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Statement of

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House Oversight and Government Reform

on

"The Facts and Circumstances Surrounding Alleged Corruption and Mismanagement at the U.S. Taxpayer-funded Dawood National Military Hospital"

Good morning Chairman Chaffetz, Ranking Member Tierney, and distinguished members of the Subcommittee.

Thank you for this opportunity to appear before you today to discuss past and on-going Department of Defense (DoD) Office of Inspector General (DoD IG) oversight regarding U.S. Military and Coalition efforts to develop the Afghan National Security Forces (ANSF) healthcare system, including at the Dawood National Military Hospital (NMH) in Kabul, Afghanistan.

We share your commitment to ensuring the success of DoD efforts to develop an independent and sustainable ANSF, of which a functioning healthcare system is an integral part, including at the NMH.

Healthcare in Afghanistan

Following three decades of war, healthcare in Afghanistan had been severely degraded and did not meet any internationally recognized standard. The military healthcare system in existence at the start of the U.S. / Coalition initiative consisted of remnants of the Russian-based system with multiple badly-supported clinics and four small regional hospitals spread across the country, and the NMH which still has responsibility for providing specialty medical care. Reportedly, the system was woefully deficient in infrastructure, medical equipment and supplies, as well as capable medical personnel.

For the ANSF to become fully effective and eventually independent in conducting combat operations, however, it was recognized that it would require an organic healthcare capability that could provide essential field-level combat casualty care, evacuation of wounded and ill casualties, restorative surgery and rehabilitation, and long-term care for disabled personnel.

In addition, to become a fully functional healthcare system, the ANSF would have to rely on the efforts of multiple Afghan government supporting institutions. Key among them is the Ministries of Defense (MoD), Public Health and Education, and the ANA Logistics and Medical Commands, along with the Armed Forces Academy of Medical Sciences. Each of these has received and still requires mentoring support from U.S. and Coalition military forces, the U.S. Embassy, and international community.

Medical Training Advisory Group

To concentrate on this mission, the NATO Training Mission – Afghanistan (NTM-A)/Combined Security Transition Command – Afghanistan (CSTC-A) established the Medical Training Advisory Group (MTAG), which supervises medical mentors assigned to every International Security Assistance Force (ISAF) regional command and associated ANSF hospital in Afghanistan. These U.S. military mentors - doctors, nurses, administrators, logisticians, and technical personnel – advise and train Afghan healthcare personnel during the provision of care to the Afghan sick or wounded on the battlefield, in the

operating room, the intensive care unit, on the hospital wards, and at the medical supply depots. They also assist in the management of the healthcare system and its logistical support, the supplies for which are financed by the U.S. Afghan Security Force Fund and also provided by international donor contributions. MTAG mentors operate in close partnership with their Afghan counterparts during the performance of their duties.

Dawood National Military Hospital

The NMH is under the command of the ANA Surgeon General, who is also the Medical Command Commander, and is managed by an ANA Hospital Commander and staffed by ANA medical personnel. In June 2012, approximately 260 inpatients, the majority of whom were soldiers and police personnel and their families, received treatment at the NMH supported by 795 Afghan medical and other support personnel. Fifteen U.S. Military medical mentors were assigned.

In early 2011, at the urging of the NTM-A and ISAF Commanders, LTG Caldwell and General Petraeus, respectively, and based on an investigation by the MoD IG supported by the NTM-A/CSTC-A staff, the then ANA Surgeon General and NMH Hospital Commander were both removed by President Karzai due to significant management shortcomings and alleged corruption. Today, we note that the new ANA Surgeon General and NMH Hospital Commander have demonstrated capable leadership in driving significant improvements in NMH patient care and services.

Completed DoD IG Oversight Projects

Since 2008, the DoD IG has been engaged in providing ongoing oversight with respect to U.S. Military and Coalition efforts to develop the ANSF healthcare system, including the NMH, and has conducted multiple oversight missions which partially or wholly focused on this issue.

1st Oversight Project

In April 2008, the DoD IG conducted its first assessment[1] of DoD efforts to develop the ANSF, which included the military healthcare system.

As a result of this assessment, we determined that the complexity of medical stabilization and reconstruction challenges in Afghanistan called for a robust U.S. interagency and international effort to assist deployed U.S. military medical personnel in developing and implementing a detailed, multi-year planning strategy. At that time, the U.S. Central Command, ISAF and CSTC-A lacked the personnel and other resource capability and expertise to expedite development of the ANSF healthcare system.

