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United States Department of State
and the Broadcasting Board of Governors
Office of Inspector General

Middle East Regional Office

Performance Audit of the DynCorp Contract for Personal Protective Services in Iraq

Report Number MERO-IQO-09-06, June 2009

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**United States Department of State
and the Broadcasting Board of Governors**

Office of Inspector General

PREFACE

This report was prepared by the Office of Inspector General (OIG) pursuant to the Inspector General Act of 1978, as amended, and Section 209 of the Foreign Service Act of 1980, as amended. It is one of a series of audit, inspection, investigative, and special reports prepared by OIG periodically as part of its responsibility to promote effective management, accountability and positive change in the Department of State and the Broadcasting Board of Governors.

This report is the result of an assessment of the strengths and weaknesses of the office, post, or function under review. It is based on interviews with employees and officials of relevant agencies and institutions, direct observation, and a review of applicable documents.

The recommendations therein have been developed on the basis of the best knowledge available to the OIG and, as appropriate, have been discussed in draft with those responsible for implementation. It is my hope that these recommendations will result in more effective, efficient, and/or economical operations.

I express my appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in black ink, appearing to read "H. W. Geisel".

Harold W. Geisel
Acting Inspector General

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KEY FINDINGS

- DynCorp's personal protection has been effective in ensuring the safety of chief of mission personnel in northern Iraq.
- DynCorp successfully conducted requested, but limited, personal protection movements at the Regional Embassy Office in Kirkuk before it was closed in December 2008.
- Until mid-2008, there were weaknesses in the Bureau of Diplomatic Security's (DS) management and monitoring of DynCorp contract performance in Erbil because there was only one DS special agent there. However, in mid-2008, Embassy Baghdad increased the number to six DS special agents assigned to the Regional Reconstruction Team in Erbil, and the current six regional security officers at the Regional Reconstruction Team adequately oversee the personal protective service contractors.
- DynCorp has a professional, experienced workforce, but has had difficulty maintaining required staff in two labor categories, dog handlers and designated marksmen.
- Personnel rosters (muster sheets) prepared by DynCorp were neither reviewed nor signed by Bureau of Diplomatic Security special agents at the Regional Embassy Office in Kirkuk, and they are neither reviewed nor signed by special agents at the Regional Reconstruction Team in Erbil. Therefore, it is not certain whether personnel staffing data, as represented by the muster sheets, is complete and accurate, or whether the labor costs incurred and charged by DynCorp are proper.
- Bureau of Diplomatic Security special agents and personal security specialists in Iraq had problems with long-range, multiband communication using hand-held radios. In northern Iraq, the information management officer at the Regional Embassy Office in Kirkuk was able to modify the frequencies of these hand-held radios and successfully use them for long-range communication. At OIG's recommendation, the regional security officer in Kirkuk relayed this information to Embassy Baghdad, and plans were made to resolve these communication problems. These plans included the hiring of two

tactical radio specialists to improve field communication, as recommended in the Status of the Secretary of State's Panel on Personal Protective Services in Iraq Report Recommendations (MERO IQO-09-01, December 2008).

- DynCorp successfully manages inventory and safeguards government-furnished armored protection vehicles and weapons.
- The maintenance facility for all the vehicles assigned to the Regional Reconstruction Team in Erbil is located over 60 miles away at the Kirkuk Airbase, requiring at least five hours for even basic vehicle servicing. This is an inefficient use of personal security specialists' time and skills, and decreases productivity.

INTRODUCTION

The Middle East Regional Office (MERO) of the Office of Inspector General (OIG) initiated this work under the authority of the Inspector General Act of 1978, as amended,¹ due to concerns about the Department's exercise of control over the performance of private security firms in Iraq.

In 2005, the Department issued the second Worldwide Personal Protective Services (WPPS II) contract to Blackwater (now known as U.S. Training Center),² DynCorp, and Triple Canopy, to provide personal protective services in three separate geographical areas in Iraq. DynCorp is contracted to provide personal protection to officials who fall under chief of mission authority in northern Iraq. This report is the fifth in a series on the Department's management of the personal protective services program in Iraq and the third performance audit of WPPS II contractors.³

The Department provided approximately \$107.3 million to DynCorp for personal protective services for fiscal years 2005-2008. This is 8.3 percent of the nearly \$1.3 billion obligated in Iraq under the WPPS II contract.

The objectives of this audit were to determine: (1) the requirements and provisions of the contract and task orders; (2) whether contract performance measures were established and being achieved; and (3) how effectively the Department was administering the contract to provide proper oversight of DynCorp's costs and performance.

