



SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION

January 26, 2011

LETTER FOR COMMANDER, U.S. CENTRAL COMMAND
COMMANDING GENERAL, UNITED STATES FORCES-IRAQ

SUBJECT: Iraqi Government Support for the Iraq International Academy (SIGIR 11-009)

This letter is to bring to your attention the concerns of the Special Inspector General for Iraq Reconstruction (SIGIR) about Iraqi government support for a U.S. Forces–Iraq (USF-I) project to develop an executive-level educational facility for the Iraqi Security Forces and other branches of the Government of Iraq (GOI). When completed, the facility will also serve as a regional center of excellence for officials from other countries. The project, known as the Iraqi International Academy (IIA), is a \$26 million project funded by the Iraq Security Forces Fund (ISFF), and managed by that part of USF-I’s Iraqi Training and Advisory Mission assigned to assist the Iraqi Ministry of Defense (ITAM-MOD). SIGIR is concerned about the lack of GOI commitment to maintain and sustain the academy upon completion and believes that further efforts to furnish and equip the IIA should be reconsidered. The Iraqi government has sufficient resources to furnish and equip the facility, and its commitment to the project is best shown by giving them this responsibility. The \$12 million in funding the U.S. has set aside for furnishings and equipment is better spent elsewhere.

Background

In early 2009, the Multi-National Security Transition Command–Iraq¹, the U.S. Embassy Baghdad, and the GOI held discussions on the need for an Iraqi academy for English language training. According to correspondence about these discussions, the three parties believed that an academy was needed to consolidate the Ministry of Defense and the Ministry of Interior English language teaching sites, and to develop a unified curriculum. At the time, the cost was estimated to be more than \$20 million. According to ITAM-MOD officials, MOD officials were eager to start the project, and in April 2009, the concept was presented to the Prime Minister’s office to review the proposed project. In May 2009, the Prime Minister approved the concept and requested the Council of Ministers form a committee to discuss the feasibility of the IIA.

The MOD selected for the school a site adjacent to the international zone that it believed would enable Coalition support, be close to the Iraqi government command structure, and provide room for expansion, if necessary. The Joint Contracting Command–Iraq/Afghanistan awarded the contract, and the U.S. Army Corps of Engineers, Gulf Region District (GRD) manages the contract. GRD concluded that renovating existing structures would be a more cost efficient approach than attempting to build the entire facility from scratch. In July 2009, the Prime Minister’s office authorized MOD to pay 225 million Iraqi Dinars to families currently living on

¹ This command was part of the Multi-National Force–Iraq and both of these commands were subsumed into the U.S. Forces–Iraq on January 1, 2010.

the site to relocate. In addition, the Prime Minister directed that the Iraqi Security Forces secure the area.

In January 2010, ITAM-MOD expanded its vision of the academy to that of a regional educational institute similar to the George C. Marshall Center in Germany.² The expanded IIA initiative would offer instruction in security studies (e.g., international relations, diplomacy, capability planning), public administration (e.g., strategic logistics, budgeting, management, and leadership), and academic and executive-level English. The anticipated attendees are current and future GOI military and civilian leaders equivalent to Lieutenant Colonel and above and government officials from neighboring countries with which Iraq has a strategic interest. In addition, it is planned that the IIA will provide a centralized location and state-of-the art facilities for GOI conferences and executive seminars.

ITAM-MOD has held talks with other U.S. and international academic institutions seeking advice on curriculum, assistance in faculty selection and development, and the possibility of guest faculty support. For example, the U.S. National Defense University and the U.S. Near East South Asia Center for Strategic Studies are collaborating on developing a curriculum for the IIA, and the George C. Marshall Center has tentatively agreed to assist in developing student/faculty policies.

The project consists of two phases: 1) construction and 2) furnishing and equipping. A construction contract was awarded on September 20, 2009, for \$11,710,000. Three contract modifications have increased costs to \$13,437,822. As of November 1, 2010, GRD has paid the contractor \$3.24 million, and an estimated 24% of the work has been completed. The second phase, furnishing and equipping, is estimated to cost \$12 million. However, to date ITAM-MOD has not requested funding, and requirements have not been discussed with the GOI.³ ITAM-MOD has stated that funds will not be obligated until March 2011. According to ITAM-MOD officials, the IIA is a turnkey project and as such, cost estimates do not include any funding for operating, maintaining, or sustaining the facility once it is completed and turned over to the GOI.

