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

Middle East Regional Office

The Bureau of Diplomatic Security Kabul Embassy Security Force

Performance Evaluation

Report Number MERO-A-10-11, September 2010

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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
Deputy Inspector General

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KEY FINDINGS

- The Kabul Embassy Security Force (KESF), provided through a contract with ArmorGroup of North America (AGNA), has ensured the safety of chief of mission personnel in Kabul.
- AGNA has not been able to recruit, train, or manage the KESF at the staffing level or the quality required by its contract with the Department of State.
- AGNA has employed Nepalese guards without verifiable experience, training, or background investigations in violation of its contract.
- AGNA cannot account for 101 U.S. Government-furnished weapons that have been missing since 2007. AGNA used U.S. Government-furnished weapons for training rather than required contractor-furnished weapons.
- A pattern of uncorrected disciplinary problems within the KESF preceded revelations of such problems in the media.
- AGNA does not adequately maintain training records. AGNA firearms instructors failed to sufficiently instruct guards to help correct firing errors. Instructors also qualified guards who did not achieve the minimum qualifying score at the firing range.
- Several weaknesses were found in canine explosives detection testing procedures carried out by AGNA's subcontractor, including failure to test for all scents required by the contract, use of expired and potentially contaminated materials, and explosives storage problems that may lead to cross-contamination.
- The Bureau of Diplomatic Security (DS) did not thoroughly scrutinize Nepalese guards hired by AGNA, allowing guards without experience, training, or background investigations to perform security duty.
- DS did not verify that Nepalese guards met contractually required English language proficiency levels; some guards did not have required levels of proficiency.
- When AGNA could not acquire a sample of a certain explosive to test canines, DS changed the contract standards so that the canines would not have to be tested to detect this particular explosive, which is available in Afghanistan.
- DS does not provide a sufficient number of weapons for guards; some guards share weapons with guards on other shifts, affecting firing accuracy.

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- AGNA regularly allows individuals who are not vetted by Embassy Kabul's regional security office unescorted access to Camp Sullivan, a U.S. Government-owned camp containing sensitive materials.

INTRODUCTION

In March 2007, ArmorGroup of North America (AGNA), a private security company, was awarded a contract from the Department of State (Department) to provide the Kabul Embassy Security Force (KESF). From the start of the contract in July 2007 until June 2010, DS has obligated to AGNA a total of \$97.5 million. Currently, AGNA has more than 700 employees dedicated to the contract in Kabul. Approximately 400 of these employees are security guards who are primarily from Nepal.

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 security contractors. The objectives of this performance evaluation were to determine: (1) the requirements and provisions of the contract; (2) how well the Department has administered the contract to provide proper oversight of AGNA's performance in Kabul, Afghanistan; (3) whether the contract is being effectively managed; (4) whether AGNA provides a safe and adequate living environment for KESF guards and whether the Department provides proper oversight of the guards' living environment; and (5) whether the Department contract includes FAR clause 52.222-50, which provides for termination of a contract if the contractor engages in severe forms of trafficking in persons.

This report is the second in a series on the Department's management of embassy security forces.² In developing this assessment, OIG met with officials from DS and Embassy Kabul, and with AGNA management. OIG traveled to Kabul, Afghanistan, where AGNA provides guard force protection for various U.S. Government sites. In Kabul, the OIG team visited three compounds and conducted random interviews with guards. OIG also inventoried U.S. Government-furnished weapons and conducted an inspection of Camp Sullivan, where AGNA guards are housed.

¹ 5 U.S.C. App. 3.

² See *The Bureau of Diplomatic Security Baghdad Embassy Security Force*, MERO-A-10-05, March 2010.

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EXECUTIVE SUMMARY

RESULTS

The unstable security environment in Kabul requires a highly trained static guard force to allow the U.S. mission to properly function. AGNA's KESF, a cadre of nearly 400 guards, has successfully ensured the safety of more than 1,600 chief of mission personnel across three compounds in Kabul. However, OIG found that AGNA failed in several instances to comply with the requirements of its contract, which could potentially undermine the security of the U.S. mission. Furthermore, oversight of AGNA by the Bureau of Diplomatic Security (DS) has been weakened because DS does not hold the contractor accountable to these requirements.

AGNA has been unable to maintain the number of guards or the quality level required by the contract. From July 2007 until as recently as May 2010, various positions have been unfilled, including members of its Emergency Response Team, emergency medical technicians, and vehicle mechanics. These unfilled positions have led to Department-imposed penalties of \$2.5 million and the issuance of a notice from the Department to the contractor to "show cause" as to why the contract should not be terminated. To manage staffing shortfalls, AGNA hired and put on duty Nepalese guards without verifiable experience, training, or background investigations, which violates its contract.

AGNA's current control of U.S. Government-furnished property is generally satisfactory, but AGNA cannot account for 101 U.S. Government-furnished weapons that have been missing since 2007. Additionally, from July 2007 until September 2009, AGNA used U.S. Government-furnished weapons to train guards when contractor-furnished weapons were required by its contract. OIG calculates that AGNA's loss and misuse of these U.S. Government-furnished weapons cost the government \$431,000.

AGNA does not adequately maintain training records, making it difficult to verify whether guards have received contractually required training. Additionally, existing records indicate that firearms instructors qualified guards who did not actually meet the minimum qualification score on the firing range. During a visit to firing range, OIG observed that AGNA firearms instructors did not sufficiently instruct guards to help correct firing errors.

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There are several weaknesses in the canine explosives detection testing procedures carried out by AGNA's subcontractor, RONCO Consulting Corporation. RONCO does not test for all scents required by the contract; uses potentially contaminated materials of unverifiable age to train and test the canines, although fresh testing materials are required; and stores testing materials in a way that may lead to cross-contamination.

DS does not verify the contractually required qualifications of KESF guards. AGNA employed guards who do not have prior military or police experience, a contractor-conducted background investigation, or the basic training required by contract. Since their background information was not confirmed by DS, these guards were assigned to duty although they were under-qualified.

English language proficiency standards are not fully enforced. OIG found that 57 percent of Nepalese guards lack a proven level of proficiency required by contract. Due to the guards' low levels of English language proficiency, some supervisors are unable to adequately communicate with their subordinates, which could lead to serious problems during an emergency. OIG calculates that penalties totaling \$6 million could be imposed on AGNA for posting guards without required English language proficiency.

