



MESSAGE FROM THE SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION

I am pleased to provide the Congress and the Secretaries of State and Defense with the 21st Quarterly Report from the Special Inspector General for Iraq Reconstruction. This comprehensive report on the status of Iraq reconstruction in 2009 includes:

- an overview of significant issues affecting the U.S. program
- updated reporting on the use of the billions of dollars in reconstruction money appropriated for Iraq
- snapshots of rebuilding progress in every Iraqi province
- a summary of SIGIR audits, inspections, and investigative work accomplished this quarter
- an overview of other agency oversight work in Iraq

This quarter, I traveled to Iraq for the 22nd time since my appointment as IG five years ago. During my visit, I had meetings with senior leadership of the Government of Iraq, including Prime Minister Nouri al-Maliki, Vice President Tariq al-Hashemi, Deputy Prime Minister Rafie al-Eissawi, and the President of the Board of Supreme Audit, Dr. Abdul Basit. These meetings covered a wide variety of issues, but one significant matter threaded through each of them—*corruption*. SIGIR has long reported on this problem, describing it in 2006 as a *second insurgency*. It continues to daunt the Government of Iraq's efforts to develop its fledgling democracy. The Prime Minister acknowledged the broad scope of the problem, and the Vice President agreed that more must be done to strengthen Iraq's capacity to respond. I also met with the Embassy's Anti-Corruption Coordinator and was pleased with the planning he has developed to improve U.S. support in this area. But clearly more must be done to fight the second insurgency, which appears to have grown stronger as the first insurgency has been suppressed.

This quarter's highlights include the release, on February 2, of SIGIR's most important lessons learned report—*Hard Lessons: The Iraq Reconstruction Experience*. More than two years in the making, this lengthy study of the U.S. Iraq reconstruction program examines the length and breadth of the six-year U.S. effort to rebuild Iraq, reaching 13 important tactical and strategic lessons that apply to current and future overseas contingency operations. On March 25, I appeared before the House Armed Services Committee to testify on these lessons. The core strategic lesson from Iraq is that the United States needs to reform its approach to overseas contingency operations. Any approach to reform must address ways to improve the weak unity of command that burdened management of the Iraq reconstruction program.

SIGIR's oversight efforts this quarter addressed a wide variety of issues in Iraq reconstruction, including audits reviewing the program to construct Primary Healthcare Centers across Iraq, the process for transferring U.S.-provided assets to Iraqi control, and the congressional requirement that the Government of Iraq share the costs of continuing reconstruction efforts. SIGIR inspectors traveled to a number of project sites across Iraq this quarter; I accompanied them to Anbar province in early March to inspect a bridge project near Falluja. The inspections summarized in this report comprise a generally successful set of projects, including schools and health clinics. Finally, SIGIR's investigative team continued progress on 80 cases and expects legal action on a

number of them in the upcoming quarter. Thanks to SIGIR investigative work, we were able to return more than \$13 million in recovered funds to the Government of Iraq in March.

I believe that this is SIGIR's strongest Quarterly Report to date, and I am proud of the Quarterly Report team that worked diligently to produce this high-quality product. I also remain grateful for the efforts of the 35 auditors, inspectors, and investigators who are carrying out SIGIR's work across Iraq and for all of our hard-working staff committed to this mission. Recent events demonstrate that the country remains in a fragile state. On the first anniversary of the loss of a SIGIR auditor in Iraq, I commend the courage of those on our team who continue to serve there.

A handwritten signature in black ink, reading "Stuart W. Bowen, Jr." with a period at the end. The signature is written in a cursive, flowing style.

Stuart W. Bowen, Jr.
Special Inspector General for Iraq Reconstruction