¹5 USC App. 3

²The entity formerly known as Erik Prince Investments is now called Xe. Its subsidiary, Blackwater Lodge and Training Center, held the second Worldwide Personal Protective Services (WPPS II) contract. Blackwater Lodge and Training Center has changed its name to U.S. Training Center.

³See *Status of the Secretary of State's Panel on Personal Protective Services in Iraq Report Recommendations*, MERO-IQO-09-01, December 2008; *Review of Diplomatic Security's Management of Personal Protective Services in Iraq*, MERO-IQO-09-02, January 2009; *Performance Audit of the Triple Canopy Contract for Personal Protective Services in Iraq*, MERO-IQO-09-03, April 2009; and *Performance Audit of the Triple Canopy Contract for Personal Protective Services in Jerusalem*, MERO-IQO-09-05, May 2009.

In developing the findings and recommendations, OIG visited the Regional Embassy Office (REO) in Kirkuk (before its closure in December 2008) and Regional Reconstruction Team (RRT) in Erbil in northern Iraq where DynCorp provides movement protection, physical site security, and personal protective services for chief of mission personnel. OIG also met with Bureau of Diplomatic Security (DS) officials in Washington, DC and Iraq, the Bureau of Administration's Office of Acquisition Management, Embassy Baghdad, Multi-National Forces-Iraq, and with DynCorp management and personal security specialists under contract to the Department to provide personal protective services.

EXECUTIVE SUMMARY

RESULTS

DynCorp's personal protective services are effective in ensuring the safety of chief of mission personnel in northern Iraq, an area that includes the provinces of Erbil, Dahuk, and Sulaymaniyah where the Kurdistan Regional Government has authority, as well as Kirkuk Province. The need for personal protective services expanded in 2007 with the establishment of Provincial Reconstruction Teams (PRT) in this region. DynCorp provided protective services to personnel from PRT Erbil as well as the REO and PRT in Kirkuk. When REO Kirkuk closed in December 2008, a larger and more robust RRT combining mission elements of a PRT and REO was established in Erbil. Before the closing of REO Kirkuk, DynCorp successfully conducted an average of 28 protection movements per month in 2008. In the same year in Erbil, chief of mission staff actively reached out to Iraqi officials, completing 1458 of the 1510 requested missions under DynCorp protection.

In 2007, a shortage of DS special agents led to weaknesses in internal controls over the personal protective services program in Erbil. Inadequate staffing and experience contributed to an acute situation somewhat mitigated by the peaceful operating environment and the professionalism of DynCorp personal security specialists. The situation was resolved in mid-2008 when the Department directed an increase in special agents assigned to Iraq. The current staff of six DS special agents (one senior regional security officer and five assistant regional security officers) at RRT Erbil is adequate to effectively manage the WPPS II contract. One special agent accompanies each protection movement, as directed by the *Secretary of State's Panel on Personal Protective Services in Iraq*.

DynCorp provided skilled, experienced personal security specialists and guards to the Kirkuk site and currently provides equally skilled and experienced personal security specialists to RRT Erbil. For example, approximately 70 percent of the personal security specialists possess a military background, and 20 percent of these specialists served in special operations units. Thirty-three percent of the personal security specialists were on a police force. Some specialists had both military and police experience. DynCorp has had difficulty maintaining staff in two labor categories

of personal security specialists, dog handlers and designated marksmen. As a result of an OIG recommendation included in the *Review of Diplomatic Security's Management of Personal Protective Services in Iraq* (MERO-IQO-09-02, January 2009), DS resumed assessing deductions for personnel shortages that surpassed the maximum vacant days allowable on invoices submitted after June 2008. DynCorp regularly conducts required professional in-country training in observation and surveillance techniques, use of force, and first aid, among other courses.

Personnel rosters (muster sheets) are substantiating documents, submitted by DynCorp with labor invoices to the Department for payment. Similar to findings in other OIG WPPS performance audits, these muster sheets were neither reviewed nor signed by DS agents at REO Kirkuk, and neither are they reviewed nor signed by a U.S. Government employee at RRT Erbil. Therefore, there is no assurance that the personnel staffing data on the muster sheets is complete and accurate, and OIG cannot determine whether the labor costs incurred and charged by DynCorp are proper.

