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Opening Statement

Rep. John F. Tierney, Ranking Member, Subcommittee on National Security

Committee on Oversight and Government Reform Hearing on "U.S. Foreign Assistance: What Oversight Mechanisms Are in Place to Ensure Accountability?"

April 10, 2013

Thank you, Mr. Chairman. And thank you to all of our witnesses for being here today.

I have long been concerned with the oversight of U.S. taxpayer dollars in Iraq and Afghanistan. In 2005, I co-authored bipartisan legislation with then-Republican Congressman Jim Leach that led the way to the creation of the Commission of Wartime Contracting. The Commission ultimately reported that up to \$60 billion in U.S. taxpayer funds had been lost due to waste, fraud, and abuse in Iraq and Afghanistan.

Under my Chairmanship, the Subcommittee on National Security conducted many investigations of misuse of taxpayer funds in Iraq and Afghanistan. In partnership with the then-Ranking Member Jeff Flake, we investigated the lack of visibility and potential corruption surrounding jet fuel contracts in Kyrgyzstan, and the U.S. Army's multi-billion dollar Host Nation Trucking contract in Afghanistan. Our investigation of the trucking contract uncovered a vast racket in which warlords, criminals, and insurgents extorted contractors for protection payments. A follow-up hearing last Congress showed that the Department had made limited progress in stopping taxpayer dollars from flowing to these warlords, criminals, and insurgents.

Congressman Chaffetz has continued this bipartisan tradition of oversight of our efforts in Afghanistan. In February, the Subcommittee held the third in a series of hearings on a report by the Special Inspector General for Afghanistan Reconstruction that the Department of Defense could not properly account for over \$1 billion in fuel purchases for the Afghan National Army. Even though the Defense Department lacked the proper controls to oversee the fuel logistics system, they planned to transition management of the program to the Afghan government.

To ensure no additional taxpayer dollars are wasted, Congressman Chaffetz and I introduced legislation to halt the flow of fuel and money to the Afghan Army until strict accountability and oversight measures are implemented. In response, the Department of Defense announced that it would require periodic audits and release funds incrementally to the Afghan Army, although it did not fully explain how it would ensure that the Afghans would cooperate.

Additionally, over the past year, the Subcommittee on National Security has been investigating the multi-billion dollar Defense Department contract to feed our troops in Afghanistan. Specifically, this inquiry has focused on how a contractor was able to overbill the government by more than \$750 million and how the Pentagon failed to properly manage this contract for so many years. I want to thank Chairman Chaffetz for his support of this investigation and for scheduling a hearing for next week on this important topic.

This Committee and the Subcommittee on National Security has long focused on the challenges in Afghanistan. Rife with corruption and weak in institutional capacity, Afghanistan is one of the most challenging places in the world to work. Security concerns hamper effective oversight and just this week, we were reminded of the risks of operating in Afghanistan as we mourned the deaths of nine U.S. personnel just this month, including a young diplomat who was killed delivering books to schoolchildren.

In this challenging environment, the critical role that the Inspectors General serve in preventing waste, fraud, and abuse, cannot be overstated. The Commission on Wartime Contracting, along with the Special Inspectors General for Iraq and Afghanistan Reconstruction, have shown the importance of real-time oversight of the tens of billions of dollars expended overseas. Based on recommendations made by the Commission on Wartime Contracting, last Congress, I introduced legislation to establish a Special Inspector General for Overseas Contingency Operations, or SIGOCO. If we are going to provide sufficient oversight of our overseas contingency operations, then we must preserve the unique capabilities of these Special Inspectors General in a single, permanent IG with a flexible, deployable cadre of oversight specialists.

Thank you and I look forward to today's hearing.