The current plan is that all construction will be finished and the buildings equipped by September 2011 for the official opening. At completion, the campus will include three classroom buildings; an administrative office building for faculty and staff; a full-service dining facility; billeting for nearly 200 personnel; and a state-of-the-art student center with a large auditorium, coffee shop, library, and research center (see Figure 1 for the artist design of the IIA, and see Figure 2 for an example of a building containing classrooms).

² The Marshall Center works to create a more stable security environment among the nations of North America, Europe, and Eurasia by advancing democratic institutions and relationships, especially in the field of defense; promoting active, peaceful security cooperation; and enhancing enduring partnerships.

³ ITAM-MOD provided us a preliminary list of equipment. Some planned equipment includes 94 flat-screen televisions for student use at a cost of \$86,200, translation equipment costing \$750,000, computer equipment costing \$842,200, and class room furniture costing \$518,300.

Figure 1—Artist’s Design of IIA



Source: USF-I/ITAM/MOD.

Figure 2—Classrooms



Source: USF-I/ITAM/MOD, SIGIR IIA Site Visit 11/19/2010.

SIGIR’s reporting objective was to provide information on the Government of Iraq’s commitment to maintaining and sustaining the IIA.

GOI Does Not Have Plans To Fund IIA

As discussed, ITAM-MOD officials told SIGIR that the IIA will be turned over to the GOI upon completion, and it has no plans to provide further financial support. However, SIGIR's interviews with Iraqi Ministry of Defense officials found that the GOI also has no plan to fund the operation of the IIA after it opens in September 2011.

SIGIR interviewed three senior Iraqi officials in the MOD to discuss operating and maintaining the IIA. All of the MOD officials interviewed stated that they had discussed the concept of the IIA with ITAM and agreed that the GOI needed such an educational institution. However, they informed us that the ITAM-MOD had not raised the issue of Iraqi financial support with them and, as one official stated, he simply assumed the United States would fund the operation of the IIA for at least one year.

Iraqi officials also pointed to other reasons why funding of the IIA remained uncertain. One official stated that he knew the Iraqis would have to take responsibility for the IIA at some point in the future, and had requested that ITAM-MOD provide him data on the estimated cost of maintaining the physical structure, the number and types of faculty that would be needed, and the types of equipment the U.S. planned to provide. This information was needed to develop operating, maintenance, and sustainment costs. He said, however, that he never received a response. He also said that GOI had not designated a lead Ministry for the IIA and that it was unlikely that any Ministry would step up and request funding under its budget until the GOI did so.

ITAM-MOD Did Not Address Need for GOI Commitment

ITAM-MOD's planning documents discussed its vision for the IIA but did not address the future operating and sustainment costs, or the need to obtain a commitment from the GOI. ITAM-MOD officials told us that its efforts to obtain a financial support commitment to date have been unsuccessful.

SIGIR reviewed ITAM-MOD correspondence with the MOD and internal GOI memos and letters between 2009 and 2010 and did not find any instances where ITAM-MOD raised the issue of the GOI's future responsibilities for the IIA. GOI memoranda and letters during the spring of 2009 affirmed its support for developing an English language institute but none addressed the GOI's responsibilities for operating or funding the IIA. A June 2009 letter from the Prime Minister's office to the Multi-National Force–Iraq (Multi-National Force–Iraq was the predecessor organization to USF–I) reiterated GOI support of the English language institute and stated that the IIA would be funded by the U.S. Departments of State and Defense “in collaboration” with the GOI. The letter did not, however, elaborate on what such collaboration entailed or if the GOI envisioned that it would have to fully support the IIA.

The Joint Contracting Command–Iraq/Afghanistan, who awarded the construction contract, and GRD, who managed the construction contract, also said that sustainment was not a contract requirement. According to both agencies, it would be up to ITAM-MOD to ensure that the GOI received the training necessary to run the equipment and maintain the buildings, and had sufficient money budgeted to do so.