Hand-held, U.S. military-compatible PRC-152 radios were issued to personal protective services teams throughout Iraq, as recommended in the October 2007 report issued by the *Secretary of State's Panel on Personal Protective Services in Iraq*. In Kirkuk; a small, isolated REO; DynCorp successfully used these hand-held radios for long-range, multiband communication, when other protective security teams operating in Iraq had problems doing so. During fieldwork, the OIG team highlighted Kirkuk's solution of adjusting radio frequencies to Embassy Baghdad and DS representatives. The team recommended the Embassy acquire dedicated tactical communication expertise to improve field communication. In March 2009, DS reported it was in the process of hiring a tactical radio program manager and a tactical radio instructor and expected them to be deployed to Iraq by June 1, 2009.

DynCorp faces challenges maintaining armored protection vehicles because the Embassy-directed maintenance facility for RRT Erbil vehicles is over 60 miles away at the Kirkuk Regional Airbase. Therefore, regular or emergency servicing of vehicles takes at least five hours. More time is required for major repairs, and for vehicles operating at reduced capability or needing a tow. This situation wastes the time and skills of personal security specialists, and results in lost productivity.

An OIG team inventory of hand guns, rifles, automatic weapons, scopes, and other specialized weaponry revealed that DynCorp's property management records matched those of Embassy Baghdad. A direct-hire U.S. Government employee participates in quarterly inventories at RRT Erbil, along with contracted employees from the RSO Logistics Office and WPPS contractor staff. DynCorp properly safeguards government-furnished weapons, communication, and other equipment through accurate inventory records and appropriate storage facilities.

RECOMMENDATIONS

Recommendation 1*: The Bureau of Diplomatic Security should ensure DynCorp provides personnel in the labor categories required by the second Worldwide Personal Protective Services contract. (Action: DS)

Recommendation 2*: The Bureau of Diplomatic Security should ensure that its special agents at Regional Reconstruction Team Erbil review and verify the accuracy of muster sheets prepared by DynCorp before the sheets are sent to the Bureau of Diplomatic Security contracting officer's representative. (Action: DS)

Recommendation 3: Embassy Baghdad should ensure there is appropriate maintenance support in Erbil for armored protection vehicles. (Action: Embassy)

*Recommendations to resolve similar issues are included in the Review of Diplomatic Security's Management of Personal Protective Services in Iraq (MERO-IQO-09-02, January 2009).

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MANAGEMENT COMMENTS AND OIG RESPONSE

OIG solicited comments on the draft report from the Bureau of Administration, the Bureau of Diplomatic Security, and Embassy Baghdad. The Bureau of Administration responded that it had no comments. The Bureau of Diplomatic Security provided technical comments which have been incorporated into the report as appropriate. Embassy Baghdad did not provide comments.

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BACKGROUND

In June 2005, under a second Worldwide Personal Protective Services (WPPS II) contract, Blackwater (now U.S. Training Center), DynCorp, and Triple Canopy were awarded contracts to continue personal protective services in three separate geographical areas in Iraq. DynCorp was assigned protection responsibilities in northern Iraq. Personal protective services expanded significantly in 2007 when PRTs were established in the northern provinces to assist in reconstruction, improved governance, and economic development. REO Kirkuk and PRT Erbil provided a base of operations for Embassy Baghdad’s regional outreach in northern Iraq. The designations of these locations changed as personnel and missions shifted. When REO Kirkuk closed in December 2008, the Erbil site became an REO and subsequently, a Regional Reconstruction Team (RRT). An RRT is a consolidated organization larger than a PRT or REO, with combined elements and missions of both organizations.

The Department provided approximately \$107.3 million to DynCorp for personal protective services for fiscal years 2005-2008; this is 8.3 percent of the nearly \$1.3 billion obligated in Iraq under the WPPS II contract. Table 1 shows funds provided to DynCorp and overall WPPS II funding.

Table 1: Funds Provided to DynCorp for Fiscal Years 2005-2008

<i>Dollars in Millions</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>Total</i>
DynCorp	\$.7	\$ 27.8	\$ 72.3	\$ 6.5	\$ 107.3
Total WPPS II Funding	\$5.7	\$421	\$725.5	\$130.3	\$1,282.5

Source: OIG analysis of DS data

The Department relies on private security contractors to provide personal protection for chief of mission personnel. As of September 23, 2008, there were 1,300 personal protective services employees, including personal security specialists, administrative and support staff, and guard forces, operating under WPPS II in Iraq. Dyn-

