## FRENCH HILL

2ND DISTRICT, ARKANSAS

## COMMITTEE ON FINANCIAL SERVICES

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SUBCOMMITTEE ON CAPITAL MARKETS, SECURITIES, AND INVESTMENT

SUBCOMMITTEE ON MONETARY POLICY AND TRADE

SUBCOMMITTEE ON TERRORISM AND ILLICIT FINANCE



## Congress of the United States

## House of Representatives Washinaton. DC 20515

March 8, 2018

WASHINGTON, DC OFFICE 1229 LONGWORTH HOUSE OFFICE BUILDING WASHINGTON, DC 20515 PHONE: (202) 225-2506 Fax: (202) 225-5903

> CONWAY DISTRICT OFFICE 1105 DEER STREET, SUITE 12 **CONWAY, AR 72032** PHONE: (501) 358-3481 FAX: (501) 358-3494

LITTLE ROCK DISTRICT OFFICE 1501 NORTH UNIVERSITY AVENUE, SUITE 630 LITTLE ROCK, AR 72207 PHONE: (501) 324-5941 Fax: (501) 324-6029

The Honorable James Mattis Secretary Department of Defense 1000 Defense Pentagon Washington, DC 20301-1000

Dear Secretary Mattis:

I write today to inform you that your agency is February's recipient of my Golden Fleece Award. I am awarding this to the U.S. Department of Defense (DOD) for waste outlined in a recent report by the Special Inspector General for Afghanistan Reconstruction (SIGAR).

According to the SIGAR 18-19 Audit Report, DOD's Task Force for Business and Stability Operations (TFBSO) awarded at least \$675 million in contracts between 2010 and 2014. Of that total, \$316 million in projects that were funded between 2010 and 2014 to boost the Afghan economy, and 78 percent of the contracts failed to meet their goals.

One example is the awarding of a more than \$400,000 sole source contract for the construction of a cold storage facility. According to contracting documents, the contractor completed its construction work for the shell building, but upon inspection by the SIGAR in 2017, no evidence was found that the building existed. Further, an internal TFBSO memorandum acknowledged this contract was awarded without doing an industry analysis or fully vetting the recipient company.

Another example is TFBSO obligating \$51 million between 2010 and 2014 for legal, technical, and commercial experts to support the Afghan Ministry of Mines and Petroleum with tendering contracts for Afghanistan's mineral deposits. The goal was for TFBSO to facilitate the award of at least eight mineral contracts. However, with four of these, TFBSO's assistance stopped partway through the process, and the four others have yet to be awarded at all. The SIGAR report expressed concerns that even if these contracts are all eventually awarded the government of Afghanistan lacks the audit and enforcement capabilities to hold the contract awardees accountable if they violate the terms of the contract.

These are just two out of dozens of examples of projects that failed to meet few or any of their contract goals. I am committed to ensuring effective spending practices at our Nation's federal agencies. Should you require any additional authority from Congress to address these concerns, I urge you to notify us as soon as possible. I thank you for your consideration and look forward to working with you to address this important issue.

French Hill

Member of Congress

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<sup>&</sup>lt;sup>1</sup>DOD TFBSO. Special Inspector General for Afghanistan Reconstruction. SIGAR 18-19 Audit Report. \$675 Million in Spending Led to Mixed Results, Waste, and Unsustained Projects. January 2018.