Because AGNA was unable to acquire a sample of an explosive commonly available in Afghanistan, DS changed the contract standards, allowing AGNA to end testing of this material by explosives detection canines. Since this particular explosive is readily available in Afghanistan, the lack of testing could put the embassy at risk.

DS does not provide a sufficient number of U.S. Government-furnished weapons to the KESF. Currently, there are more guards than weapons, and the day-shift Nepalese guards are sharing weapons with their counterparts on the night shifts. Sharing weapons means that weapon sights are not calibrated to individuals, which affects firing accuracy.

Camp Sullivan is a U.S. Government-owned property containing sensitive materials, such as weapons, yet AGNA regularly allows unescorted access to individuals who are not vetted by Embassy Kabul's regional security office. These individuals include unidentified local nationals, a former AGNA employee, and foreign national masseuses. Safety at the camp is generally acceptable, although after an electrical fire in September 2009, Embassy Kabul recommended routine inspections to ensure future safety.

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The KESF contract includes FAR clause 52.222-50 as required, and OIG found no evidence of AGNA using force, fraud, or coercion to recruit or maintain employees.

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RECOMMENDATIONS

Recommendation 1: The Bureau of Diplomatic Security should establish standard operating procedures for vetting contract employees that includes the verification of previous security-related employment, training, and a contractor-administered background investigation, prior to AGNA employees assuming duties. (Action: Bureau of Diplomatic Security)

Recommendation 2: The Office of Acquisitions Management, in consultation with the Office of the Legal Advisor, should attempt to recover \$433,000 from AGNA for improper use of U.S. Government-furnished weapons during training and all unaccounted for weaponry. (Action: Office of Acquisitions Management, Bureau of Administration, in consultation with the Office of the Legal Advisor)

Recommendation 3: The Bureau of Administration, in consultation with the Bureau of Diplomatic Security, should modify the Kabul Embassy Security Force contract with standard operating procedures for firearms training including a training curriculum, range specifications, a record keeping system for guard qualification scores, and a description of the support documentation required to verify training. (Action: Bureau of Administration in consultation with the Bureau of Diplomatic Security)

Recommendation 4: The Bureau of Diplomatic Security should direct AGNA to test for the common explosive previously removed from the contract. (Bureau of Diplomatic Security)

Recommendation 5: The Bureau of Diplomatic Security should assess the English language proficiency levels of all guards. Guards without the required level of proficiency should be removed, or alternatively, AGNA should accept a payment reduction until it can prove guards have achieved the required level of proficiency. (Action: Bureau of Diplomatic Security)

Recommendation 6: The Bureau of Diplomatic Security should require the contractor to provide test scores from an independent English assessment agency to verify English language proficiency of all future AGNA employees. (Action: Bureau of Diplomatic Security)

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Recommendation 7: The Office of Acquisitions Management, in consultation with the Office of the Legal Advisor, should attempt to recover \$6 million from AGNA for employing guards without contractually required English language proficiency. (Action: Office of Acquisitions Management, Bureau of Administration, in consultation with the Office of the Legal Advisor)

Recommendation 8: The Bureau of Diplomatic Security should provide a sufficient number of U.S. Government-furnished weapons to the contractor so each guard possesses and is trained on his own weapon. (Action: Bureau of Diplomatic Security)

Recommendation 9: Embassy Kabul's regional security office should vet all unescorted visitors to Camp Sullivan prior to allowing them access to the camp. (Action: Embassy Kabul)

Recommendation 10: Embassy Kabul's facilities section should regularly inspect Camp Sullivan to ensure the contractor is meeting all health and safety standards. (Action: Embassy Kabul)

MANAGEMENT COMMENTS AND OIG RESPONSE

DS and Embassy Kabul provided formal written technical and management comments to this report. Technical comments have been incorporated as appropriate. Management comments from DS and the embassy are included verbatim in Appendix IV and Appendix V, respectively.

In its comments, DS noted its support of OIG's efforts to improve the performance of the bureau's programs, as well as OIG's validation of the KESF's satisfactory operational performance. According to DS, the KESF contract has been closely overseen with regular meetings between DS and AGNA and regular visits by DS personnel to the embassy. DS and the Office of Acquisitions Management (AQM) have issued AGNA eight notices covering 25 deficiencies, one cure notice, and one show cause notice. In each case, AGNA was required to take corrective action; DS and AQM have also taken deductions for non-compliance. During late summer of 2009, allegations of AGNA misconduct were investigated by DS and OIG, resulting in removal of 20 AGNA personnel from the contract. DS also assigned an agent to live at the guard camp, and an additional agent as the contracting officer's representative; a personal services contractor was scheduled to arrive in Kabul August 27, 2010, to further augment oversight. DS has introduced cultural awareness training and banned the consumption or possession of alcohol. Finally, a new Worldwide Protective Services base contract, which will include the KESF and the Baghdad Embassy Security Force, will be competed. AGNA will continue to perform its functions until December 2010 to allow for completion of the acquisition process for the new contract and an orderly transition to the next provider.

In its comments, Embassy Kabul's regional security office also noted its support of OIG's efforts and the validation of the KESF's satisfactory operational performance. The regional security office stated it continues to provide strict oversight and proper support of the KESF, including regular meetings as well as regular and unannounced visits to Camp Sullivan. After the allegations of misconduct late last summer, the regional security office, in coordination with DS, acted immediately to correct the situation and prevent reoccurrence. The regional security office noted the same corrective actions as DS had in its comments, as well as revision and addition of policies related to morale, welfare, and recreation; and periodic drug testing.

OIG appreciates the information and updates provided by DS and Embassy Kabul.

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BACKGROUND

On March 12, 2007, the Department of State awarded the KESF contract to the private security company, AGNA.³ Under the contract, AGNA operates and manages a 24-hour armed guard service to deter unauthorized, illegal, or potentially life-threatening activities directed toward chief of mission employees, visitors, sensitive information, and properties. Specifically, the KESF provides entry control to sites, conducts perimeter patrols, and inspects entering vehicles. Guards protect three compounds including Embassy Kabul and five villas housing U.S. Government personnel. Figure 1 shows KESF guards conducting a patrol and standing post at one of the compounds in Kabul. The compounds contain office buildings, training areas, housing for U.S. Government and contractor personnel, recreation centers, warehouses, and construction sites. The guard force has nearly 400 guards, who are primarily nationals from Nepal. On September 30, 2010, a transition period will begin in which AGNA will be replaced and will hand over responsibilities to a new, yet-to-be awarded security contractor.