Corp has the smallest contingent with 153 employees (12 percent of the total WPPS contractors) who were stationed at REO Kirkuk and RRT Erbil, until the closure of the REO. Table 2 compares DynCorp personnel as of September 23, 2008, to the total number of WPPS personnel in Iraq. The realignment of coalition PRTs and military units, and the closure of REO Kirkuk in December 2008, resulted in a major shift of DynCorp personnel from Kirkuk to RRT Erbil.⁴

Table 2: DynCorp Personnel in Iraq as of September 23, 2008

<i>Location</i>	<i>Personal Security Specialists</i>	<i>Administrative and Support Staff</i>	<i>Guard Force</i>	<i>Total</i>
Kirkuk	34	20	52	106
RRT Erbil	44	3	0	47
Total DynCorp	78	23	52	153
Total WPPS II Personnel in Iraq	759	257	274	1290

Source: OIG analysis of DS data

PROTECTION AREA OF RESPONSIBILITY

DynCorp supports the Department's engagement model by providing personal protection services in the northern provinces of Iraq. The primary area of responsibility is the region over which the Kurdistan Regional Government has constitutionally recognized authority -- the provinces of Erbil, Dahuk, and Sulaymaniyah. DynCorp also protected chief of mission personnel at REO Kirkuk in the province of Kirkuk (formerly known as At-Ta'mim Province). Since the REO closed in December 2008, RRT Erbil provides diplomatic coverage. PRT Kirkuk, located with the military on the Kirkuk Airbase, covers reconstruction outreach for Kirkuk Province.

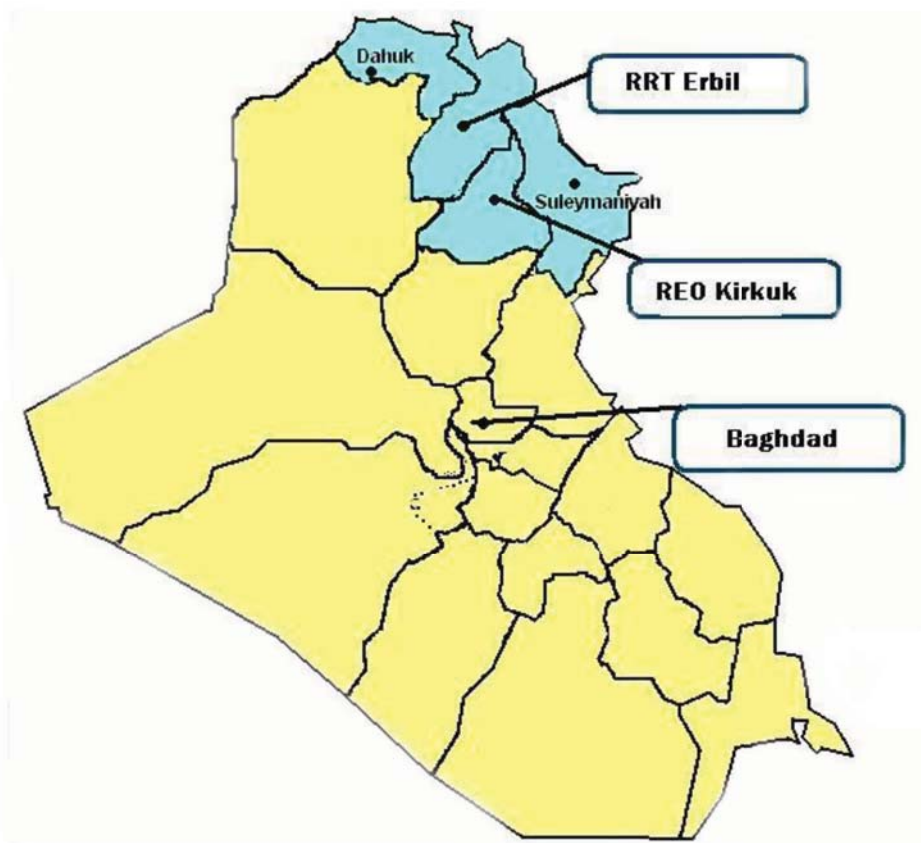
This region, including all four provinces, has a population of six million composed of ninety percent ethnic Kurds, with Turkmen, Assyrian, Armenian, and Arab minorities residing primarily in the western part of the region. After the first Gulf

⁴Staffing at the two locations changed significantly after field work for this audit was completed. As of February 1, 2009, no DynCorp personnel were assigned to REO Kirkuk.

