

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074

MINORITY (202) 225-5051

<http://oversight.house.gov>

November 30, 2016

The Honorable Elizabeth L. Littlefield
President and CEO
Overseas Private Investment Corporation
1100 New York Avenue NW
Washington, D.C. 20527

Dear Ms. Littlefield:

In a recent letter to you, the Special Inspector General for Afghanistan Reconstruction (SIGAR) faulted the Overseas Private Investment Corporation's (OPIC) oversight of \$85 million in OPIC loans to build a hotel and an apartment building in Kabul, Afghanistan.¹ The IG's letter referred to "troubling management practices and lax oversight by OPIC" over these funds and notes the two projects were abandoned before being completed.² The letter also expressed concern that "[t]he failure to properly manage and oversee these loans may indicate systemic problems in the management and oversight of OPIC loans for other projects in Afghanistan and elsewhere around the world, putting additional millions of dollars at risk."³

The two loans at issue concern a \$60 million loan to build a hotel in Kabul adjacent to the U.S. Embassy (the Hotel Project), and a \$27 million loan to build an apartment complex to provide housing to diplomats, foreign dignitaries, and expatriate workers (the Apartment Project and, collectively, the Projects).⁴ You disbursed the entire loan amount for the Apartment project and all but approximately \$2 million for the Hotel Project.⁵

The IG raised questions about how "OPIC did not regularly visit the site or provide consistent on-site monitoring throughout during the construction" for either of the Projects and instead "relied on reports from the loan recipients to support disbursements."⁶ According to SIGAR, the Overseas Private Investment Corporation hired a company to monitor the progress

¹ Letter from Hon. John F. Sopko, Special Inspector General for Afghanistan Reconstruction, to Hon. Elizabeth L. Littlefield, President and Chief Executive Officer, Overseas Private Investment Corporation (Nov. 14, 2016), available at <https://www.sigar.mil/pdf/special%20projects/SIGAR-17-13-SP.pdf>.

² *Id.* at 1.

³ *Id.*

⁴ *Id.* at 2.

⁵ *Id.*

⁶ *Id.* at 6 (capitalization altered).

of the Apartment Project, but it did not for the Hotel Project.⁷ The monitor did not visit the Apartment Project site, however, due to security conditions in Afghanistan and instead “relied on information provided by the loan recipients to complete the status reports it provided to OPIC.”⁸ According to SIGAR, both the USAID Inspector General and the Government Accountability Office have criticized OPIC for the practice of relying on self-reporting.⁹

In a reply letter to SIGAR, you take issue with the IG’s conclusions, noting “I do not think your letter fully sets forth the context in which OPIC operates as a whole or with respect to these projects.”¹⁰ Your letter acknowledges, however, that “OPIC was aware there were issues with the [P]rojects,” and that OPIC is encouraging a resolution.¹¹ Your staff also briefed Committee staff on the Projects and SIGAR’s letter.¹² At that briefing, the OPIC team did not take issue with the accuracy of any aspect of SIGAR’s letter, but indicated their belief that the letter was unfair.

The Committee also has questions about OPIC’s lack of cooperation with the USAID Office Inspector General (OIG), the OIG with jurisdictional responsibility over OPIC. In testimony earlier this year before the State, Foreign Operations, and Related Programs Subcommittee of the Senate Appropriations Committee, the USAID OIG reported that oversight over OPIC is “subject to negotiation, limitations, and delays—an unacceptable arrangement.”¹³

To assist the Committee in better understanding OPIC’s role in disbursing the loans and monitoring the completion of the Projects and its cooperation with the OIG, please produce the following documents and information as soon as possible, but no later than 5:00 p.m. on December 14, 2016:

1. All documents and communications provided to SIGAR referring or relating to the Projects.
2. All documents and communications referring or relating to the recipient of the loans for the Projects, Fathi Taher.

⁷ *Id.*

⁸ *Id.*

⁹ *Id.* n.11 (citing USAID, Office of Inspector General, *Assessment of the Overseas Private Investment Corporation’s Development Outcome and Compliance Risks*10 (May 15, 2015) (No. 8-OPC-15-002-S) and Gov’t Accountability Office, *Overseas Private Investment Corporation: Additional Actions Could Improve Monitoring Processes* (Dec. 2015) (GAO-16-64)).

¹⁰ Letter from Hon. Elizabeth L. Littlefield, President and Chief Executive Officer, Overseas Private Investment Corporation, to Hon. John F. Sopko, Special Inspector General for Afghanistan Reconstruction (Nov. 16, 2016), available at <https://www.sigar.mil/pdf/special%20projects/SIGAR-17-13-SP.pdf>.

¹¹ *Id.* at 2.

