial to the program's long-term success. Moreover, as discussed in our audit, the GOI has not made the financial contribution toward the cost of the

[8] Hard Lessons, p. 333

PDP as required by our law and policy. Iraq is certainly able to make such a contribution, and its failure to do so raises genuine concerns about its commitment to the program.

Context and Conclusion

During my briefing with Ambassador Michele Sison, I was encouraged by the progress that she has made toward implementing SIGIR's recent recommendations. She only recently took full charge of the PDP, and, since doing so, she has developed reporting mechanisms that should provide a much-needed level of detail on the implementation and effects of the program. Moreover, she is pushing forward the long-needed assessment and assured me that it would soon be complete. Monitoring is key, as our previous reporting on State Department contract management substantiates. Ensuring a sufficient number of in country contracting officer representatives will be crucial to protecting the taxpayers' interests and to the program's ultimate success.

Chairman Chabot, Ranking Member Ackerman, and members of the subcommittee, thank you for the opportunity to appear before you today. I will be pleased to respond to your questions.