Figure 1: The photos below show a guard conducting a patrol (on the left) and a guard on duty or “standing at post” (on the right).



Source: OIG

The value of the contract with AGNA for a base year and four option years is \$190 million. As of June 2010, the Department had obligated \$97.5 million and expended \$77.7 million for the KESF. Table 1 shows funding for the contract by contract year.

³ ArmorGroup of North America is a subsidiary of Wackenhut Services, Inc, which is a subsidiary of the British company, G4S.

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Table 1: KESF Funding (in millions), July 1, 2007 to December 31, 2010

	Base Year (7/1/07- 6/30/08)	Option Year 1 (7/1/08- 6/30/09)	Option Year 2 * (7/1/09- 12/31/10)	Total
Total Obligated	\$31.1	\$32.7	\$33.6	\$97.5
Total Expended	\$31.1	\$30.9	\$15.8	\$77.7

*Option Year 2 was extended by six months to December 31, 2010

Source: OIG analysis of Office of Acquisitions Management data

Under the KESF contract, the Department pays AGNA an hourly rate for armed guard services while at post. The hourly rates for the armed guard services include AGNA's direct and indirect labors costs, overhead, and administrative expenses.

Table 2 shows services directly paid for by the Department.

Table 2: KESF Direct Labor Costs

Position	Nationalities*	Number of Posts	Hours per Year
Guard	Nepal	101	641,420
Senior Guard (Expatriate)	US or Expatriate	15	102,324
Senior Guard (Third-Country National)	Nepal	16	93,304
Screener	Afghan	17	90,212
Emergency Response Team Guard	US	9	68,634
Site Supervisor	US	6	35,796
Dog Handler	US or Expatriate	7	26,700
Emergency Response Team Senior Guard	US	3	22,878
Emergency Response Team Guard/Driver	US	3	22,878
Emergency Response Team Marksman	US	2	17,520
Unarmed Local Guard	Afghan	2	17,520
Shift Supervisor	US	1	8,760
Dispatcher/Senior Guard	US	1	8,760
Emergency Medical Technician	US	1	8,760
Emergency Response Team Supervisor	US	1	8,760
Emergency Response Team Commander	US	1	2,080
Guard Force Commander	US	1	2,080
Weapon Maintenance Technician (Armorer)	US or Expatriate	1	2,080
Vehicle Mechanic	US or Expatriate	1	2,080
Radio Technician	US or Expatriate	1	2,080

*The KESF contract defines "expatriates" as native English-speaking citizens from countries such as Australia, Canada, Ireland, New Zealand, and the United Kingdom. On a case-by-case basis, the regional security office, with approval from the Office of Overseas Protective Operations, may approve the contractor to staff positions using expatriates from other countries. Incumbent contractual guard force employees are exempt from this requirement, with approval from the regional security office. Citizens from South Africa, Australia, and the United Kingdom occasionally fill positions designated for U.S. nationals, as permitted by the contract.

Source: OIG analysis of DS data

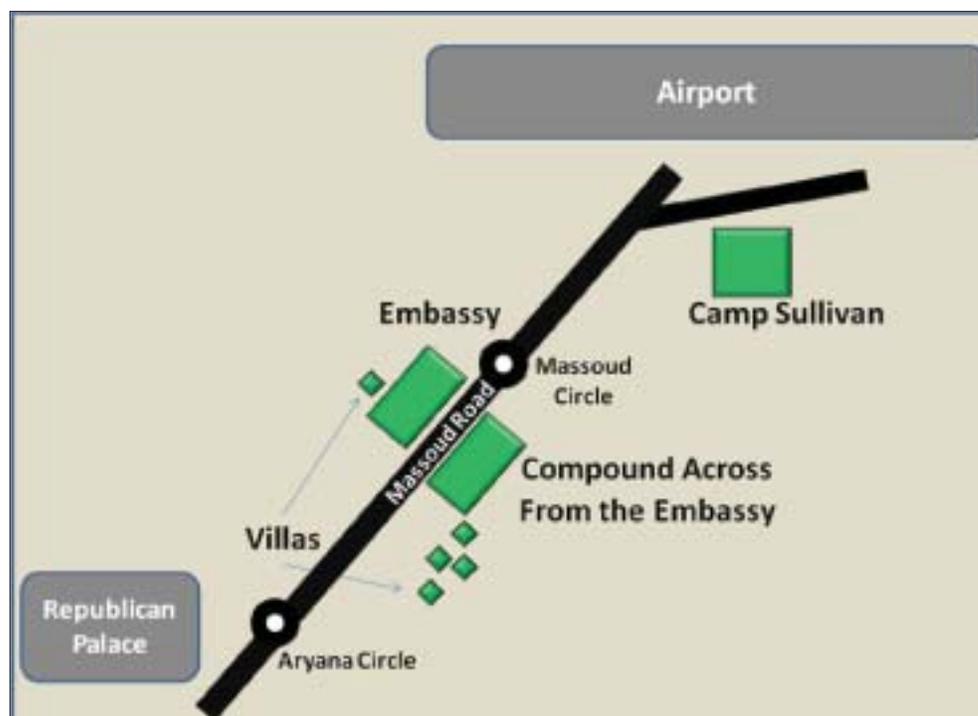
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Most guard, senior guard, and supervisor posts are staffed 24 hours a day and require two 12-hour shifts. Additionally, these positions have mandated breaks. As a result, AGNA hires and has in country more employees than posts. For instance, on February 16, 2010, AGNA personnel staffing records showed 275 Nepalese guards and senior guards in country to staff 117 guard and senior guard posts.

PROTECTION AREA OF RESPONSIBILITY

The KESF protection area of responsibility is composed of three compounds and five villas within Kabul. The three compounds include Embassy Kabul, the U.S. Agency for International Development (USAID) compound (known as the Compound Across From the Embassy), and Camp Sullivan, where AGNA employees reside. The five villas house U.S. Government personnel. Within these sites, the KESF is responsible for the protection of more than 1,600 individuals under chief of mission authority. Figure 2 shows the approximate location of sites in Kabul protected by the KESF.