ITAM-MOD officials said they recognize that the lack of a GOI commitment to fund the IIA is a problem. They agreed they should have addressed this issue earlier and are attempting to catch up at this time. Additionally, they said that the seven-month delay in forming a new government has inhibited their efforts to obtain GOI support because the GOI has not decided which Ministry will be responsible. ITAM-MOD stated they will continue to work with their GOI counterparts to resolve this issue.

Prior SIGIR Reports and USF-I Guidance Have Identified a Need for Advance GOI Commitments

SIGIR has issued a number of prior reports that discuss host country buy-in as an essential element to a project's long-term success. Moreover, USF-I guidance on using *Money as a Weapons System* has also identified the need to obtain host government commitment to sustain projects before initiating activities.

In SIGIR's book *Hard Lessons: The Iraq Reconstruction Experience*⁴, we reported that for many Iraq reconstruction projects, there was a lack of sufficient Iraqi participation in deciding how or what to reconstruct and ensuring that projects could be maintained afterwards. Detailed joint planning with Iraqi officials—perhaps the most important prerequisite for success after security—only improved over time.

SIGIR's audits also provided examples of problems caused by a failure to obtain advance commitment from the GOI. These reports address projects to develop a commercial and economic zone at the Baghdad Airport, the Taji National Maintenance Depot, and the Global Maintenance and Supply Services contract.⁵

- The \$35.5 million Baghdad International Airport (BIAP) effort involved 46 projects to create an economic zone at the airport. SIGIR found that about \$16.1 million (46%) was used for 24 projects that were not being maintained or used. In one project, a business center, the GOI had removed computer equipment and furniture that the U.S. had purchased. In another project, the U.S. spent \$2.8 million to renovate and equip a cargo terminal that SIGIR found in a state of disrepair. For example, large metal doors that the U.S. had repaired were damaged to the point that they were not operational. Also, equipment the U.S. had purchased had never been used or was damaged.
- The Taji National Maintenance Depot contract was a \$350 million contract to procure and install maintenance equipment in the Taji Depot, train Iraqi soldiers and civilians in depot maintenance and operations, initiate operations, and then transition the depot to Iraqi control. The review found, however, that the Iraqi Ministry of Defense had not fully supported the training required by the contract, and at the conclusion of the contract only about 50% of the soldiers on average were trained and present for duty. As a result,

⁴ Government Printing Office, February 2009.

⁵ See *Commander's Emergency Response Program: Projects at Baghdad Airport Provided Some Benefits, but Waste and Management Problems Occurred*, SIGIR 10-013, 4/26/2010; *Developing a Depot Maintenance Capability at Taji Hampered by Numerous Problems*, SIGIR 09-027, 7/30/2009; and *Security Forces Logistics Contract Experienced Certain Cost, Outcome, and Oversight Problems*, SIGIR 09-014, 4/26/2009.

the objectives for achieving Iraqi military depot maintenance capability fell far short of the initial contract goals.

- The Global Maintenance and Supply Services contract similarly supported an effort to develop an independent organizational and intermediate-level maintenance capability within the Iraqi Army. However, the contractor was not able to accomplish much of the training required by the contract because the Iraqi Army did not provide enough, if any, soldiers for training. In that report, SIGIR recommended that the officer in charge negotiate an agreement with the Ministry of Defense for transitioning maintenance responsibilities to the Iraqi Army. This agreement should identify each party's role and responsibilities, and identify a time line for achieving this goal. SIGIR also identified a lesson learned, that working closely with host-country government officials is essential in developing reconstruction projects and programs that can and will be accepted and maintained. When agreements cannot be reached, assessing the risk of increased costs and the failure to achieve objectives should be an integral part of the program management decision-making process in any similar force-development initiatives, such as in Afghanistan.

The need for advance commitment is also discussed in USF-I's guidance for CERP projects, *Money as a Weapons System* (MAAWS). As early as 2009 USF-I directed that commanders address host government commitment to sustain and maintain projects before CERP projects are begun. The November 2009 edition states that commanders must document project sustainment/operating costs and, when those costs are equal to or greater than \$50,000, the MAAWS directs commanders to prepare a memorandum of agreement and obtain the signature of the applicable GOI official acknowledging responsibility, as well as commitment, to budget for and execute the agreement. The MAAWS goes on to state that if the GOI official is not willing to fund operating costs or maintain the investment, the commanders are not to fund the project. While this guidance applies only to CERP projects, such guidance is clearly appropriate for projects paid out of other foreign assistance or Iraq reconstruction funding.

