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SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

October 3, 2014

The Honorable Charles T. Hagel
Secretary of Defense

Dear Secretary Hagel:

In a letter to you dated December 5, 2013, my office announced its review of the procurement of a fleet of twenty G222 (C-27A) aircraft for use in Afghanistan, at a cost of \$486 million.¹ This program was terminated in March 2013, after sustained, serious performance, maintenance, and spare parts problems and the planes were grounded.

It has recently come to my attention that the sixteen G222s accepted and delivered to Afghanistan—which were for some time sitting idle on a tarmac at the Kabul International Airport—were turned over to the Defense Logistics Agency (DLA) and have since been scrapped. A letter concerning this development was sent to the Secretary of the Air Force and is attached.² I have been informed that the remaining four G222 aircraft at Ramstein Air Force Base, Germany were not turned over to DLA for scrapping, and that a final decision on the fate of those planes has not yet been made.

Our review of the procurement of the G222 fleet is on-going. In my recent letter to the Secretary of the Air Force, I asked about plans for the disposition of the four remaining planes located in Germany. The SIGAR review team anticipated having an on-site inspection of the G222s as part of that overall procurement and lessons learned review. I request, therefore, that your office provide me with sufficient advance notice of any change in the status of the four remaining G222s.

I am submitting this request pursuant to my authority under Public Law No. 110-181, as amended, and the Inspector General Act of 1978, as amended. Provide the requested information to Jack Mitchell, Director of the Office of Special Projects, at [REDACTED], if you have any questions.

Sincerely,

John F. Sopko
Special Inspector General
for Afghanistan Reconstruction

¹ SIGAR-15-02-SP, *Scrapping of the G222 Fleet at Kabul Airport*, October 3, 2014, see Attachment I.

² SIGAR-SP-19, *Lessons Learned Review of the G222 (C-27A) Aircraft Program*, see Attachment II.

ATTACHMENT I: SIGAR-15-02-SP INQUIRY LETTER: SCRAPPING OF G222 FLEET AT KABUL AIRPORT, DATED 03 OCTOBER 2014



SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

October 3, 2014

The Honorable Deborah L. James
Secretary of the Air Force
1670 Air Force Pentagon
Washington, DC 20330-1670

Dear Madam Secretary:

In December 2013, my office initiated a review of the Defense Department's expenditure of \$486 million for 20 G222 aircraft for the Afghan Air Force which could not meet operational requirements in Afghanistan.¹ Shortly after my letter, the G222 program was ended in March 2013 after experiencing continuous and severe operational difficulties, including a lack of spare parts.

During a trip to Afghanistan, I observed sixteen of the twenty planes in the G222 fleet parked unused on a tarmac at Kabul International Airport (see Figure 1 and 2). I was informed that the other four planes are at Ramstein Air Base in Germany. It has come to my attention that the sixteen G222s at Kabul were recently towed to the far side of the airport and scrapped by the Defense Logistics Agency (see Figure 3). I was also informed that an Afghan construction company paid approximately 6 cents a pound for the scrapped planes, which came to a total of \$32,000.² I am concerned that the officials responsible for planning and executing the scrapping of the planes may not have considered other possible alternatives in order to salvage taxpayer dollars.

To assist our inquiry, please provide the following information:

- All documentation, to include electronic communications, related to the decision-making process that led to the approval for scrapping the sixteen G222s.
- Explain whether alternatives to scrapping the planes were considered and, if alternatives were considered, why they were not pursued, such as flying the planes out of Afghanistan to the United States, Europe or other country for sale?
- Provide all contractual documentation related to the scrapping of the aircraft and identify any costs to the government related to scrapping the planes.
- Provide all information concerning surveys or assessments conducted to determine the value of the planes before the sixteen planes were scrapped. Were any or all the aircraft airworthy?
- Identify and explain any actions taken to pursue administrative remedies against the aircraft manufacturer or maintenance contractor and whether warranty claims were pursued. What efforts were made to return the aircraft to the manufacturer or to obtain a refund?
- Identify the end use of the scrap metal sold to the Afghan company. Were any of the aircraft parts not scrapped (i.e. engines, tires, brass components)? If so, identify those parts and their disposition.
- What plans does DOD have for the disposition of the four remaining planes located in Germany?