War, concern for the safety of the Kurdish population led to United Nations Security Council Resolution 688, which created a safe haven for Kurds in Iraq, protected by U.S. and British air power. Calm and stability continued after the ousting of Saddam Hussein and the reconstitution of an elected Iraqi government. This region's economy is dominated by the oil industry, agriculture, and tourism. With relative order, this region is starting to develop a thriving economy.

The map in Figure 1 highlights the northern provinces of Iraq in blue and the location of chief of mission personnel.

Figure 1: Map – Location of DynCorp Security Operations in Iraq



Source: OIG analysis of DS data

Erbil Province covers an area of 5,570 square miles in the north of Iraq, with an estimated population in 2001 of 1.13 million engaged primarily in agricultural sector. From 2004 to 2008, coalition forces from the Republic of Korea were dispatched to the province for peacekeeping and reconstruction.

Dahuk is the province farthest north with its capital city, Dahuk. The city of Zakho is the checkpoint for the border with Turkey. During the 1991 Gulf War, the capital was abandoned and occupied by the Iraqi army, which was hostile to the local Kurd population. Dahuk is currently thriving with cross border commerce.

Kirkuk, previously known as At-Ta'mim, province has no foreign borders and covers an area of 6,390 square miles with a population of nearly a million people. The capital city of Kirkuk was the site of both the Kirkuk PRT and REO, prior to their consolidation with RRT Erbil in December 2008.

Sulaymaniyah Province is located in the northeast region of Iraq bordering Iran. The area is 10,577 square miles with nearly 2 million people, and has a capital city of the same name.

BUREAU OF DIPLOMATIC SECURITY MANAGEMENT OF THE DYNCORP CONTRACT

Overall, DS effectively manages the DynCorp contract in northern Iraq. Prior to mid-2008, there were weaknesses in DS's management and monitoring of DynCorp's performance in Erbil. The one DS special agent assigned from 2007 until mid-2008 did not have sufficient time or training to conduct the necessary in-country oversight of DynCorp. Since he was involved in problematic support issues, he did not participate in protection movements and had no visibility into DynCorp staffing or inventories of government-furnished equipment. Embassy Baghdad recognized these weaknesses and increased the number to six DS special agents assigned to Erbil. The current staff of one senior regional security officer and five assistant regional security officers at RRT Erbil is adequate to effectively oversee the WPPS II contract. One special agent accompanies each protection movement, as directed by the *Secretary of State's Panel on Personal Protective Services in Iraq*.

In the United States, DS works closely with the DynCorp WPPS program management office on pre-employment screening and training of personnel security specialists. Bi-weekly program updates among DS, DynCorp program management, DS special agents at Embassy Baghdad, and DynCorp personnel in Iraq, provide timely information on protection services and resolve contract issues.

The WPPS program manager at DS in Washington, DC is the primary contracting officer's representative (COR). The COR sends DS representatives to conduct program management reviews in the field every six months. These program management reviews cover a wide range of areas including marksmanship, driver training, continuing professional education, protection operations, and DynCorp's contract compliance in Iraq. In Baghdad, experienced DS special agents are designated as COR and assistant COR, respectively. Special agents in the regional offices are assigned as government technical monitors for the WPPS II contract.

OIG noted that DS's on-site monitoring of the DynCorp contract could be improved in one area – review and signature of personnel rosters (muster sheets). Muster sheets prepared by DynCorp were neither reviewed nor signed by DS special agents at REO Kirkuk, and neither are they reviewed or signed by DS special agents

at RRT Erbil. Therefore, OIG is not assured that personnel staffing data, as represented by the muster sheets, is complete and accurate, and because the sheets are used to substantiate invoices, OIG cannot ascertain whether the labor costs incurred and charged by DynCorp are proper.

MANAGING CONTRACT PROVISIONS

DynCorp complies with the requirements of its personal protective services contract with DS. Personal security specialists are skilled, qualified, and adequately trained in-country; the majority of them possess a background in the military, law enforcement, or both. Although DynCorp has had problems maintaining staff in certain positions, the Department has reconstituted its right to take contract deductions for vacancies. Muster sheets are used to substantiate DynCorp invoices to the Department, but DS does not review or sign these sheets to ensure they are accurate. DynCorp properly inventories and equips armored protection vehicles, but the vehicle maintenance situation is problematic due to the distance of the maintenance facility from Erbil. DynCorp maintains sufficient property accountability and physical security measures to safeguard government-furnished equipment.