Figure 2: Approximate Location of Kabul Sites Protected by the KESF*



*Not to scale

Source: OIG analysis of DS data

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Kabul is considered at high risk for militant attacks, including rocket attacks, vehicle borne improvised explosive devices, and suicide bombings. Foreigners in Kabul are sometimes targets of violent attacks and kidnappings. Riots and incidents of civil disturbance occur, often without warning, and violent crime remains a problem.

ARMORGROUP OF NORTH AMERICA PERFORMANCE

AGNA's KESF has deterred unauthorized, illegal, or potentially life-threatening actions directed toward chief of mission officials and visitors in Kabul's volatile security environment. AGNA incident reports reveal that during the contract performance period, no one under chief of mission authority has been injured or killed due to unauthorized entry or perimeter breaches. The regional security officer (RSO) reported that AGNA has performed well during past incidents and has effectively provided security for the embassy. However, AGNA has had difficulty meeting the general work requirements of its contract with the Department.

From the beginning of the contract in July 2007 to May 2010, AGNA has been unable to recruit, train, and manage the KESF to the level of staffing and quality required by the contract, leading to penalties of \$2.5 million and a Department warning of contract termination. AGNA has hired unqualified individuals for positions and has assigned to duty guards who lack required training. AGNA does not maintain complete training records. Furthermore, records indicate that firearms instructors qualified guards who did not actually meet the minimum range qualification score. Although current U.S. Government-furnished property control is generally satisfactory, AGNA cannot account for 101 U.S. Government-furnished weapons. In addition, the contractor used U.S. Government-furnished weapons during training when contractor-furnished weapons were required by contract (U.S. Government-furnished weapons are to be used for guard duty). OIG calculates that AGNA's loss and misuse of U.S. Government-furnished weapons totals \$431,000. Finally, the ability of canines to detect explosives is unproven because testing materials are improperly maintained and stored.

STAFFING AND MANAGEMENT

Although the Department has repeatedly warned and penalized the contractor through deficiency notices and invoice deductions, AGNA has been unable to staff guard force personnel to the quantity and quality required by the contract. In June 2007, the Department issued a cure notice⁴ to AGNA citing AGNA's failure

⁴ Per 12 FAH-7 H-429.3 (2), "**Cure Notice**—If or when the [regional security officer] and/or [post security officer] discovers a failure on the part of the contractor to adhere to any elements of the contract the failure should be brought to the attention of the [contracting officer]. A cure notice can then be sent to the contractor, informing him of the problem and/or lapse and identifying the actions needed to "cure" the problem. A cure notice also includes notification of the possible consequences of the contractor's failure to comply."

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to provide a weapon maintenance technician or sufficient relief guards. In March 2008, the Department issued a deficiency notice to AGNA reporting the contractor was not sufficiently staffing its emergency response team (ERT) positions, emergency medical technicians, dog handlers, radio technicians, or medics. In September 2008, the Department issued a show cause notice⁵ warning of contract termination due to staffing shortages. Finally, in May 2010, the Department issued a deficiency notice to AGNA that reported that AGNA was not providing a vehicle mechanic. OIG analysis of KESF invoices found that from December 2007 to December 2009, the Department deducted \$2.5 million for unfilled or improperly filled positions.

To manage staffing shortages, AGNA hired and put on duty Nepalese guards without contractually required military or police experience or training. In November 2007, after the Department noted that AGNA was not providing required relief guards, AGNA hired 38 additional Nepalese guards. These guards' personnel files did not contain any credible documents verifying successful military or police employment during the past three years or a recommendation from a supervisor, both of which are required by the contract. Instead, each file contained a document signed by the AGNA project manager stating that the 38 guards were employed by the previous KESF security contractor, Global Strategies Group. However, Global Strategies Group officials told the OIG team that none of these guards were employed by the company. OIG interviewed one of the 38 Nepalese guards who stated that he had not worked for Global Strategies Group. Personnel files also indicated that AGNA never investigated the background of any of these guards, and that the guards were on duty for at least six months before receiving required training. This matter was referred to OIG's Office of Investigations.

OIG's review of correspondence from June 2007 to August 2009 between the Department and AGNA management showed a pattern of uncorrected disciplinary problems with AGNA personnel that preceded September 2009 media reports of incidents in Kabul. In June 2007, AGNA management was informed of alleged hazing activity involving ERT members at AGNA's training center in Texas. In June 2009, ERT members violated AGNA's and the Department's alcohol policies at a social gathering in Kabul⁶. On August 1, 2009, ERT members entered AGNA's dining

⁵ Per 12 FAH-7 H-429.3 (3), "**Show Cause Notice**—This is the last step before termination of a contract for default. The [contracting officer] provides the contractor with a list of outstanding deficiencies, lapses and failures on the part of the contractor. The order demands that the contractor "show cause" as to why the contract should not be terminated."

⁶ On September 1, 2009, the Project on Government Oversight, a non-profit organization, sent a letter to the Secretary of State detailing deficiencies with the KESF that was accompanied by photographs of AGNA employees participating in lewd behavior at a social gathering. Subsequently, media sources reported on the letter and the photographs. OIG's review of KESF was not in response to this incident, but was rather the second in a series of planned reviews on the Department's management of embassy security forces.

facility in Kabul dressed inappropriately and carrying alcohol; one AGNA employee pinched an Afghan employee's face and made an inappropriate remark to him. Finally, on August 10, 2009, ERT members acted inappropriately at a party; photographs of these actions appeared in the media in September 2009. None of these incidents resulted in AGNA initiating punitive action such as suspension or termination, until the Department requested such action.

