



Written by [Michael Tennant](#) on April 15, 2013

## U.S. Funding Unsustainable Projects — and Its Own Enemies — in Afghanistan

When it is not simply being wasted, U.S. aid to Afghanistan is being spent on projects that the Afghan government does not have the capacity to sustain, and “millions” of taxpayer dollars could be ending up in the hands of the enemy, according to Special Inspector General for Afghanistan Reconstruction (SIGAR) John Sopko.



“Afghanistan is already the most costly reconstruction effort carried out in U.S. history” and is expected to remain “the largest recipient of [U.S.] assistance for years to come,” reports the *Washington Free Beacon*. Last year that nation received more than \$16 billion in U.S. aid for security forces and reconstruction projects; and with the World Bank estimating that it will need \$70 billion in additional aid over the next decade — much of it coming from U.S. taxpayers — Americans have good reason to be concerned about the problems SIGAR has highlighted.

“SIGAR’s audits and inspections have repeatedly found that inadequate planning and lack of coordination have led to waste, increased costs, delays, and unsustainable projects, as well as facilities that are not being used for their intended purposes,” John F. Sopko, the current SIGAR, [told](#) the House Committee on Oversight and Government Reform April 10.

Projects suffer from both poor quality assurance and poor security, Sopko said. Security has become an increasing problem since Afghan law began requiring contractors and nonprofit organizations to contract with government security forces rather than private ones. Matters are only expected to worsen as U.S. forces are withdrawn.

Those projects that haven’t suffered are still at risk, Sopko testified. “The United States has provided tens of billions of dollars for infrastructure, everything from roads and electricity networks to schools, clinics, and security force facilities,” he said. “However, as we and the World Bank have pointed out, the Afghan government lacks the revenue, institutional capacity, and human capital to operate and maintain much of this infrastructure.” In other words, all of this work — and expense — may well end up being for naught once Afghanistan is left to fend for itself.

Perhaps the biggest impediment to successful projects, however, is “corruption,” which Sopko told the committee “threatens the entire reconstruction effort in Afghanistan.”

The Afghan government is part of the problem. “Although the Afghan government has said it is



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committed to tackling endemic corruption, Afghan officials remain reluctant to take serious action to prosecute corrupt officials, especially if they are high-ranking or well-connected,” Sopko said.

Kabul isn’t the only one to blame for the ongoing corruption. Washington, too, has been rather lax in ensuring that aid is spent properly.

According to a SIGAR [report](#) released the same day as Sopko’s appearance before the Oversight Committee, although the Defense Department is permitted to void contracts with individuals and entities later found to be opposing U.S. efforts in Afghanistan, “several weaknesses” in the process “prevent the department from having reasonable assurance that U.S. government contracting funds are not being provided to persons and entities supporting the insurgency and opposing U.S. and coalition forces.”

Section 841 of the 2012 National Defense Authorization Act (NDAA) “permits the Department of Defense (DOD) to authorize a Head of a Contracting Activity (HCA) to restrict, terminate, or void a DOD contract, grant, or cooperative agreement with an entity or individual determined to be actively supporting an insurgency or otherwise opposing U.S. or coalition forces in the Central Command (CENTCOM) theater of operations, including Afghanistan,” the report explains. “As of January 18, 2013, CENTCOM had issued four notification letters identifying five companies and their associates as Section 841 designees.” No prime contracts have been canceled as a result of these designations, though several subcontracts have.

The process to void a contract under Section 841 is, as one might expect, highly bureaucratic. First an entity or person is targeted for potential contract voiding. Then an information package on the target is assembled and sent through a series of agencies and finally to CENTCOM. If CENTCOM concurs, the Section 841 designation is sent back down to the HCAs, who must determine if they have any contracts with the designee and then tell CENTCOM what actions they have taken on those contracts.

This process can take a considerable amount time; in the interim, of course, the target continues to receive U.S. money. SIGAR pointed to one instance in which eight subcontracts with a total value of about \$12 million were voided as a result of a Section 841 designation, by which time the subcontractor had already received about \$5 million.

At least the process worked, albeit slowly, in that instance. Because of poor communication and oversight, however, other contracts with Section 841 designees may remain in force, according to the report. In addition, because Section 841 applies only to contracts valued in excess of \$100,000 while about 80 percent of contracts awarded in Afghanistan are for \$100,000 or less, many contractors with ties to U.S. enemies may still be receiving cash from Washington.

The report also notes that while Section 841 applies to Pentagon contracts, “agencies other than DOD — most notably the Department of State and U.S. Agency for International Development [USAID] — are not subject to its provisions” and therefore have neither the obligation nor the authority to terminate contracts with potential enemies.

For that matter, even within the Defense Department there seems to be little concern that the United States may be bankrolling its own defeat. The *Free Beacon* reports that during his testimony before the House panel, “Sopko admitted that the U.S. Army denied SIGAR’s requests to sever contracts with suspect individuals.”

“Every one of those proposals [to sever ties] was denied by the U.S. Army,” he said.



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“It’s probably easier to use a drone strike than to stop somebody [suspect] from contracting with the U.S. government,” Sopko added. “It’s very concerning.”

U.S. aid is currently being shifted from contracting and other indirect assistance to direct aid to the Afghan government. Sopko warned:

None of us knows exactly what kind of impact the transition to increased direct assistance is going to have on the political, economic, and social development of Afghanistan. On the one hand, a greater proportion of the funds will be going toward Afghans, rather than foreign contractors or NGOs, and this may result in increased government capacity and more sustainable development. On the other hand, capacity challenges in the Afghan ministries coupled with the difficulties of providing assistance in a conflict zone riddled with corruption will also put direct assistance funds at risk of being wasted. Whatever type of aid the United States provides, U.S. government officials must address the systemic problems inherent in every aspect of the reconstruction effort.

A better — and certainly more constitutional — solution would be to simply stop pouring Americans’ tax dollars down the Afghanistan drain. Those dollars that aren’t being wasted are going into the pockets of those who would do harm to Americans stationed in Afghanistan and possibly even to those of us back home. It is long past time to bring the troops and the aid home and let the Afghans stand on their own two feet.



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