
IMPACT OF SIGIR OPERATIONS

SIGIR's work impacts many aspects of the U.S. mission in Iraq and the Government of Iraq. To validate the financial or non-financial benefits resulting from SIGIR work, SIGIR requires the staff to document the connection between the benefits reported and the work performed. SIGIR recommendations have enabled U.S. and Iraqi reconstruction management officials to:

- reduce expenditures and improve efficiency and effectiveness
- implement or improve fund and asset controls
- enhance construction quality by ensuring adequacy of design specifications, stopping inadequate construction, and avoiding re-work
- increase potential oil revenue
- avoid waste and unnecessary expenditures

IMPACT OF SIGIR AUDITS

SIGIR reports the financial impact of audits semiannually, as required by law. Through July 30, 2008, SIGIR audits saved and recovered funds of about \$81.60 million and improved the use of \$208.10 million of funds. SIGIR audits also

challenged payments of \$14.17 million, including possible duplicate payments, overpayments, or for work that was not completed. This is an increase of \$23.7 million in recovered funds and \$168.10 million in funds put to better use since the SIGIR April 30, 2008 Quarterly Report. Most of the savings result from a SIGIR recommendation that the Defense Contract Audit Agency review contractor invoices for the Iraqi Police Training Program. For a detailed list of these financial impacts, see Table C-1.

SIGIR's analysis of its non-financial benefits have identified approximately 55 documented instances of improved processes and procedures resulting from SIGIR audits. For example, SIGIR's review of the LOGCAP contract resulted in significant improvements in the government's recordkeeping and oversight, such as improved accountability for fuel provided to the contractor.

APPENDIX C

DETAIL OF IMPACT OF SIGIR AUDITS (\$ MILLIONS)

| | AUDIT # | DOLLARS SAVED/FUNDS RECOVERED | BETTER USE | CHALLENGED PAYMENTS | NON-FINANCIAL IMPACT |
|--|------------|-------------------------------------|---------------|------------------------|--|
| Coalition Provisional Authority Coordination of Donated Funds | 04-001 | | | | Improved transparency and accountability for donor funds. |
| Management of Personnel Assigned to the Coalition Provisional Authority in Baghdad, Iraq | 04-002 | | | | Improved CPA's control over and insight into the number of civilians assigned to CPA in Baghdad, including both U.S. government and contractor personnel. |
| Federal Deployment Center Forward Operations at the Kuwait Hilton | 04-003 DFI | \$18.20 | | | Improved economy and efficiency and contract administration. |
| Task Orders Awarded by Air Force Center for Environmental Excellence in Support of the Coalition Provisional Authority | 04-004 | | | | Improved contract administration and program management. |
| Oil For Food Cash Controls for the Office of Project Coordination in Erbil, Iraq | 04-007 | | | | Improved the CPA's internal controls over the transfer of cash. |
| Coalition Provisional Authority Control Over Seized and Vested Assets | 04-008 | | | | Improved accountability over non-cash assets. |
| Accountability and Control of Materiel Assets of the Coalition Provisional Authority in Baghdad | 04-011 DFI | | | | Improved accountability over property. |
| Coalition Provisional Authority's Contracting Processes Leading Up To and Including Contract Award | 04-013 | \$5.00 | | \$0.19 | Improved contract administration and transparency. |
| Accountability and Control of Materiel Assets of the Coalition Provisional Authority in Kuwait | 05-002 | | | | Improved accountability over property. |
| Oversight of Funds Provided to Iraqi Ministries through the National Budget Process | 05-004 DFI | | | | Improved controls over payroll. |
| Compliance with Contract No. W91150-04-C-0003 Awarded to Aegis Defense Services Limited | 05-005 | | | | Improved contract administration and program management. |
| Control of Cash Provided to South-Central Iraq | 05-006 DFI | | | | Improved contract administration and accountability. |
| Administration of Iraq Relief and Reconstruction Fund Contract Files | 05-007 | | | | Improved contract administration and management. |
| Administration of Contracts Funded by the Development Fund for Iraq | 05-008 DFI | | | \$0.04 | |
| Reconciliation of Reporting Differences of the Source of Funds Used on Contracts After June 28, 2004 | 05-009 | | | | Improved accuracy of contract administration information. |
| Interim Briefing to the Project and Contracting Office-Iraq and the Joint Contracting Command-Iraq on the Audit of the Award Fee Process | 05-010 | | | | Improved contract management and administration. |
| Management of Rapid Regional Response Program Contracts in South-Central Iraq | 05-015 DFI | | | \$2.70 | This was the first in a series of audits to improve compliance with applicable guidance and control and accountability for Development Fund for Iraq cash assets and expenditures. |
| Management of the Contracts and Grants Used To Construct and Operate the Babylon Police Academy | 05-016 DFI | | | \$1.30 | This audit report is one of a series of reports to improve controls over cash, contract management, and grant management for the CPA South-Central Region. (See 05-015) |
| Award Fee Process for Contractors Involved in Iraq Reconstruction | 05-017 DFI | | \$7.80 | | |
| Acquisition of Armored Vehicles Purchased Through Contract W914NS-05-M-1189 | 05-018 | | | | Improved contract management and administration. |
| Management of the Contracts, Grant, and Micro-Purchases Used To Rehabilitate the Karbala Library | 05-020 DFI | \$0.15 | | | This audit report is one of a series of reports to improve controls over cash, contract management, and grant management for the CPA South-Central Region. (See 05-015) |
| Management of Iraq Relief and Reconstruction Fund Programs—Cost-to-Complete Estimate Reporting | 05-021 | | | | Improved program management and accuracy of reporting to the Congress. |
| Managing Sustainment for Iraq Relief and Reconstruction Fund Programs | 05-022 | | | | Improved IRRF program management and protection of U.S. reconstruction investment. |