¹² Overseas Private Investment Corporation Briefing to H. Comm. on Oversight and Gov’t Reform Staff on Kabul Projects (Nov. 18, 2016).

¹³ *Hearing to Review the Fiscal Year 2017 Budget Request and Funding Justification for the U.S. Agency for International Development Before the S. Subcomm. on State, Foreign Operations, and Related Programs of the S. Appropriations Committee*, 114th Cong. 8 (Mar. 15, 2016) (statement of Ann Calvaresi Barr, Inspector General, U.S. Agency for International Development).

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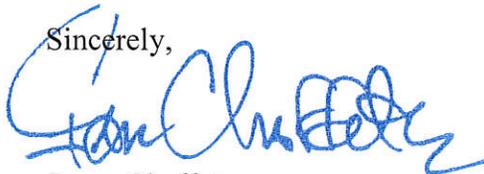
3. All documents and communications referring or relating to the U.S. sponsor of the recipient of the loans for Hotel Project, General Systems International LLC.
4. All documents and communications referring or relating to the U.S. sponsor of the recipient of the loans for Apartment Project, Apus Apartments LLC.
5. All documents or communications referring or relating to the monitor of the Apartment Project, Gardiner & Theobald.
6. All documents or communications referring or relating to SIGAR's investigation of the Projects.
7. All documents or communications referring or relating to any request for information from the USAID OIG to OPIC from January 1, 2015 – present.

The Committee on Oversight and Government Reform is the principal oversight committee of the House of Representatives and may at “any time” investigate “any matter” as set forth in House Rule X. An attachment to this letter provides additional information about responding to the Committee's request.

When producing documents to the Committee, please deliver production sets to the Majority Staff in Room 2157 of the Rayburn House Office Building and the Minority Staff in Room 2471 of the Rayburn House Office Building. The Committee prefers, if possible, to receive all documents in electronic format.

Please contact Cordell Hull of the Committee Staff at (202) 225-5074 if you have any questions about this request. Thank you for your attention to this matter.

Sincerely,



Jason Chaffetz
Chairman

Enclosure

cc: The Honorable Elijah E. Cummings, Ranking Member

Responding to Committee Document Requests

1. In complying with this request, you are required to produce all responsive documents that are in your possession, custody, or control, whether held by you or your past or present agents, employees, and representatives acting on your behalf. You should also produce documents that you have a legal right to obtain, that you have a right to copy or to which you have access, as well as documents that you have placed in the temporary possession, custody, or control of any third party. Requested records, documents, data or information should not be destroyed, modified, removed, transferred or otherwise made inaccessible to the Committee.
2. In the event that any entity, organization or individual denoted in this request has been, or is also known by any other name than that herein denoted, the request shall be read also to include that alternative identification.
3. The Committee's preference is to receive documents in electronic form (i.e., CD, memory stick, or thumb drive) in lieu of paper productions.
4. Documents produced in electronic format should also be organized, identified, and indexed electronically.
5. Electronic document productions should be prepared according to the following standards:
 - (a) The production should consist of single page Tagged Image File ("TIF"), files accompanied by a Concordance-format load file, an Opticon reference file, and a file defining the fields and character lengths of the load file.
 - (b) Document numbers in the load file should match document Bates numbers and TIF file names.
 - (c) If the production is completed through a series of multiple partial productions, field names and file order in all load files should match.
 - (d) All electronic documents produced to the Committee should include the following fields of metadata specific to each document:

BEGDOC, ENDDOC, TEXT, BEGATTACH, ENDATTACH,
PAGECOUNT, CUSTODIAN, RECORDTYPE, DATE, TIME, SENTDATE,
SENTTIME, BEGINDATE, BEGINTIME, ENDDATE, ENDTIME, AUTHOR, FROM,
CC, TO, BCC, SUBJECT, TITLE, FILENAME, FILEEXT, FILESIZE,
DATECREATED, TIMECREATED, DATELASTMOD, TIMELASTMOD,
INTMSGID, INTMSGHEADER, NATIVELINK, INTFILPATH, EXCEPTION,
BEGATTACH.
6. Documents produced to the Committee should include an index describing the contents of the production. To the extent more than one CD, hard drive, memory stick, thumb drive, box or folder is produced, each CD, hard drive, memory stick, thumb drive, box or folder should contain an index describing its contents.