¹ SIGAR Report Notification, *SIGAR initiating a review of the \$486.1 million in acquisition and sustainment costs of the terminated G222 (C27-A) aircraft program*, December 5, 2013.

² Defense Logistics Agency, Disposition Services Contract no. 46666812, awarded December 24, 2013.

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Please provide your response no later than October 17, 2014. I am submitting this request pursuant to my authority under Public Law No. 110-181, as amended, and the Inspector General Act of 1978, as amended. Provide the requested information to Jack Mitchell, Director of the Office of Special Projects, at john.h.mitchell161.civ@mail.mil or contact him at (703) 545-5964, if you have any questions.

Sincerely,



John F. Sopko
Special Inspector General
for Afghanistan Reconstruction

cc:

The Honorable Charles T. Hagel
Secretary of Defense

General Lloyd J. Austin III
Commander, U.S. Central Command

General John F. Campbell
Commander, U.S. Forces - Afghanistan and
Commander, International Security Assistance Force

ATTACHMENT I: PICTURES OF THE G222 FLEET AT KABUL INTERNATIONAL AIRPORT, KABUL, AFGHANISTAN



Figure 1 – G222 Fleet Kabul, Afghanistan



Figure 2 – Special Inspector General John Sopko inspects the abandoned G222 Fleet at Kabul International Airport in November 2013



Figure 3 – G222 shredded scrap Kabul, Afghanistan August 2014

ATTACHMENT II: SIGAR SP-19, LESSONS LEARNED REVIEW OF THE G222 (C-27A) AIRCRAFT PROGRAM, DATED DECEMBER 5, 2013



SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

December 5, 2013

The Honorable Charles T. Hagel
Secretary of Defense

General Lloyd J. Austin III
Commander, U.S. Central Command

General Joseph F. Dunford, Jr.
Commander, U.S. Forces-Afghanistan and
Commander, International Security Assistance Force

This letter is to inform you that the Special Inspector General for Afghanistan Reconstruction (SIGAR) Office of Special Projects is starting a review of the terminated G222 (C-27A) aircraft program.¹

In 2008, the Department of Defense (DOD) initiated a program to provide 20 G222s to the Afghan Air Force (AAF). The G222s are twin propeller military transport aircraft built in Italy. In January 2013, the DOD Inspector General (DODIG) reported that the G222 Project Management Office (PMO) and the North Atlantic Treaty Organization (NATO) Training Mission-Afghanistan/Combined Security Transition Command - Afghanistan (NTM-A/CSTC-A) did not properly manage the effort to obtain the spare parts needed to keep the aircraft flightworthy.²

Despite spending at least \$486.1 million in acquisition and sustainment costs on the program, DODIG reported that the aircraft flew only 234 of the 4,500 required hours from January through September 2012. The DODIG also concluded that an additional \$200 million in Afghanistan Security Forces Funds might have to be spent on spare parts for the aircraft to meet operational requirements, noting that several critical spare parts for the aircraft were unavailable.

In December 2012, the Program Executive Office (PEO) for Air Force Mobility Programs at the Air Force Life Cycle Management Center notified the contractor that it would not issue a follow-on sustainment contract. As a result, the mission capability rates and flying hours of the aircraft were negatively impacted. In March 2013, the PEO also indicated that the AAF would use an alternate aircraft to meet its long-term medium airlift requirement, effectively ending the G222 program.

¹ The C-27A is a modified G222 airframe manufactured by Alenia Aermacchi in Italy. However, the DOD refers to the modified airframe provided to the AAF as the G222.

² DODIG-2013-040, "Critical Information Needed to Determine the Cost and Availability of G222 Spare Parts," January 31, 2013. The Council of Inspectors General for Integrity and Efficiency (CIGIE) recognized this DODIG audit for an Audit Award for Excellence on October 15, 2013.

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In November 2013, I visited Afghanistan and met with Brigadier General John Michel, Commanding General for the NATO Air Training Command-Afghanistan, who explained what went wrong with the G222 program and shared the results of a "lessons learned" review designed to help prevent similar mistakes in the future.

Despite the actions taken by the NATO Air Training Command-Afghanistan, Congress remains interested in, why DOD purchased aircraft that apparently could not be sustained and what will happen to the G222s currently sitting unused at the Kabul International Airport and in Ramstein Air Force Base Germany. Therefore, SIGAR is launching a review of the terminated G222 aircraft program in response to these congressional concerns and the need to ensure that the U.S. government does not repeat the mistakes made throughout this nearly half billion dollar program.