PROPERTY MANAGEMENT

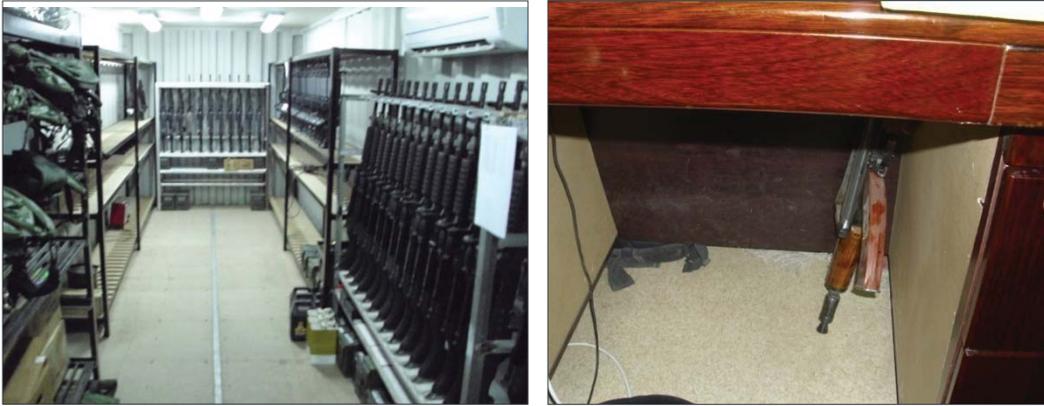
OIG found that AGNA currently has effective control over U.S. Government-furnished weaponry used for guard duty and contractor-furnished weaponry used for training. AGNA has met the inventory control requirements outlined in the KESF contract. OIG conducted a visual inspection and confirmed AGNA was in possession of all 745 currently issued U.S. Government-furnished weapons and 153 contractor-furnished weapons. OIG verified the serial numbers on the handguns and automatic weapons. No discrepancies were found in any of these inventories. When not in use for duty or training, all weapons are stored in two locked armories at Camp Sullivan, as required by contract. The photo on the left in Figure 3 shows the interior of one KESF armory.

OIG found that AGNA cannot account for 101 U.S. Government-furnished assault rifles of a lot of 116 that was to be returned to the U.S. Government in July 2007 under a contract modification. OIG found one missing assault rifle of this lot under a desk in an AGNA office. The photo on the right in Figure 3 shows the assault rifle as found under the desk. DS was able to locate an additional 14 weapons that had been transferred to other State Department offices and US Government agencies. Neither AGNA nor DS could provide documentation verifying the return or location of the remaining 101 assault rifles. OIG calculates this assault rifle lot is worth approximately \$50,000.

According to correspondence between the Department and AGNA management, from July 2007 until September 2009, AGNA did not provide a sufficient number of contractor-furnished weapons to the KESF guards. Instead, AGNA used U.S. Government-furnished weapons for training, although the contract required contractor-furnished weapons (U.S. Government-furnished weapons are to be used for guard duty). AGNA and the Department negotiated a financial settlement in which AGNA was to reimburse the U.S. Government \$381,000 for the use of these weapons. However, OIG reviewed invoices and found that AGNA has not yet reimbursed the Department. DS officials confirmed that AGNA has yet to reimburse the Department.

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Figure 3: The photos below show the KESF armory (on the left) and an assault rifle under an AGNA office desk (on the right).



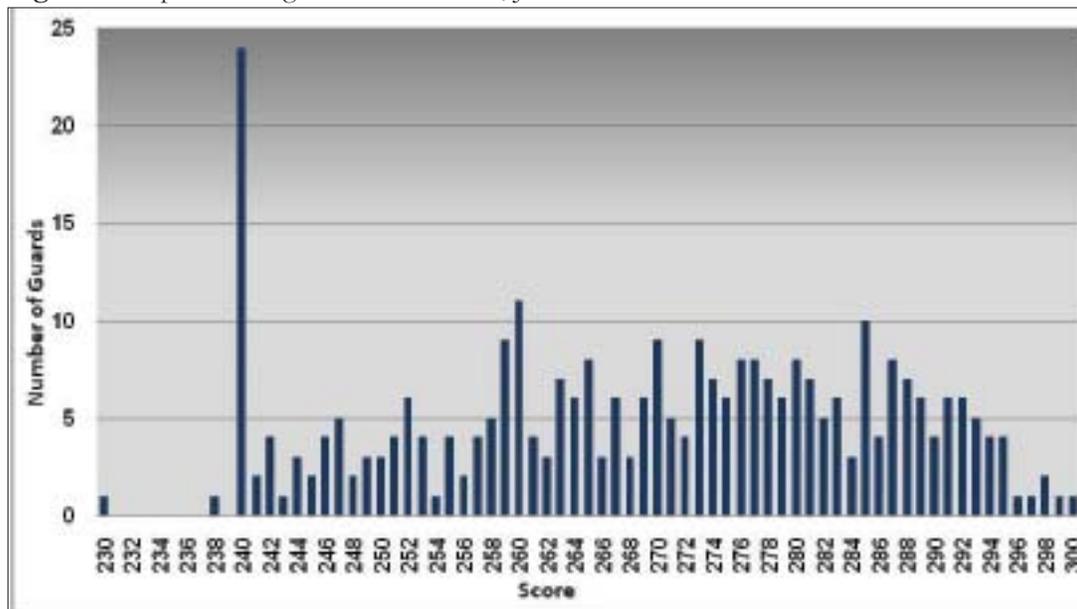
Source: OIG

Training

OIG reviewed files for all 460 current and former Nepalese guard files and found none that complied with contract requirements. The files lacked required basic training and CPR certificates. AGNA provided signed daily roll call sheets for each of the 19 basic training classes, but because roll call sheets were organized by class and not student, OIG was unable to determine whether individual guards were trained. Additionally, only 18 of the 460 files contained a basic training final exam. The KESF contract requires AGNA to maintain employee training records that may be reviewed by the contracting officer's representative (COR). Without complete and orderly records, it is difficult for the COR to determine if guards are receiving their required training.

OIG's review of AGNA's firearms score records for June 2009 revealed statistically improbable scoring, suggesting that trainers qualified guards who did not actually meet the minimum qualification score on the range. Out of 319 Nepalese guards, 24 guards scored exactly the minimum score needed to qualify. The likelihood of this number of guards obtaining this score is .3 percent. Figure 4 displays the guards' firing score distribution with a spike of 24 guards shown achieving the exact qualifying score of 240. In addition, two guards scored lower than the qualifying score, but were classified as qualifying in records. AGNA is not contractually required to provide verifying documentation, such as actual firing targets, for weapons qualification.

