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House of Representatives

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Opening Statement Ranking Member Elijah E. Cummings

Hearing on "Construction Costs and Delays at the U.S. Embassy in Kabul" July 9, 2015

Mr. Chairman, thank you very much for holding today's important hearing on the U.S. Embassy in Afghanistan. I would like to make three main points I think we can all agree on:

- First and foremost, the safety of U.S. personnel serving overseas is a top national security priority and is critical to our country's interests throughout the world.
- Second, we recognize that the urgency of rapidly securing U.S. facilities abroad may cost more for faster results.
- However, cutting corners may have the opposite effect, and careful stewardship of taxpayer funds is critical to maximizing the protection of U.S. personnel because any dollar wasted is a dollar that cannot be used to protect our personnel abroad.

Kabul is one of the most dangerous places on Earth. The State Department ranks it as one of the most high-threat, high-risk locations for U.S. personnel. The men and women who serve our country in Afghanistan recognize these risks, and it is our job to honor their service by taking all appropriate steps to provide secure facilities for their work.

In 2008 and 2009, the United States rapidly increased the number of personnel in Afghanistan to meet our nation's military and foreign policy goals, first under the Bush Administration and then under the Obama Administration. This "surge," as it was called, required facilities for U.S. troops and civilian personnel, including those working side-by-side in provincial reconstruction, governance, and stability efforts.

Both Republicans and Democrats supported the surge. For example, Senate Armed Services Committee Chairman John McCain argued that the surge was "vitally needed" in Afghanistan, and that delays would put American lives at risk.

This dramatic increase in personnel created a difficult challenge for State Department officials planning for facility and security requirements. On one hand, they had to increase the U.S. footprint on the ground in a safe and secure way. On the other hand, they did not want to repeat the same mistakes that were made in Iraq, where the U.S. compound became a massive, expensive fortress even as the U.S. presence subsided.

According to the Government Accountability Office (GAO), which has an official testifying here today, “the dynamic and unpredictable operating environment of Afghanistan has produced changing facility needs that have continually outpaced existing capabilities at the post.”

GAO also cited a senior State Department management official who explained the effects of this rush to accommodate the surge:

State did not fully follow its cost and risk policies, in part because of the urgency of the embassy’s facility needs, the security environment, and challenges in supporting the surge in embassy staffing that was occurring.

Despite this urgency, however, GAO also found that the State Department could have—and should have—planned better. According to GAO, the State Department contributed to construction delays and cost increases by failing to follow its own risk assessment and planning policies. GAO also found that the Department’s original contracts did not include adequate security measures for temporary facilities. This led to inconsistent security measures, more contract modifications, increased costs, and further delays, according to GAO.

Finally, Mr. Chairman, I want to thank you for agreeing to my request to invite Aegis here today. The people we hire and train to protect our facilities are just as important to our security as the walls we build. This company provides security at our facilities in Afghanistan under a contract that is scheduled to run through 2017 at a projected cost of \$723 million.

In October 2014, the State Department’s Office of Inspector General (IG) issued a report with some troubling findings. The IG found that Aegis lacked required documentation showing that its personnel underwent mandated security investigations and training. The IG also found that Aegis billed the government for more than \$8 million in questionable costs, including through the use of prohibited invoices. The IG also found that Aegis held the passports of third country nationals longer than necessary, raising concerns about the company’s compliance with regulations against Trafficking in Persons.

In the past, our Committee has investigated the actions of private security contractors in Iraq, where we witnessed shocking fraud and abuse. The current IG report does not include findings of nearly the same magnitude, but these are important areas that we would like Aegis to explain. We understand that some of these issues may have been addressed, and we thank Mr. Gulino for being here today. Our goal is to make sure we carry forward our past oversight to ensure that those lessons have, in fact, been learned.

Thank you again, Mr. Chairman, for holding this important hearing.

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