7. Documents produced in response to this request shall be produced together with copies of file labels, dividers or identifying markers with which they were associated when the request was served.
8. When you produce documents, you should identify the paragraph in the Committee's schedule to which the documents respond.
9. It shall not be a basis for refusal to produce documents that any other person or entity also possesses non-identical or identical copies of the same documents.
10. If any of the requested information is only reasonably available in machine-readable form (such as on a computer server, hard drive, or computer backup tape), you should consult with the Committee staff to determine the appropriate format in which to produce the information.
11. If compliance with the request cannot be made in full by the specified return date, compliance shall be made to the extent possible by that date. An explanation of why full compliance is not possible shall be provided along with any partial production.
12. In the event that a document is withheld on the basis of privilege, provide a privilege log containing the following information concerning any such document: (a) the privilege asserted; (b) the type of document; (c) the general subject matter; (d) the date, author and addressee; and (e) the relationship of the author and addressee to each other.
13. If any document responsive to this request was, but no longer is, in your possession, custody, or control, identify the document (stating its date, author, subject and recipients) and explain the circumstances under which the document ceased to be in your possession, custody, or control.
14. If a date or other descriptive detail set forth in this request referring to a document is inaccurate, but the actual date or other descriptive detail is known to you or is otherwise apparent from the context of the request, you are required to produce all documents which would be responsive as if the date or other descriptive detail were correct.
15. Unless otherwise specified, the time period covered by this request is from January 1, 2009 to the present.
16. This request is continuing in nature and applies to any newly-discovered information. Any record, document, compilation of data or information, not produced because it has not been located or discovered by the return date, shall be produced immediately upon subsequent location or discovery.
17. All documents shall be Bates-stamped sequentially and produced sequentially.
18. Two sets of documents shall be delivered, one set to the Majority Staff and one set to the Minority Staff. When documents are produced to the Committee, production sets shall be delivered to the Majority Staff in Room 2157 of the Rayburn House Office Building and the Minority Staff in Room 2471 of the Rayburn House Office Building.

19. Upon completion of the document production, you should submit a written certification, signed by you or your counsel, stating that: (1) a diligent search has been completed of all documents in your possession, custody, or control which reasonably could contain responsive documents; and (2) all documents located during the search that are responsive have been produced to the Committee.

Definitions

1. The term “document” means any written, recorded, or graphic matter of any nature whatsoever, regardless of how recorded, and whether original or copy, including, but not limited to, the following: memoranda, reports, expense reports, books, manuals, instructions, financial reports, working papers, records, notes, letters, notices, confirmations, telegrams, receipts, appraisals, pamphlets, magazines, newspapers, prospectuses, inter-office and intra-office communications, electronic mail (e-mail), contracts, cables, notations of any type of conversation, telephone call, meeting or other communication, bulletins, printed matter, computer printouts, teletypes, invoices, transcripts, diaries, analyses, returns, summaries, minutes, bills, accounts, estimates, projections, comparisons, messages, correspondence, press releases, circulars, financial statements, reviews, opinions, offers, studies and investigations, questionnaires and surveys, and work sheets (and all drafts, preliminary versions, alterations, modifications, revisions, changes, and amendments of any of the foregoing, as well as any attachments or appendices thereto), and graphic or oral records or representations of any kind (including without limitation, photographs, charts, graphs, microfiche, microfilm, videotape, recordings and motion pictures), and electronic, mechanical, and electric records or representations of any kind (including, without limitation, tapes, cassettes, disks, and recordings) and other written, printed, typed, or other graphic or recorded matter of any kind or nature, however produced or reproduced, and whether preserved in writing, film, tape, disk, videotape or otherwise. A document bearing any notation not a part of the original text is to be considered a separate document. A draft or non-identical copy is a separate document within the meaning of this term.
2. The term “communication” means each manner or means of disclosure or exchange of information, regardless of means utilized, whether oral, electronic, by document or otherwise, and whether in a meeting, by telephone, facsimile, email (desktop or mobile device), text message, instant message, MMS or SMS message, regular mail, telexes, releases, or otherwise.
3. The terms “and” and “or” shall be construed broadly and either conjunctively or disjunctively to bring within the scope of this request any information which might otherwise be construed to be outside its scope. The singular includes plural number, and vice versa. The masculine includes the feminine and neuter genders.
4. The terms “person” or “persons” mean natural persons, firms, partnerships, associations, corporations, subsidiaries, divisions, departments, joint ventures, proprietorships, syndicates, or other legal, business or government entities, and all subsidiaries, affiliates, divisions, departments, branches, or other units thereof.

5. The term “identify,” when used in a question about individuals, means to provide the following information: (a) the individual's complete name and title; and (b) the individual's business address and phone number.
6. The term “referring or relating,” with respect to any given subject, means anything that constitutes, contains, embodies, reflects, identifies, states, refers to, deals with or is pertinent to that subject in any manner whatsoever.
7. The term “employee” means agent, borrowed employee, casual employee, consultant, contractor, de facto employee, independent contractor, joint adventurer, loaned employee, part-time employee, permanent employee, provisional employee, subcontractor, or any other type of service provider.