



## MESSAGE FROM THE SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION

This 22nd Quarterly Report from the Special Inspector General for Iraq Reconstruction is aptly themed “From Surge to Sovereignty.” Several notable events this quarter have shaped the new operational environment now pervading Iraq:

- the June 30 departure of U.S. combat forces from Iraqi cities, designated by Prime Minister al-Maliki as the “National Day of Sovereignty”
- new presidential and parliamentary elections in the Kurdistan Region
- the announcement by the Department of Defense of the imminent deployment of new U.S. Army “Advise and Assist Brigades,” whose emphasis will be on capacity building rather than security
- the reorganization of the U.S. Embassy by Ambassador Christopher Hill, to include the creation of a second Deputy Chief of Mission who will focus on reconstruction transition

Notwithstanding these important evolutions, several threats and vulnerabilities continue to impede progress, including:

- the occurrence of several mass-casualty attacks, chiefly in northern provinces, which contributed to about 1,000 Iraqi deaths this quarter
- the loss of the Deputy Director of the U.S. Iraq Transition Assistance Office and two others in an IED attack near Falluja
- the rise in Kurdish-Arab tensions that could, as one senior Kurdish official observed, boil over into conflict
- the struggle against widespread corruption in the Iraqi government

Within these developing contexts, SIGIR continues to execute its robust oversight mission in Iraq, maintaining a staff of 35 auditors, investigators, and inspectors in country. For the past five years, SIGIR has averaged about 30 audits and 30 inspections per year, which collectively have helped the U.S. program improve its course and save tens of millions in taxpayer dollars along the way. This quarter, SIGIR’s oversight work, among other things, uncovered the following:

- Records of weapons discharges by private security contractors were not complete, impairing the oversight of serious-incident reports.
- The Multi-National Security Transition Command-Iraq applied lessons learned from problems experienced on previous projects to achieve a good construction outcome at the Tikrit Location Command, an Iraqi Security Forces base.
- The Basrah Children’s Hospital, years overdue and tens of millions over cost, was generally well-constructed but will not be fully operational until 2011.
- The Missan Surgical Hospital was far behind schedule, what was completed had severe deficiencies, and the Government of Iraq has not provided funds for training and equipment.

SIGIR's investigative team made progress this quarter on more than 80 active cases. Highlights include:

- the unsealing of a 23-count indictment alleging that a civilian contractor paid more than \$2.8 million in bribes to a U.S. Army major working as a contracting official in Kuwait
- the guilty plea by a Massachusetts-based corporation to criminal charges related to an investigation involving an \$8.5 million contract for security vehicles between a British company and the former Coalition Provisional Authority
- the guilty plea by a defense contractor to wire fraud and bribery in connection with security equipment contracts in Iraq (unsealed on May 27, 2009)
- the sentencing of a former lieutenant colonel in the U.S. Army Reserves to 30 months in prison for her participation in a fraud scheme

SIGIR's lessons-learned study, *Hard Lessons: The Iraq Reconstruction Experience*, is helping to shape the debate on reforming the U.S. approach to overseas contingency operations. The central point of discussion is not whether the system needs repair, but what structure should be developed to plan and execute future complex contingencies.

I will soon depart on my 24th trip to Iraq since SIGIR started work in Iraq in early 2004. I look forward to pushing forward our efforts to provide the Congress and the Secretaries of State and Defense with the most current and accurate oversight reporting possible on the rapidly evolving reconstruction situation in Iraq.

A handwritten signature in black ink, appearing to read "Stuart Bowen, Jr.", followed by a period.

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