QUALIFICATIONS AND TRAINING

The OIG team conducted structured individual interviews with all DynCorp personnel and found a professional work force with significant prior experience in military or law enforcement organizations. For example, approximately 70 percent of the personal security specialists possess a military background, and 20 percent of these specialists served in special operations units such as Force Recon, Rangers, SEALs, sniper units, and Special Forces. Thirty-three percent of the personal security specialists served on a police force. Some specialists had both military and police experience. Many of the personal security specialists have worked for DynCorp in Iraq for several years. The experience of DynCorp personnel meets the terms of the contract and provides skilled personal security specialists to Erbil (and provided specialists and guards to Kirkuk before the REO's closure).

DynCorp has had difficulty maintaining required staff in two personal security specialist labor categories, dog handlers and designated marksmen. DS informed OIG that the Department reconstituted its right to take deductions on June 1, 2008. Since then, deductions have been assessed for June through September 2008 invoices that surpassed the maximum vacant days allowable, according to the terms and conditions of Section H.15 of the WPPS II base contract.

Required in-country professional training is regularly conducted in observation and surveillance techniques, use of force, unarmed defensive and restraint techniques, first aid, emergency reaction drills, access control techniques and equipment, incident reporting, dealing with employees and the public, vehicle evacuation procedures, fire and explosives training, weapons re-qualification, and use of force continuum.

PERSONNEL ROSTERS

The WPPS II contract includes specific staffing requirements, and DynCorp must submit personnel rosters (muster sheets) listing names and labor categories to document staff members present and available for work. These sheets are then submitted as substantiating documents with billing invoices to the DS COR for the WPPS II contract, and they are the basis for the Department's payment to DynCorp. Muster sheets were not reviewed or signed by DS special agents at REO Kirkuk before its closure; the sheets are neither reviewed nor signed by DS special agents at RRT Erbil. Therefore, OIG is not assured that personnel staffing data, as represented by the muster sheets, is complete and accurate, and OIG cannot determine whether the labor costs incurred and charged by DynCorp are proper.

RADIO COMMUNICATION

DynCorp personnel at REO Kirkuk successfully used hand-held PRC-152 radios for long-range communication throughout Iraq, including communication with military units in northern Iraq and with Embassy Baghdad. The information management officer at this small, isolated REO ensured this long-range contact by modifying the frequencies of these radios. Personal security teams in other areas of Iraq only used the radios for "line of sight" communication. During its fieldwork, the OIG team highlighted Kirkuk's solution to Embassy Baghdad personnel and DS leadership, and recommended they acquire dedicated tactical communication expertise to assist in evaluating and quickly improving field communications. OIG also proposed that the technical expert develop and document the tactical communication requirements in Iraq, identify lessons learned, develop training, and facilitate timely improvements as technology or circumstances changed. DS senior leadership acknowledged that neither DS nor the Department had sufficient technical depth in tactical radios. In March 2009, DS reported it was in the process of hiring a tactical radio program manager and a tactical radio instructor and expected them to be deployed to Iraq by June 1, 2009.

VEHICLES

The OIG team conducted a physical inventory of armored protection vehicles and verified the installation of cameras, radios, and tracking equipment in these vehicles as required by the October 2007 report from the *Secretary of State's Panel on Personal Protective Services in Iraq*. Further, DynCorp's vehicle inventory records matched those of Embassy Baghdad.

DynCorp faces challenges maintaining armored protection vehicles. The maintenance facility for the vehicles assigned to RRT Erbil is at the Kirkuk Regional Airbase, 60 miles from Erbil. Although the facility is only 15 minutes from the former REO Kirkuk, the travel time has always been problematic for Erbil. Under a logistics contract from Embassy Baghdad, KBR maintains and services all armored protection vehicles. The lack of a maintenance facility close to RRT Erbil means lag time for scheduled maintenance and periods of downtime for damaged vehicles. Further, it is an inefficient use of personal security specialists' time and professional skills to shuttle vehicles to and from the maintenance facility at Kirkuk. Round trip travel time from Erbil to the Kirkuk maintenance facility is about five hours for routine and periodic service, and longer if the vehicle is operating at reduced capability or requires a tow.

PROPERTY MANAGEMENT

The OIG team conducted an inventory of hand guns, rifles, automatic weapons, scopes, and other specialized weaponry, checking the serial numbers and quantities. OIG found DynCorp's property management records matched those of Embassy Baghdad. DynCorp properly safeguarded government-furnished weapons, communication, and other equipment by maintaining accurate inventory records and secure storage facilities.