Figure 4: Nepalese firing score distribution, June 2009



Source: OIG analysis of AGNA data

OIG noted problems with firearms training that may undermine the readiness and professionalism of the guard force and potentially the security of Embassy Kabul. OIG visited an AGNA firing range, an area 10 miles outside of Kabul, to observe weapon requalification. An OIG team member with 15 years of military experience observed some guards repeatedly missing their mark due to improper breathing techniques and unadjusted sights. No instructors were correcting these deficiencies. According to the Department of the Army Field Manual,⁷ the trainer should ensure that the shooter understands and uses proper breathing techniques when firing and should provide detailed feedback on shot placements to determine firing errors. OIG observed only one training session and cannot determine whether there are systemic training weaknesses, but these observations indicate that DS may want to closely monitor the adequacy of AGNA’s firearms instruction.

OIG also observed problems with AGNA’s firing range. First, the range has inadequate space for the number of guards attempting to qualify, which on that day, forced guards to shoot while in close proximity to each other. As a result, one guard shot at the wrong target and did not qualify. Second, since the Government of Afghanistan limits AGNA’s time on the range to four hours in the morning, guards had inadequate time to shoot. Consequently, one group of guards was unable to qualify that day. Third, the range is ten miles from Camp Sullivan, which is a security risk for

⁷Department of Army, Field Manual 3-22.9, Chapters 4-5 and 5-1.

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guards transported to the range in high-profile armored vehicles. AGNA expatriate supervisors told OIG that guards only make it to the range for qualification once every 6 months, and that they would prefer more frequent visits to improve firing accuracy. The contract requires AGNA to obtain a range with adequate space for instruction, but does not include specific criteria for the range's size, availability, or security. According to DS officials, the embassy and DS are planning to construct a new firing range at Camp Sullivan to solve many of these problems. Figure 5 shows the AGNA firing range and an armored transport vehicle used to transport guards to the range.

Figure 5: The photos below show the AGNA firing range (on the left) and a high-profile transport vehicle (on the right).



Source: OIG

EXPLOSIVES DETECTION CANINE TESTING PROGRAM

AGNA provides explosives detection canine services through the subcontractor RONCO Consulting Corporation.⁸ OIG found several issues related to testing procedures that could weaken the effectiveness of the ability of the canines to detect explosives. The U.S. Department of the Treasury's Odor Recognition Proficiency Standard for Explosives Detection Canines requires that fresh explosives be used for each canine testing session and that testing be done annually. According to the RONCO kennel master, the Federal Bureau of Investigation's Combined Explosives Exploitation Cell provides the testing explosives to RONCO, many of which are collected from unexploded improvised explosive devices in Afghanistan and are of indeterminate age. Therefore, RONCO could not verify the age of its testing materials and is possibly using old materials to train and test the canines. The Department

⁸ RONCO Consulting Corporation, Like AGNA, is a subsidiary of Washenhut Services, Inc. and G4S.

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of the Treasury's standard also requires that canines undergo regular scent recognition testing for six mandatory scents selected based on statistical use and availability data. However, RONCO does not test canines for all six scents as contractually mandated. RONCO did not possess all testing substances and could not verify that materials being used, which were provided by the Combined Explosives Exploitation Cell, were the required testing substances since there is no documentation verifying the composition of the materials. According to the Department of the Treasury's standard, certain explosive testing materials should not be stored in the same room as they cross-contaminate with other explosives. If materials cross-contaminate, the handler may believe the canine is training on several distinct scents, while the canine is actually training on only one or two scents. RONCO stores these particular explosives with others in violation of the standard. As a result, testing material may be contaminated and canines may not be testing on distinct scents. Figure 6 shows a canine inspecting an incoming vehicle and improper storage of testing materials in a single room.

Figure 6: The photos below show a canine inspecting an incoming vehicle (on the left) and the interior of an explosive testing material storage facility (on the right).



Source: OIG

Based on a recommendation in OIG's review of the Baghdad Embassy Security Force's explosives detection canine unit,⁹ DS engaged an independent canine expert to verify the detection capabilities of the contractor's canines to determine whether the contractor is complying with the Department of the Treasury's standard. The canine expert reviewed RONCO's program in Afghanistan in March 2010, after OIG completed its field work. OIG was not able to obtain the results of the expert's examination at the time this report was issued.

⁹ See *The Bureau of Diplomatic Security Baghdad Embassy Security Force*, MERO-A-10-05, March 2010.

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DS has not always ensured that AGNA is meeting contract requirements, and in one instance when AGNA could not comply, changed a contract standard. DS did not verify the guards' contractually required qualifications or enforce their English language proficiency requirements. When the contractor had difficulty procuring a certain explosive testing material, DS removed the contract requirement to test canines for its scent. Finally, DS has not provided a sufficient number of weapons to the KESF, so the guards have to share weapons. Consequently, sights are not individually calibrated.

GUARD QUALIFICATIONS AND TRAINING

OIG's review of AGNA personnel files revealed that DS did not verify information in employment approval packets for new guards. First, DS did not confirm whether the guards had previous military or police experience, nor whether the 38 new guards employed by AGNA had actually been employed by Global Strategies Group. As a result, AGNA hired and put on duty unqualified guards. As of June 2010, 18 of these guards were still employed under the contract. Second, although required by its contract, AGNA did not perform background investigations, including police checks for criminal activities, of Nepalese guards. DS officials stated that the Department had conducted background investigations. However, personnel files revealed that some guards were on duty for up to 5 months before a Department investigation was completed. Finally, some Nepalese guards were not trained before they began their duties. The contract requires that guards undergo 80 hours of basic training and 40 hours of firearms training before being assigned to the KESF, but personnel files indicated that required training for some guards was not completed until 6 months after they assumed duties.