[1] Assessment of Arms, Ammunition, and Explosives Control and Accountability; Security Assistance; and Sustainment for the Afghan National Security Forces," released October 24, 2008 (Report No. SPO-2009-001)

The report specifically noted that many U.S. Military medical mentoring teams were not fully staffed and that, moreover, the development of ANSF medical personnel was seriously hampered by inadequate U.S. mentor headquarters guidance, and no pre-deployment and in-country training focused on the specific medical mentor mission. Further, we determined that the ANA Logistics Command was unable to reliably support crucial ANA medical logistics requirements at NMH, as well as at the ANA regional hospitals.

Also concluded was that the lack of progress in developing an effective ANSF healthcare and logistical system and challenges still remaining would probably require extended combat casualty care assistance of ANSF personnel by U.S. and other ISAF partner countries, and that development of an independent ANSF medical capability would be prolonged.

2nd Oversight Project

In March 2009, we conducted a follow-up assessment[2] regarding ANSF medical system development.

[2]"Assessment of U.S. and Coalition Efforts to Develop the Medical Sustainment Capability of the Afghan National Security Forces," released March 31, 2010 (Report No. SPO-2010-001).

During this assessment, we determined that CSTC-A lacked a clearly established plan with a defined end state goal for the development of the ANSF healthcare system and that related planning by the Command previously conducted had not been fully coordinated with the ANSF and the Afghan Ministries of Defense and Interior, and incorporated into their respective planning and operations. As a result, U.S. Military and ANSF resources were not being jointly focused, prioritized and executed in support of the development of a clearly defined and sustainable ANSF healthcare system, delaying progress in its accomplishment.

3rd Oversight Project

During the past two years, DoD IG has conducted two criminal investigations related to the ANSF military healthcare system. The first was initiated based on allegations that a DoD contractor was not fulfilling contractual obligations to safeguard U.S. purchased pharmaceutical supplies provided to the Government of Afghanistan. The investigation determined that the contract did not require the contractor to maintain inventory control and accountability of pharmaceutical products after they were turned over to the Government of Afghanistan government and the ANA. In any event, after pharmaceutical or other supply items are transferred to the sovereign authority of the Government of Afghanistan, DoD IG does not have criminal investigative jurisdiction.

The second DoD IG criminal investigation was initiated based on an allegation that U.S.-supplied pharmaceuticals had been stolen from the ANSF military healthcare system. Interviews of the complainant, contractor personnel, as well as current and former U.S. Military personnel stationed in Afghanistan, determined that any theft of U.S.-furnished pharmaceuticals would have occurred subsequent to the Afghan government accepting delivery of the pharmaceuticals. All relevant information was turned over to the ISAF and U.S. Embassy anti-corruption Task Force Shafafiyat[3] to be provided to the Afghan Minister of Defense and/or Justice for appropriate action.

4th Oversight Project

In November 2010, at the request of LTG William Caldwell, then Commander, NTM-A/CSTC-A, a DoD IG team conducted an assessment[4] of the ANA medical logistics system, and related management and medical care issues. This included the NMH as well as 3 or 4 regional hospitals. The report made recommendations for strengthening the system and improving accountability and control of medical supplies purchased by DoD and distributed to the ANA medical system, including to the NMH.

[3]Task Force Shafafiyat's mission is to plan and implement ISAF anti-corruption efforts, and integrate intelligence with planning, operations, engagement, and strategic communications. It integrates U.S. anticorruption activities with key partners in the U.S. Government, international community and the Government of Afghanistan.

[4]"Assessment of the U.S. Department of Defense Efforts to Develop an Effective Medical Logistics System within the Afghan National Security Forces," released June 14, 2011 (Report No. SPO-2011-007).

While the focus of this assessment was on the medical logistics system and mentoring efforts, at each site including NMH, we visited patient wards and clinics observing activities and interviewing staff and patients. These efforts enabled us to note the impact of logistics system deficiencies as they impacted on hospital management and patient care.

Our assessment determined that NTM-A/CSTC-A and the ANA's Office of Surgeon General did not have a coordinated plan to achieve a defined ANSF healthcare system transition end state goal, and that accountability and controls over the receipt, storage, accountability and distribution of pharmaceuticals and other medical supplies were insufficient to prevent theft, misappropriation, unauthorized use, or ensure proper distribution.

Furthermore, due to the lack of developed, implemented, and enforced Afghan healthcare standards supported by U.S./Coalition mentoring, it was not feasible to provide an appropriately resourced and focused medical mentoring capability. Consequently, development of a sustainable healthcare system was being impeded. The mentoring effort was also significantly hindered in its progress by having assigned only half of the authorized U.S. personnel believed necessary by the command to effectively carry out the mission to support the timely development of the ANSF healthcare system.

5th Oversight Project

In February 2011, in response to concerns identified in an inspection report on the NMH issued by a joint team of the Inspectors General of the Afghan MoD and CSTC-A, a DoD IG team conducted an assessment of the current status of healthcare, sanitation, personnel, supply and inventory issues.