The Logistics Office in Embassy Baghdad's Regional Security Office manages and controls government-furnished equipment provided under the WPPS II contract. Contracted employees with the Logistics Office and WPPS II contractor staff conduct joint quarterly inventories of vehicles, weapons, and equipment at seven

sites in Iraq. In a prior WPPS II audit, OIG pointed out an internal control weakness due to the lack of participation by a direct-hire U.S. Government employee in inventories.⁵ Before the current performance audit, DS special agents in the RSO did not review the inventories in REO Kirkuk or RRT Erbil. However, the OIG team identified this deficiency, and a direct-hire U.S. Government employee now participates in quarterly inventories at RRT Erbil (REO Kirkuk is closed).

⁵*Review of Diplomatic Security's Management of Personal Protective Services in Iraq*, MERO-IQO-09-02, January 2009

DYNCORP PROTECTION ACTIVITIES

REGIONAL EMBASSY OFFICE KIRKUK PROTECTION ACTIVITIES

REO Kirkuk opened in December 2005 and was the base for one of the first PRTs in Iraq. DynCorp provided personal security specialists and a guard force for the REO Kirkuk compound and for PRT staff co-located at the Kirkuk Regional Airbase. The guard force was composed of an outer ring of Iraqi guards coupled with Romanian nationals on the internal perimeter. In addition to protecting chief of mission personnel, DynCorp also provided movement security, in conjunction with the U.S. military, for individuals from the U.S. Department of Justice's Major Crimes Task Force and for associated PRT initiatives supporting the Iraqi Judiciary and the Major Crimes Courts.

In 2008, the requirement for DynCorp's personal protective services in Kirkuk was very limited. DynCorp successfully protected REO personnel, but movements averaged only 28 per month, due primarily to the integration of REO protection movements with those of U.S. military teams in the area.

The decision to close REO Kirkuk was made in 2007, with the intent to reposition REO staff and DynCorp personal security specialists to a new RRT in Erbil and to discontinue the guard force requirement. In November 2008, personnel transferred successfully to Erbil, and in December 2008 the Kirkuk facility was turned over to the Iraqi military.

REGIONAL RECONSTRUCTION TEAM ERBIL PROTECTION ACTIVITIES

From the initial opening of the Erbil office in 2004, the small staff conducted regular engagements with Iraqi officials, covering a large geographic area. DynCorp and RSO records differ on the precise number of missions, but clearly, personal security specialists in Erbil consistently supported the mission's outreach and personal protective service requirements without any injuries, deaths, or serious incidents.

OIG analysis of RSO records indicated DynCorp conducted 1458 protection missions in 2008, traveling to venues in Dahuk, Erbil, and Sulaymaniyah Provinces.

From 2004 until its withdrawal in 2008, the Republic of Korea military was the coalition partner responsible for leading the PRT in Erbil. The Republic of Korea PRT and a small Embassy contingent operated out of Camp Zaytun, a Republic of Korea-controlled military compound, while the balance of the U.S. contingent lived and worked in a small housing compound in downtown Erbil. From 2005 through 2008, Embassy Baghdad intended to establish an REO at Camp Zaytun, once a multi-million dollar construction project was completed. However, after several years of construction issues the Embassy decided not to occupy Camp Zaytun and instead expanded the downtown Erbil compound by renting adjacent properties. During this period, the infrastructure of the downtown Erbil compound declined due to limited funding for maintenance and upgrades.

Currently, the RRT Erbil physical site in downtown Erbil is overcrowded and lacks several required security features. Embassy Baghdad is considering a proposal for a permanent REO in Erbil and has identified the land and building design. However, there will be no decision on the realignment of Embassy assets in Iraq until completion of the Administration's strategic review of U.S. objectives in that country. OIG-MERO is currently conducting audit field work on the future role, staffing, and objectives of REOs.

The difficulties of the Erbil site have had only a limited impact on DynCorp's personal protective services. However, increased logistical coordination requirements and wasted movements to Camp Zaytun decrease the time the regional security officer is available for contract management. More importantly, continued occupancy in an overcrowded compound for an indefinite period of time creates health and safety issues.

In the last quarter of 2008, after OIG fieldwork was completed, the physical size of the Erbil mission increased with the formation of a robust, newly designated RRT, a result of the closure of REO Kirkuk and transfer of REO and DynCorp personnel to Erbil.