GUARD ENGLISH LANGUAGE PROFICIENCY

Nepalese guards and senior guards do not possess the levels of English language proficiency required by the contract. The contract requires that guards possess Level

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2 English language proficiency and senior guards possess Level 3 proficiency. OIG's review of AGNA's English language training records revealed that 57 percent of guards have Level 0 or 1 English language proficiency. Additionally, 2 percent of senior guards have proficiency in English at Level 2 or below. Although only a small percentage of senior guards lack the required level of proficiency, according to the RSO, senior guards are critically important during emergencies as supervisors and interpreters. In interviews with 12 expatriate supervisors, all 12 reported they had difficulty communicating with their Nepalese-speaking subordinate guards. When an expatriate supervisor needs to speak to a guard, he must find a bilingual, usually senior, guard to interpret. Two expatriate supervisors reported they oversee senior guards who have poor language skills and also have difficulty communicating with them. Table 3 describes English language proficiency Levels 0, 1, 2 and 3 as defined in the KESF contract.

Table 3: Description of English Language Proficiency Requirements for Levels 0, 1, 2, and 3

Speaking Level 0 (No Proficiency)	Unable to function in the spoken language. <ul style="list-style-type: none">• Oral production is limited to occasional isolated words.• Has essentially no communicative ability.
Speaking Level 1 (Elementary Proficiency)	Able to satisfy minimum courtesy requirements and maintain very simple face-to-face conversations on familiar topics. <ul style="list-style-type: none">• This speaker has a functional, but limited proficiency.• Misunderstandings are frequent, but the individual is able to ask for help and to verify comprehension of native speech in face-to-face interaction.• The individual is unable to produce continuous discourse except with rehearsed material.
Speaking Level 2 (Limited Working Proficiency)	Able to satisfy routine social demands and limited work requirements. <ul style="list-style-type: none">• Can handle routine work-related interactions that are limited in scope• In more complex and sophisticated work-related tasks, usage generally disturbs the native speaker• The individual can comprehend most everyday conversations, but has some difficulty understanding native speakers in situations that require specialized or sophisticated knowledge
Speaking Level 3 (General Professional Proficiency)	Able to speak the language with sufficient structural accuracy and vocabulary to participate effectively in most formal and informal conversations on practical, social, and professional topics. <ul style="list-style-type: none">• The individual uses the language acceptably, but with some noticeable imperfections; yet, errors virtually never interfere with understanding and rarely disturb the native speaker• In face-to-face conversation with natives speaking the standard dialect at a normal rate of speech, comprehension is quite complete

Source: OIG analysis of KESF contract

The English language proficiency of Nepalese guards has not been properly verified by DS or the COR, and is not a high priority for the RSO. Prior to deploying a guard, AGNA must provide English language test results to DS documenting the guard is proficient. OIG found that DS approved employment approval packets that did not contain test results, but instead, included a certificate created by AGNA stating that the guard was proficient in English. The COR verifies the guards' English language proficiency in country. The COR checklist, which the COR uses to ensure the contractor is adhering to the contract, requires random verification of senior guards' English language proficiency, but does not require verification of regular guards' proficiency. The COR stated that he periodically checks the language ability of guards by speaking to them as he inspects posts. He noted that he had never encountered a guard who was not proficient as contractually required. However, he further stated that he believed the contract required Level 1 proficiency for guards when the requirement is Level 2. Finally, the RSO told the OIG team that English proficiency is not a high priority and that the guard force can function without it. He added that the guard force has performed well during past incidents. Expatriate supervisors, though, reported that past incidents have required little communication. For example, bombings outside of compounds required guards to lockdown vehicle check points and entrances and assume a defensive posture. Half of expatriate supervisors interviewed voiced serious concerns about guard performance in other types of emergencies due to communication problems.

In November 2007, AGNA hired 38 Nepalese guards without required English language proficiency and the Department granted AGNA a 120-day waiver to qualify these guards. AGNA did not meet this deadline and, in March 2007, the Department began to take deductions. In June 2007, AGNA informed the Department that most of these 38 guards were proficient in English, and those who were not proficient were terminated. Subsequently, the Department stopped taking deductions. However, AGNA's English language proficiency records indicated that 16 guards still employed do not have required English language proficiency. According to OIG's calculations, deductions for employing 16 guards without English language proficiency from June 2007 to February 2010 would total \$6 million. See Appendix II for a more detailed analysis.

EXPLOSIVES DETECTION CANINE TESTING PROGRAM

DS removed from the contract a requirement for canines to detect a common explosive used in Afghanistan when the contractor could not readily obtain the explosive in country. As a result, the subcontractor, RONCO stopped testing its

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canines for this common explosive putting the Embassy at risk for attacks using this explosive. RONCO's kennel master told the OIG team that, in July 2009, RONCO's sample of this common explosive became unusable due to age, and that he was unable to secure a new sample. Subsequently, the COR sent a letter to DS asking for the explosive to be removed from the contract, incorrectly stating that the explosive was not used in the region and that a different explosive should be substituted. DS complied with the letter request and removed the explosive from the contract in September 2009.

OIG found two problems with the removing the requirement for canines to detect this explosive. First, according to USAID's Senior Petroleum Engineer Advisor to Afghanistan's Ministry of Mines, the explosive in question is used in commercial mining throughout Afghanistan. This assertion contradicts the COR's statement that the explosive is not used in the region. Second, the substitute explosive recommended by the COR is dissimilar in composition and scent to the original explosive, making it an ineffective substitute. Additionally, the substitute explosive was also removed from the contract when RONCO could not secure a sample of it.

WEAPONS

AGNA does not possess a sufficient number of assault rifles for each guard to be issued his own weapon, which leads to sharing and improper sight adjustments, and could reduce firing accuracy. DS provided AGNA with 300 M4 assault rifles, although AGNA has nearly 400 guards. To manage this shortfall, day-shift Nepalese guards hand off their assault rifles to relief guards on the night shift. Because the assault rifles are shared by the Nepalese guards, the sights are not adjusted to individual users. According to the Department of the Army Field Manual,⁵ proper use of a rifle requires a user to adjust rifle sights so bullets hit the aiming point. This adjustment process is called "zeroing" and is conducted at the firing range. A properly zeroed rifle provides higher firing accuracy than a rifle that has not been zeroed. Embassy Kabul's Marine Gunnery Sergeant reported that in Embassy Kabul's cramped and overcrowded compound, firing accuracy minimizes the risk of friendly fire incidents.

⁵ Department of Army, Field Manual 3-22.9, Chapter 5-2.