Conclusions

ITAM-MOD worked with its MOD counterparts to obtain host-country buy-in for the IIA. Although GOI officials have consistently stated their support for the IIA, no bilateral agreements were negotiated or signed and, at this point, it is unclear if the GOI will budget for the operations and maintenance of the IIA upon completion. Without such an agreement, U.S. funds spent on construction are at risk of being wasted, as are the funds planned to equip and furnish the facility.

Facility construction is already underway and scheduled to be completed by the summer of 2011. This \$13.4 million in U.S. funds to build the facility will account for more than half of the estimated costs of constructing and equipping the campus. The Iraqi government has sufficient resources to furnish and equip the facility without U.S. assistance, and its willingness to take on this responsibility will demonstrate its commitment to the project without putting further U.S. funds at risk. The \$12 million in funding set aside for furnishings and equipment is better spent elsewhere.

Recommendation

SIGIR recommends that the Commander, U.S. Central Command, direct the Commanding General, United States Forces–Iraq take no further action to purchase furniture and equipment for the IIA, and inform the GOI that it is their responsibility to do so.

Lessons Learned

As Iraq’s ability to function as a sovereign nation improves, a written and signed bilateral agreement between the U.S. and Iraq should be a prerequisite for development assistance projects to ensure that U.S. funds are not wasted.

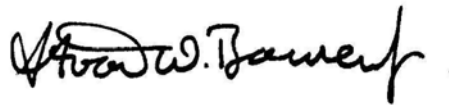
Management Comments and Audit Response

The U.S. Central Command provided a written response to our report in which the Command stated it agreed with the recommendation but with a comment. The comment proposed rewording of the recommendation to state the “Commander, U.S. Central Command, advise the Commanding General, U.S. Forces–Iraq formally obtain GOI commitment via ITAM-MOD to maintain and sustain the project once completed before providing the additional \$12M for equipment and furnishings.” In a subsequent conversation, the Command Inspector General point of contact stated that they believed that this wording met the intent of our recommendation but provided the USF-I Commanding General the authority to make such a decision based on his assessment of conditions in the field. Their formal comments are published in their entirety in Appendix D.

We applaud the Command’s recognition of the need to obtain host government support for operating the Academy but do not believe the revised recommendation fully meets the intent of our recommendation. As we discussed in our conclusion, U.S. construction funding accounts for more than half of total project costs, and the best way the GOI can demonstrate its commitment to the Academy is by purchasing Academy equipment and furnishings. In so doing the GOI would be more likely to guard and use the items rather than removing or not using them as they

have done in the past with U.S.-purchased equipment. Additionally, the GOI would be in a position to decide whether the potential benefits of planned equipment purchases, such as the 94 flat-screen televisions the USF-I plans to buy at a cost of more than \$86,000, outweigh their costs. Overall, the proposed U.S. Central Command recommendation could result in the USF-I simply delaying their purchase of these items, which was not the intent of our recommendation.

We appreciate the courtesies extended to the SIGIR staff. For additional information on the draft report, please contact Joan S. Hlinka, Deputy Assistant Inspector General for Audits (Washington, DC), (703) 604-0945/ joan.hlinka@sigir.mil or Nancee Needham, Deputy Assistant Inspector General for Audits-Iraq, (240) 553-0581 Ext.3793/ nancee.needham@iraq.centcom.mil.



Stuart W. Bowen, Jr.
Inspector General

cc: U.S. Secretary of State
U.S. Ambassador to Iraq
U.S. Secretary of Defense

Appendix A—Scope and Methodology

Scope and Methodology

In October 2010, the Special Inspector General for Iraq Reconstruction (SIGIR) initiated Project 1022 to examine the United States Forces–Iraq (USF-I), Iraqi Training and Advisory Mission–Ministry of Defense (ITAM-MOD) project to establish the Iraqi International Academy (IIA). SIGIR’s reporting objective was to provide information on the Government of Iraq’s commitment to maintaining and sustaining the IIA. This audit was performed by SIGIR under the authority of Public Law 108-106, as amended, which also incorporates the duties and responsibilities of inspectors general under the Inspector General Act of 1978. SIGIR conducted its work during October through December 2010 in Baghdad, Iraq.