The team found notable progress had been made since our previous visit in November 2010, especially with respect to general sanitation of medical facilities and available medical supplies for patient care.

However, other problems endemic to the Afghan military and public healthcare systems persisted. Specifically, the team found certain management, medical care and logistical problems and challenges. The NMH was understaffed and lacked sufficient qualified ANA physicians, nurses, administrators and other staff. Additionally, there were ANA medical personnel attendance problems. And, though the Afghan Minister of Defense had signed an order directing the transfer of MoD medical logistics, then under the ANA's Office of Surgeon General /Medical Command, to the separate ANA Logistics Command in order to gain better MoD management control, this had not yet occurred.

There also was evidence that the logistics system delivery of medical supplies to the hospital's pharmacy, and from the pharmacy to the patients, was dysfunctional.

Further, we found a number of orthopedic operating tables, valued at over $400,000 each, the use of which appeared to be beyond the functional capability of the ANSF medical staff and which were still in their original packing crates.

Moreover, ANSF healthcare standards for the hospitals needed to be defined. As a consequence, it had not been feasible for the U.S. / Coalition to build an effectively focused medical mentoring model which linked defined healthcare standards to a supporting healthcare strategy and set of planning objectives. In addition, the U.S., Coalition and ANA could not cooperatively work towards establishing and achieving a common set of performance objectives for the healthcare system and its hospitals, including the NMH. And, without established medical standards and implementing policy, U.S. mentors were unclear as to their roles, and NTM-A and the ANA could not engage in joint focused planning for the resources required to develop an effective healthcare system.

6th Oversight Project

In response to the results of the February 2011 NMH assessment, DoD IG conducted an audit[5] to determine whether the pharmaceutical distribution process within the ANA military healthcare system was sufficiently effective, accountable and secure, and to recommend corrective actions.

[5]"Additional Guidance and Training Needed to Improve Afghan National Army Pharmaceutical Distribution.," released May 7, 2012 (Report No. DODIG-2012-083).

Since the two preceding DoD IG inspections, the team noted improved medical logistics system performance, improved accountability for medical supplies, and a fully operational NMH medical warehouse. However, the procurement, delivery and inventory control processes for pharmaceuticals at medical facilities and depots required further work. Although Afghan Logistics Command officials did effectively receive, account for, and prepare pharmaceuticals for issuance to the forward supply depots and NMH, four of the six medical facilities reviewed either had no pharmaceutical accountability controls or failed to maintain the controls they had. Specific to NMH, the audit team could not verify the accuracy of the inventory on hand because the dispensing documentation was not reconciled to the stock accounting record. Further, none of the six medical facilities reviewed properly used or completed required Afghan MoD supply forms.

In addition, Afghan Medical Command officials, in coordination with CSTC-A, had not developed procedures instructing medical facility personnel how to implement logistics guidance, and to collect and accurately report on pharmaceutical usage data. As a result, the ANA did not have reliable data to develop sound pharmaceutical supply requirements.

After the audit, the Afghan MoD, in coordination with CSTC-A, initiated a number of remedial changes to MoD processes and procedures, including: developing and implementing a training module on how the new pharmaceutical distribution process worked, and how to complete and use the official supply forms; issuing implementation

guidance to medical facilities concerning the basic MoD logistics decree requiring that they properly receive, account for, and distribute pharmaceuticals; securing controlled pharmaceuticals; and implementing guidance for the separation of and disposition of expired medications.

7th Oversight Initiative

In November 2011, the former DoD Inspector General, Mr. Gordon Heddell, visited Afghanistan at which time he conducted a walk-through of the NMH. He subsequently wrote to the Commander, NTM-A/CSTC-A that although he noticed improvements in the sterilization unit and the pharmaceutical storage room, there were still issues that needed to be addressed and that DoD IG intended to continue to maintain oversight of NMH.

Ongoing DoD IG Assessment

During the end of June and early July 2012, a DoD IG team again inspected NMH and also reviewed the progress in the development of the ANSF medical system with respect to medical standards, leadership and management, healthcare services, medical logistics processes, and accountability and control of medical supplies.

The team met with a wide range of responsible U.S. Military, MoD and ANA officials, commanders and staff. These included the responsible NTM-A/CSTC-A staff, the

U.S. military medical mentor team assigned to the NMH and its ANA administrative and medical personnel, as well as patients in the hospital.

In its preliminary observations the team noted that progress had been made at NMH, and with the ANSF healthcare system, since previous audit and inspections conducted by DoD IG and also as a result of continued periodic quarterly oversight by NTM-A personnel. Specific improvements included:

- The joint effort by ISAF and Afghan Ministries which developed and was implementing an overarching ANSF healthcare system strategic plan.