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|---|------------|-------------------------------------|---------------|------------------------|---|
| Management of Rapid Regional Response Program Contracts in South-Central Iraq | 05-023 DFI | | | | One of a series of reports designed to improve program management and contract administration of DFI funds. (See 05-015) |
| Management of the Commander's Emergency Response Program for Fiscal Year 2005 | 05-025 | | | | Improved program management of appropriated funds. |
| Methodologies for Reporting Cost-to-Complete Estimates | 05-027 | | | | Improved program management and accuracy of reporting to the Congress. |
| Management of the GRD-PCO Management of the Transfer of IRRF-funded Assets to the Iraqi | 05-028 | | | | Audit recommendations led agency to creation of an IRRF coordinating sustainment office. |
| Audit Report on Management of the Iraq Relief and Reconstruction Fund Program: The Evolution of the Iraq Reconstruction Management System | 06-001 | | | | Audit recommendations led to improved IRMS systems development and documentation. |
| Prompt Payment Act: Analysis of Expenditures Made from the Iraq Relief and Reconstruction Fund | 06-002 | | | | Improved IRRF program management. |
| Review of Data Entry and General Controls in the Collecting and Reporting of the Iraq Relief and Reconstruction Fund | 06-003 | | | | Improved program management and accuracy of IRRF status reporting. |
| Follow-up on Recommendations Made in SIGIR Audit Reports Related to Management and Control of the Development Fund for Iraq | 06-005 DFI | | | | One of a series of reports designed to improve program management and contract administration of DFI funds. (See 05-015) |
| Multi-National Security Transition Command Iraq Management of the Transfer of Iraq Relief and Reconstruction Fund Projects to the Iraqi Government | 06-006 | | | | Audit recommendations led agency to creation of an IRRF coordinating sustainment office. |
| Audit Report on U.S. Agency for International Development Management of the Transfer of Iraq Relief and Reconstruction Fund Projects to the Iraqi Government | 06-007 | | | | Audit recommendations and follow up reports focused on a single, unified transfer process, improved coordination, timely notification, and adequate sustainment. |
| Audit Report on Development Fund for Iraq Cash Accountability Review: Joint Area Support Group-Central | 06-008 DFI | | | | Improved cash accountability. Audit recommendations addressed proper storage, retrieval, and contingency planning. |
| Review of Task Force Shield Programs | 06-009 | \$12.80 | | | Improved property accountability. |
| Review of the MNSTC-I Reconciliation of the Iraqi Armed Forces Seized Assets Fund/Iraqi Armed Forces | 06-010 DFI | \$1.51 | | \$3.46 | |
| Audit Report on Management of the Primary Healthcare Centers Construction Projects | 06-011 | | | | Improved program and contract management, property accountability and accurate reporting. |
| Seized Assets Fund: Review of Contracts and Financial Documents | 06-015 | | | \$2.31 | |
| Interim Audit Report on the Review of the Equipment Purchased for Primary Healthcare Centers Associated with Parsons Global Services, Contract Number W914NS-04-D-006 | 06-016 | \$23.30 | | | |
| Transition of Iraq Relief and Reconstruction Fund Projects to the Iraqi Government | 06-017 | | | | Audit recommendations and follow up reports focused on a single, unified transfer process, improved coordination, timely notification, and adequate sustainment. |
| Review of the Advanced First Responder Network | 06-020 | | | | Improved program and contract management and improved property accountability. Audit recommendations focused on meeting technical requirements and property accountability. |
| Joint Survey of the U.S. Embassy-Iraq's Anticorruption Program | 06-021 | | | | Improved program management. Audit recommendations focused on senior leadership, levels of resources, metrics, etc. |
| Joint Cash Count: Iraq National Weapons Card Program | 06-024 | | | | Improved accountability for funds transferred from U.S. officials to a bank account for the GOI. |