Per our agency procedures, we coordinated this notification with other oversight bodies, and obtained information on completed and ongoing audits related to our proposed objectives. We appreciate that supporting this oversight project will require the time and attention of agency staff, and we will try to avoid duplicative requests for information and meetings.

The enclosure provides information on the objectives and planned work for this review. Please notify the appropriate individuals of this review. We would appreciate if arrangements could be made to conduct an entrance conference during the week of December 22, 2013. Please contact my Director (Acting) of Special Projects, Jerry W. Clark, at 703-545-5965 or at jerry.w.clark50.civ@mail.mil if you have any additional questions and to make these arrangements.

Sincerely,



John F. Sopko
Special Inspector General
for Afghanistan Reconstruction

Enclosure

cc:

Lieutenant General Mark A Milley
Commander, International Security Assistance Force Joint Command

Major General Kevin R. Wendel
Commanding General, Combined Security Transition Command-Afghanistan

Brigadier General John Michel
Commanding General for the NATO Air Training Command-Afghanistan

The Honorable Jamie E. Morin
Assistant Secretary of the Air Force (Financial Management and Comptroller)

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**OFFICE OF THE SPECIAL INSPECTOR GENERAL FOR AFGHANISTAN RECONSTRUCTION (SIGAR)
NOTIFICATION OF SPECIAL PROJECT**

SUBJECT

Lessons Learned Review of the G222 (C-27A) Aircraft Program

SPECIAL PROJECT CODE

SIGAR-SP-19

BACKGROUND

The drawdown of United States and coalition military forces from Afghanistan by December 2014 requires the successful transition of military responsibilities to the Afghan National Security Forces. Senior U.S. leaders have noted that providing close air support, evacuating the wounded, and resupplying military units are only possible in Afghanistan with aircraft, but the Afghan Air Force (AAF) has encountered many challenges establishing air capabilities to assume the duties previously provided by coalition forces.

In September 2008, the U.S. Air Force contracted with Alenia North America³ to provide 20 G222 (C-27A) aircraft to the AAF. On January 31, 2013, the Department of Defense Inspector General (DODIG) reported that the G222 Project Management Office (PMO) and the North Atlantic Treaty Organization (NATO) Training Mission-Afghanistan/Combined Security Transition Command - Afghanistan (NTM-A/CSTC-A) did not properly manage the effort to obtain the spare parts needed to keep the aircraft flightworthy. Despite spending \$486.1 million on the program, DODIG reported that the aircraft flew only 234 of the 4,500 required hours from January through September 2012. The DODIG also concluded that an additional \$200 million in Afghanistan Security Forces Funds might have to be spent on spare parts for the aircraft to meet operational requirements, noting that several critical spare parts for the aircraft were unavailable. In December 2012, the Program Executive Office for Air Force Mobility Programs at the Air Force Life Cycle Management Center notified the contractor that it would not issue a follow-on sustainment contract. The Program Executive Office also indicated that the AAF would use an alternate aircraft to meet its long-term medium airlift requirement, effectively ending the G222 program in March 2013.

Since then, the NATO Air Training Command - Afghanistan (NATC-A) conducted a "lessons learned" exercise that outlines many of the problems experienced by the G222 program. This exercise, along with the other reviews completed by DODIG and NATC-A, can provide a basis for analyzing the challenges that led to the termination of the program and help prevent similar mistakes from reoccurring in other major AAF purchases.

OBJECTIVES

SIGAR will:

1. Review the decision to provide 20 G222s to the AAF.
2. Determine the total amount spent to procure, operate, sustain, and dispose of the G222s.
3. Review future plans (disposal or otherwise) for the G222s.
4. Evaluate what processes and controls have been put in place to prevent similar challenges from affecting future AAF purchases.

³ A subsidiary of Alenia Aermacchi.

ANTICIPATED LOCATIONS TO BE VISITED

We plan to conduct fieldwork in Washington, DC, and possible locations in Afghanistan.

SIGAR CONTACTS

- Jerry W. Clark, Director (Acting) of Special Projects, 703-545-5965, jerry.w.clark50.civ@mail.mil
- Nicolaus R. Heun, Senior Analyst, 703-545-6111, nicolaus.r.heun.civ@mail.mil