



United States Department of State  
and the Broadcasting Board of Governors

*Office of Inspector General*

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JAN 7 2013

**MEMORANDUM**

TO: M – Patrick F. Kennedy

FROM: OIG – Harold W. Geisel, Deputy Inspector General 

SUBJECT: Review of Overseas Security Policy Board Exceptions and Secure Embassy Construction and Counterterrorism Act of 1999 Waivers, ISP-I-13-06

**Summary**

The Office of Inspector General (OIG) conducted a review of Overseas Security Policy Board (OSPB) exceptions and Secure Embassy Construction and Counterterrorism Act of 1999 (SECCA) waivers granted by the Bureau of Diplomatic Security (DS) to overseas posts. The DS Countermeasures Directorate, Office of Physical Security Programs (DS/C/PSP) does not adequately track exceptions to OSPB physical security standards and SECCA waivers of colocation and setback. OIG recommends that DS implement procedures to track and report the status of and compliance with exceptions and waivers.

**Scope and Methodology**

OIG conducted reviews of physical security files and conditions at 27 overseas posts as well as files maintained by DS/C/PSP. OIG inspectors compared records maintained by DS with records maintained by overseas posts to determine whether posts had complied with stipulations under which exceptions and waivers had been granted. OIG also noted conditions that required an exception or waiver for which none had been filed.

As stated in 12 *Foreign Affairs Handbook* (FAH)-6 H-511.7 h. (1), DS is responsible for monitoring compliance with Department of State security standards. DS maintains a database of each post's compliance with physical security standards and the status of requests for exceptions and waivers. As specified in SECCA and 12 *Foreign Affairs Manual* (FAM) 315.1, only the Secretary, together with the head of each agency employing personnel that would not be located at the site, can waive the requirements for colocation and setback with respect to chanceries and consulates. For buildings other than chanceries or consulates within the meaning of the statute, the Secretary has delegated authority for colocation and setback to the Assistant Secretary for DS, who is also authorized to grant exceptions to all OSPB security standards.

Exceptions to a security standard may be requested by the post, an agency at post, or the Department of State. Procedures for requesting and processing waivers and exceptions are described in 12 FAH-5 H-210, Exception Request Procedures, and in 12 FAM 315, Waivers and Exceptions. As a condition of granting an exception or waiver, the Department of State may stipulate steps to mitigate vulnerabilities.

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## Background and Findings

Although posts are not required to maintain exception and waiver records, keeping an active file is important. When a new regional security officer arrives at post, accurate records can help ensure that outstanding exception and waiver requests are followed up, that mitigating steps are understood and completed, and that restrictions, such as building use, are enforced.

Despite OIG's initial concerns, only a small number of posts had not complied with stipulations in approval documents; most were minor. OIG inspectors found that about one-third of waivers and exceptions records at overseas posts did not match those in DS/C/PSP files. In 15 cases, regional security officers were unable to locate an exception or waiver approval or denial that was on file with DS/C/PSP. In addition, several posts had active exceptions on file that could not be found in DS/C/PSP files.

Inspectors also found conditions of noncompliance with security standards for which posts had not sought exceptions or waivers. Posts had either failed to submit requests for exceptions or waivers<sup>1</sup> or the requests did not accurately describe conditions of noncompliance. The most common example was the use of warehouse space for offices. (Office space must meet greater physical security standards than warehouse space.)

DS does not regularly review waiver approvals to determine whether they are still active. As of August 2011, DS/C/PSP had more than 1,000 exceptions and waivers on file dating back to 1987. Inspectors found waivers for facilities that are no longer leased by the U.S. Government or no longer exist. DS does not have formal monitoring procedures to determine whether posts are requesting exceptions and waivers for all conditions that do not meet security standards and complying with stipulations in exception and waiver approvals.

**Recommendation 1:** The Bureau of Diplomatic Security should require overseas posts to submit an annual written certification that exceptions and waivers have been requested for all circumstances where an Overseas Security Policy Board security standard cannot be met and provide a statement of assurance signed by the chief of mission confirming that the post is adhering to stipulations in existing waivers and exceptions. (Action: DS)

**Recommendation 2:** The Bureau of Diplomatic Security should update annually its exception and waiver files and identify files that are inactive or obsolete. (Action: DS)

You should advise us on actions taken or planned on the recommendations within 30 days of the date of this memorandum. Actions taken or planned are subject to OIG followup and reporting. (b)(2)(b)(6)

### Enclosures:

Compliance Sheet  
OIG Resolution Procedures

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<sup>1</sup> As outlined in 12 FAH-5 H-200 & 300.