To accomplish our objective, we visited or held discussions with officials involved in the development and oversight of the IIA, and reviewed and analyzed financial, contract and project documents, and data from the USF-I, the Deputy Commanding General, Advising and Training, ITAM-MOD, U.S. Army Corps of Engineers, Gulf Region District, and the Joint Contracting Command–Iraq/Afghanistan. To obtain the GOI perspective on the future of the IIA, we met with MOD officials who were involved in its development. We also toured the IIA construction site on November 19, 2010. The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Use of Computer-processed Data

We did not use computer-processed data in this report.

Internal Controls

We reviewed USF-I’s steps to ensure Iraqi Security Forces Funds would not be wasted. The results of this review are presented in the body of the report.

Prior Coverage

We reviewed the following reports and documents for this audit:

SIGIR

Developing a Depot Maintenance Capability at Taji Hampered by Numerous Problems, SIGIR 09-027, 7/30/2009.

Security Forces Logistics Contract Experienced Certain Cost, Outcome, and Oversight Problems, SIGIR 09-014, 4/26/2009.

Commander's Emergency Response Program: Projects at Baghdad Airport Provided Some Benefits, but Waste and Management Problems Occurred, SIGIR 10-013, 4/26/2010.

Hard Lessons: The Iraq Reconstruction Experience, Government Printing Office, February 2009.

Department of Defense Inspector General

Assessment of U.S. Government Efforts to Develop the Logistics Sustainment Capability of the Iraq Security Forces, SPO-2011-001, 11/17/2010.

Appendix B—Acronyms

Acronym	Description
GOI	Government of Iraq
GRD	U.S. Army Corps of Engineers, Gulf Region District
IIA	Iraqi International Academy
ISFF	Iraq Security Forces Fund
ITAM-MOD	Iraqi Training and Advisory Mission—Ministry of Defense
MAAWS	Money as a Weapons System
MOD	Ministry of Defense
SIGIR	Special Inspector General for Iraq Reconstruction
USF-I	United States Forces—Iraq

Appendix C—Audit Team Members

This report was prepared and the audit conducted under the direction of Glenn D. Furbish, Assistant Inspector General for Audits, Office of the Special Inspector General for Iraq Reconstruction.

The staff members who conducted the audit and contributed to the report include:

Randy Gentry

Arthur Granger

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Nancee Needham

Appendix D—Management Comments

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UNITED STATES CENTRAL COMMAND
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24 January 2011

MEMORANDUM FOR SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION

SUBJECT: SIGIR Draft Report; "Iraqi Government Support for the Iraq International Academy" (SIGIR Draft 11-009, Project Code 1022)

1. The U. S. CENTCOM staff response to the recommendation in SIGIR Draft Report 11-009 is as follows, with no additional comments:

RECOMMENDATION:

SIGIR recommends that the Commander, U.S. Central Command, direct the Commanding General, United States Forces-Iraq to take no further action to purchase furniture and equipment for the IIA and inform the GOI that it is their responsibility to do so.

USCENTCOM Response:

USCENTCOM concurs with comment. USCENTCOM proposes that the recommendation be reworded as follows: "Commander, U.S. Central Command, advise the Commanding General, United States Forces-Iraq formally obtain GOI commitment via ITAM-MOD to maintain and sustain the project once completed before providing the additional \$12M for equipment and furnishings."

2. POC is LTC Jeffrey Downing, Phone: (813) 827-6660; DSN 651-6660, e-mail: ccjgaudit@centcom.mil.


DUANE T. RACKLEY,
GS-14, DAF
Deputy Inspector General

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Appendix E—SIGIR Mission and Contact Information

SIGIR’s Mission

Regarding the U.S. reconstruction plans, programs, and operations in Iraq, the Special Inspector General for Iraq Reconstruction provides independent and objective:

- oversight and review through comprehensive audits, inspections, and investigations
- advice and recommendations on policies to promote economy, efficiency, and effectiveness
- deterrence of malfeasance through the prevention and detection of fraud, waste, and abuse
- information and analysis to the Secretary of State, the Secretary of Defense, the Congress, and the American people through Quarterly Reports

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- Phone: 703-602-4063
- Toll Free: 866-301-2003

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