APPENDIX C

DETAIL OF IMPACT OF SIGIR AUDITS (\$ MILLIONS)

| AUDIT # | DOLLARS SAVED/FUNDS RECOVERED | BETTER USE | CHALLENGED PAYMENTS | NON-FINANCIAL IMPACT |
|--|-------------------------------------|---------------|------------------------|--|
| Review of the Medical Equipment Purchased for the Primary Healthcare Centers Associated with Parsons Global Services, Inc., Contract Number W914NS-04-D-0006 | 06-025 | | | One of a series of reports concerning program management and accountability over property within the Healthcare Centers Construction Projects. (See 06-016) |
| Review of the U.S. Agency for International Development's Management of the Basrah Children's Hospital | 06-026 | | | Improved program management. Audit recommendations focused on improved program and contract management and accurate reporting. |
| Review of DynCorp International, LLC, Contract Number S-LMAQM-04-C-0030, Task Order 0338, for the Iraqi Police Training Program Support | 06-029 | | | Improved program and contract management—including recoupment of overpayments, challenged invoices, and other funding actions. |
| Status of Medical Equipment and Other Non-construction Items Purchased for Primary Healthcare Centers | 06-030 | | | One of a series of reports concerning program management and accountability over property within the Healthcare Centers Construction Projects. (See 06-016) |
| Management of the Iraqi Interim Government Fund | 06-031 | | | Improved accountability for funds; timely, accurate funds status reporting to the GOI. |
| Iraqi Security Forces: Review of Plans to Implement Logistics Capabilities | 06-032 | | | Improved program and management and accuracy ISF support funds reporting. |
| Iraqi Security Forces: Weapons Provided by the U.S. Department of Defense Using the Iraq Relief and Reconstruction Fund | 06-033 | | | Improved accountability for ISF weapons. |
| Status of the Provincial Reconstruction Team Program in Iraq | 06-034 | | | Improved program management. |
| Interim Audit Report on Inappropriate Use of Proprietary Data Markings by the Logistics Civil Augmentation Program (LOGCAP) Contractor | 06-035 | | | Improved program and contract management—including potential LOGCAP-wide improvements. Also LOGCAP-wide improved accountability for government property, including lodging facilities and subsistence. |
| Follow-up on SIGIR Recommendations Concerning the Development Fund for Iraq | 06-036 DFI | | | Final in a series of reports designed to improve program management and contract administration of DFI funds. (See 05-015) |
| Unclassified Summary of SIGIR's Review of Efforts to Increase Iraq's Capability to Protect Its Energy Infrastructure | 06-038 | | | Audit recommendations addressed critical infrastructure integrity challenges and improved program management through capacity to track and analyze inputs. |
| LOGCAP Task Order 130: Requirements Validation, Government Oversight, and Contractor Performance | 07-001 | | | Reflects SIGIR's efforts to monitor and follow up on recommendations to improve program and contract management, accountability for government property. (See 06-035) |
| Status of the Advanced First Responder Network | 07-002 | | | Reflects SIGIR's efforts to monitor and follow up on recommendations to improve program management and property accountability within the First Responder program. (See 06-020) |
| Status of U.S. Government Anticorruption Efforts in Iraq | 07-007 | | | Reflects SIGIR's efforts to monitor and follow up on recommendations to improve program management within the Anticorruption program at the U.S. Embassy-Iraq. (See 06-021) |