- Clearly defined medical standards goals for the ANSF medical care system, including NMH, giving focus and direction to joint development efforts.

- Improved pharmaceutical accountability and control by segregating pharmaceutical logistics responsibilities (requirements generation, contracting and procurement, receipt, storage, distribution and issuance) among three separate MoD organizations: ANA Medical Command, MoD Acquisition, Technology and Logistics, and the Logistics Command.

- Focused medical mentor training added to pre-deployment Program of Instruction in the U.S. for military medical mentors.

- New management of the ANA Medical Command and NMH were providing effective leadership and evinced a commitment to make necessary improvements.

- No complaints or evidence of patient maltreatment at NMH.

- NMH nutrition services capability established within the nursing directorate.

- Improved NMH cleanliness, sanitary conditions and general appearance.

- New processes and procedures implemented at NMH to improve personnel work performance, accountability and patient care.

- Improved medical logistics system performance at NMH, including accountability measures for medical supplies and an operational medical warehouse.

- Medical logistics personnel participating in training at NMH to ensure they were complying with MoD logistics directives.

Subsequent to our field assessment and prior to report issuance, MoD, in coordination with NTM-A/CSTC-A, has initiated changes addressing several remaining problems noted in our out-brief to the Command related to the need to assign additional staff to the pharmacy, implement inventory control measures in the pharmacy dispensary, and take

additional measures to ensure that controlled pharmaceuticals were properly secured in the pharmacy bulk storage room.

There are still issues which need to be addressed at NMH, which our report will discuss. Specifically, assignment of additional nursing personnel to patient wards based on the demands for nursing services; increasing the number of trained pharmacists assigned to the pharmacy; improving the distribution of medical equipment to ensure patient care areas with the greatest need have the necessary equipment to provide safe and effective patient care; and developing policies and procedures to ensure that the transfer and acceptance of ANSF patients from US and Coalition hospitals is conducted properly.

Furthermore, our report will address additional issues which not only affect the NMH but the entire ANSF healthcare system. These include the limited capability for medical equipment maintenance and repair, and the lack of a sustainable procurement process for cleaning supplies, including disinfectants.

Future Challenges

There has been notable progress in the development of the ANSF healthcare system, especially in the past few years, starting from a very low level of capability and resources. But, the Command and our oversight work indicate that the development process

will have to continue as there are still challenges that remain both systemically and specific to individual hospitals.

As U.S. and Coalition forces reduce their presence in Afghanistan between now and the end of 2014, the decreasing numbers of military mentors at the ANSF hospitals will be focused on those priority medical functions which still need assistance in order to make the transition to independent and sustainable operations. At NMH, we are advised by NTM-A, these areas currently include anesthesia, emergency room, physical therapy, preventative medicine and some areas of radiology (CT and MRI).

Improving medical logistics in support of the ANSF healthcare system, and NMH, also has been identified as a key enabling force capability and is critical for its sustainability. Reportedly, developing this capability will require continued military advising/mentoring throughout 2013 and into 2014.

Finally, as the transition progresses, the capability of NATO and Coalition military, the U.S. inter-agency and international partners to anticipate and mitigate potential negative consequences to the ANSF healthcare system, while continuing to reinforce ANSF commitment to the enduring stewardship of its medical care system, will remain priority challenges.

Conclusion

The DoD IG is committed to continue its oversight of U.S. Military and Coalition efforts to support continued improvements in the ANSF healthcare system, including at the NMH.

I thank you for this opportunity to speak to present written testimony for the record.

Biographies

Ambassador Kenneth P. Moorefield
Deputy Inspector General for Special Plans & Operations

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Before joining the Office of the Inspector General, Ambassador Moorefield served as senior State Department representative on the Iraq/Afghanistan Transition Planning Group, from December 2005 to June 2007.

Kenneth P. Moorefield was sworn in as Ambassador to the Republic of Gabon and the Democratic Republic of Sao Tome and Principe on April 2, 2002.

Prior to this appointment, Ambassador Moorefield had over 30 years of experience in the U.S. foreign, military, and civil services. During his overseas career with the Departments of State and Commerce, he has held political, economic, consular, and commercial officer positions at our Embassies in Vietnam, Peru, Venezuela, the United Kingdom, the U.S. Mission to the European Union, and France.

Ambassador Moorefield graduated from the Senior Seminar (1995) and the United States Military Academy at West Point (1965) and took graduate studies at the Georgetown University School of Foreign Service (1972). He has received various military and Foreign Service decorations including the Silver Star, Purple Heart, State Department Superior Honor Award, and two Presidential Meritorious Honor Awards.

He was born in Temple, Texas.