LIST OF RECOMMENDATIONS

Recommendation 1*: The Bureau of Diplomatic Security should ensure DynCorp provides personnel in the labor categories as required by the second Worldwide Personal Protective Services contract. (Action: DS)

Recommendation 2*: The Bureau of Diplomatic Security should ensure that its special agents at Regional Reconstruction Team Erbil review and verify the accuracy of muster sheets prepared by DynCorp before the sheets are sent to the Bureau of Diplomatic Security contracting officer's representative. (Action: DS)

Recommendation 3: Embassy Baghdad should ensure there is appropriate maintenance support in Erbil for armored protection vehicles. (Action: Embassy)

*Recommendations to resolve similar issues are included in the Review of Diplomatic Security's Management of Personal Protective Services in Iraq (MERO-IQO-09-02, January 2009).

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ABBREVIATIONS

COR	Contracting Officer's Representative
Department	Department of State
DS	Bureau of Diplomatic Security
MERO	Middle East Regional Office (Office of Inspector General)
OIG	Office of Inspector General
PRT	Provincial Reconstruction Team
REO	Regional Embassy Office
RRT	Regional Reconstruction Team
RSO	Regional Security Office
WPPS	Worldwide Personal Protective Services

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APPENDIX I – PURPOSE, SCOPE, AND METHODOLOGY

The Middle East Regional Office (MERO) of the Office of Inspector General (OIG) initiated this work under the authority of the Inspector General Act of 1978, as amended, due to concerns about the Department of State's exercise of control over the performance of private security firms in Iraq. The objectives of this review were to determine: (1) the requirements and provisions of the contract and task orders; (2) whether contract performance measures were established and being achieved; and (3) how effectively the Department was administering the contract to provide proper oversight of DynCorps's cost and performance.

OIG analyzed the second Worldwide Personal Protective Services (WPPS II) contract and task orders against requirements within the Federal Acquisition Regulations, the Foreign Affairs Manual, and the Foreign Affairs Handbook. The team reviewed the Department's internal controls based upon requirements established in OMB Circular A-123 and standards set forth by the U.S. Government Accountability Office. OIG also reviewed the contract provisions, interviewed contracting officers, contracting officer representatives, and staffs in the United States (Washington, DC) and Iraq to determine DynCorp's level of performance as compared to the base contract standards prescribed for: (1) qualification of personnel; (2) quality of training; (3) personnel work schedules; and (4) reporting on personal protective services in Iraq. OIG documented and analyzed the organization of the Department's Bureau of Diplomatic Security (DS), as well as the policies and procedures for contract oversight. OIG did not analyze contractor furnished resources, recruitment of applicants, security clearance procedures, initial firearms qualification, the guard electronic monitoring system, or transition planning for contract completion.

In Washington, DC, OIG met with senior officials from DS and the Bureau of Administration, and with corporate representatives from DynCorp. The team reviewed the procedures in place to evaluate contractor performance and contractor oversight policies in the WPPS II contract with DS. OIG met with officials from DS's International Programs Office of Overseas Protection Operations, High Threat Protection Division, and its Near-Eastern Division. OIG also met with several contracting officers and specialists from the Bureau of Administration's Office of Logistics Management, and the same bureau's Office of Acquisition Management, as well as former DS officials associated with the WPPS I and WPPS II programs.

In Iraq, OIG primarily focused on DynCorp's performance, including: (1) the conduct of personal protective services; (2) continuing professional training; (3) firearms re-qualification; and (4) accountability, maintenance, and safeguarding of government-furnished equipment. OIG held discussions with senior Embassy Baghdad officials, including the counselors for regional security and provincial affairs. In northern Iraq, OIG interviewed Regional Embassy Office personnel, Provincial Reconstruction Team and Regional Reconstruction Team officials, and military officials to measure contract performance, internal controls, and contract oversight.

OIG reviewed and observed several sources of evidence including documentation of internal controls; program operation; and DynCorp's performance results compared with the legal, regulatory, and contractual requirements of WPPS II. OIG analyzed personal protection movement data for 2007 and 2008, monthly contractor performance reports, DS program management reviews, in-country training program reports, and the Regional Security Office Incident Database. Analysis of this information was used to evaluate contractor performance, as well as the use and nature of protection missions in these isolated sites.

The OIG team also conducted an inventory of the weapons and government-furnished armored protection vehicles provided to DynCorp under the WPPS II contract.

OIG conducted this evaluation from June to November 2008. OIG did not use computer-processed data to perform this evaluation. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This report was prepared under the direction of Richard "Nick" Arntson, Assistant Inspector General for MERO. The following staff members conducted the evaluation and/or contributed to the report: Patrick Dickriede, Kelly Herberger, Kristen Jenkinson, and Judith Morsy.

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