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| Controls Over Unliquidated Obligations in the Iraq Relief and Reconstruction Fund | 07-011 | | \$3.18 | | |
| Sustainment of the Advanced First Responder Network (Restricted Distribution) | 07-013 | | | | Reflects SIGIR's efforts to monitor and follow up on recommendations to improve program management and property accountability within the First Responder program. (See 06-020) |
| Status of the Provincial Reconstruction Team Program Expansion in Iraq | 07-014 | | | | Reflects SIGIR's efforts to monitor and follow-up on recommendations to improve program management of the PRT. (See 06-034) |
| Review of the Effectiveness of the Provincial Reconstruction Team Program in Iraq (October 18, 2007) | 07-015 | | | | Reflects SIGIR's efforts to monitor and follow up on recommendations to improve program management of the PRT. (See 06-034) |
| Interim Review of DynCorp International, LLC, Spending Under Its Contract for the Iraqi Police Training Program | 07-016 | \$20.64 | \$197.12 | \$4.17 | |
| Interim Report on Efforts and Further Actions Needed to Implement a Financial Management Information System in Iraq | 08-001 | | | | Improved program and contract management. |
| Logistics Civil Augmentation Program Task Orders 130 and 151: Program Management, Reimbursement, and Transition | 08-002 | | | | Reflects SIGIR's efforts to monitor and follow-up on recommendations to improve program and contract management, accountability for government property. (See 06-035) |
| Commander's Emergency Response Program in Iraq Funds Many Large-Scale Projects | 08-006 | | | | Improved program management. Audit recommendations focused on program documentation, sustainment, lessons learned. |
| Efforts to Implement a Financial-Management Information System in Iraq | 08-007 | | | | A companion to 08-001, the audit identifies lessons learned for USAID to move forward in developing a GOI IFMIS. |
| Progress on Recommended Improvements to Contract Administration for the Iraqi Police Training Program (April 22, 2008) | 08-014 | | | | Reflects SIGIR's efforts to monitor and follow-up on recommendations to improve program and contract management—including recoupment of overpayments, challenged invoices, and other funding actions. (See 06-029) |
| Transferring Reconstruction Projects to the Government of Iraq: Some Progress Made but Further Improvements Needed to Avoid Waste | 08-017 | | | | Reflects SIGIR's efforts to monitor and follow-up on recommendations to improve the process of transferring assets to the GOI. (See 06-007) |
| Total | | \$81.60 | \$208.10 | \$14.17 | |

TABLE C-1

IMPACT OF SIGIR INVESTIGATIONS

SIGIR investigators have recovered or seized assets valued at about \$17.4 million as a result of court-ordered restitution and forfeiture. Investigators also prevented about \$3.8 million of incurred cost by alerting contracting officers to improper contracts. SIGIR's investigative work contributed to improving controls in contracting and financial management and identified another \$2.1 million in potential recovery. For details, see Table C-2.

These impacts are the result of investigative actions from 346 open, closed, or referred cases. Seized funds were recovered from subjects identified in ongoing and closed SIGIR investigations. Recoveries are documented from fraudulent payments and seizures of unaccounted-for cash. Property seizures reflect the assessed value of currently seized assets purchased with illegally obtained funds and recovered in criminal investigations.

DETAIL OF FINANCIAL-RELATED IMPACT OF SIGIR INVESTIGATIONS (\$ MILLIONS)

| | COURT-ORDERED RESTITUTION/ FORFEITURE | COST AVOIDANCE | POTENTIAL RECOVERY |
|-------|---|----------------|--------------------|
| Total | \$17.4 | \$3.8 | \$2.1 |

Note: Numbers are provided in aggregate. Individual tracking is done on a case level and maintained by SIGIR AIG for Investigations.

TABLE C-2