SECURITY AND SAFETY OF GUARD HOUSING AT CAMP SULLIVAN

AGNA allows individuals who have not been vetted by the regional security office unescorted access to Camp Sullivan, a U.S. Government-owned facility for the KESF, raising potential security concerns. OIG examined AGNA logbooks for four different dates and identified 15 different unvetted individuals who had unescorted access to the camp, including unidentified Afghan nationals, masseuses, and a former AGNA employee. According to AGNA expatriate supervisors, unescorted access for such individuals is common. The RSO stated that unescorted individuals going onto Camp Sullivan should be vetted by the regional security office, and those who are not vetted require an escort. Unescorted access to Camp Sullivan potentially undermines the contractual requirement for the KESF to protect U.S. assets and property from criminal and terrorist activity. Camp Sullivan contains a number of sensitive areas including AGNA's armory, explosives bunker, fueling station, and security briefing room. When not on duty, AGNA guards store their weapons and body armor in their bedrooms. Additionally, transport vehicles are parked in the open at the camp.

The OIG team inspected Camp Sullivan using the Department's Residential Safety, Health, and Fire Prevention Awareness Checklist and the Bureau of Overseas Buildings Operations' Fire Protection Guide as criteria, and found camp safety conditions to be generally acceptable. Guards have access to a gym, internet services, a recreation center, and several outdoor picnicking areas. Guards reside in two-man rooms each equipped with a dual air conditioning/heating unit and a television. Each housing unit has required fire alarms, fire extinguishers, and nearby egresses in case of fire. However, two deficiencies were noted. OIG found 5 of 15 randomly selected fire alarms were not functioning. Additionally, a new housing unit for 20 guards lacked required emergency lighting and exits signs. OIG notified AGNA management, who reported they would correct the deficiencies immediately.

On September 22, 2009, Embassy Kabul's facilities section inspected the electrical distribution system at Camp Sullivan after an exhaust fan caused an electrical fire. The OIG team decided that the electrical portion of the review would be redundant and instead obtained the facilities section's inspection results. The facilities section found that the electrical infrastructure is in good condition but showed signs of degradation due to a failure to implement a routine preventive maintenance program.

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The facilities section recommended routine inspection of Camp Sullivan.

AGNA is responsible for maintaining and repairing Camp Sullivan; Embassy Kabul and the COR are responsible for inspecting the camp. Embassy Kabul is required by the Foreign Affairs Manual (FAM) to inspect Camp Sullivan annually and “implement a comprehensive preventive, routine, and special maintenance program.”⁶ The COR is responsible for inspection of contractor services, but in this case, the COR stated he lacks the health and safety expertise needed to perform a camp inspection. Nonetheless, the contract gives the contracting officer the right to appoint a government technical monitor with the necessary skills or knowledge to monitor the contractor’s work to assist the COR.

⁶ 15 FAM 152 and 15 FAM 613.

TRAFFICKING IN PERSONS

The Federal Acquisition Regulation (FAR) requires that clause 52.222-50, *Combating Trafficking in Persons*, be inserted into all contracts.⁷ The KESF contract contains this clause as required. The OIG team developed a questionnaire to determine whether AGNA is complying with the terms of the clause (see Appendix III). In structured interviews with 69 KESF guards chosen at random, the OIG team found no evidence that AGNA was recruiting or maintaining labor through the use of force, fraud, or coercion.

⁷ FAR 22.1705 Contract clause. (a) Insert the clause at 52.222-50, *Combating Trafficking in Persons*, in all solicitations and contracts. (b) Use the basic clause with its Alternate I when the contract will be performed outside the United States (as defined at 25.003) and the contracting officer has been notified of specific U.S. directives or notices regarding combating trafficking in persons (such as general orders or military listings of “off-limits” local establishments) that apply to contractor employees at the contract place of performance.

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ABBREVIATIONS

AGNA	ArmorGroup of North America
COR	contracting officer's representative
Department	Department of State
DS	Bureau of Diplomatic Security
ERT	emergency response team
FAM	Foreign Affairs Manual
FAR	Federal Acquisition Regulation
KESF	Kabul Embassy Security Force
MERO	Middle East Regional Office
OIG	Office of Inspector General
RSO	regional security officer
USAID	U.S. Agency for International Development

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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's exercise of control over the performance of security contractors. Overall, the objectives of this review were to determine: (1) the requirements and provisions of the contract; (2) whether contract performance measures have been established and are being achieved; (3) how well the Department has administered the contract to provide proper oversight of AGNA's performance in Kabul, Afghanistan; (4) whether the contract is being effectively managed; (5) whether Department contracts include FAR clause 52.222-50, which provides for termination of a contract if the contractor engages in severe forms of trafficking in persons; and (6) whether AGNA provides a safe and adequate living environment for KESF guards and whether the Department provides proper oversight of the guards' living environment.

To determine the requirements and provisions of the contract, OIG analyzed the KESF contract and modifications. OIG also reviewed supporting documents including FAR, FAM, the Foreign Affairs Handbook, the U.S. Department of the Treasury's Odor Recognition Proficiency Standard for Explosives Detection Canines, the Bureau of Overseas Buildings Operation's Fire Protection Guide, and the National Fire Prevention Association's Life Safety Code.

In examining whether contract performance measures were established, OIG reviewed the contract provisions, interviewed contracting officers, CORs, and staff members in the United States (Washington, DC) and Kabul, Afghanistan. OIG focused on four areas of contract performance: (1) overall maintenance of a guard force; (2) sufficiency of training; (3) provision of explosives detection canines; and (4) accountability of U.S. Government-furnished and contractor-furnished weapons. To determine whether contract performance measures were achieved, OIG:

- Visited the three compounds protected by the KESF in Kabul, Afghanistan;
- Met with AGNA personnel representing all positions supported by the contract;
- Reviewed all AGNA incident reports and invoices;

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- Reviewed all Nepalese guard training records for transparency and adequacy in documenting weapons requalification and basic training;
- Visited AGNA's firing range and observed training;
- Visited the explosives detection canine training testing material storage area; and
- Conducted a physical inventory of U.S. Government-furnished and contractor-furnished weapons.

OIG statistically determined the likelihood of AGNA firearm scores being accurate. To determine this, OIG assumed the likelihood of scoring one score (in this case 240), was equal to that of scoring the next score up (in this case 241). OIG then counted the number of individuals who achieved these two scores and expressed it as a ratio (in this case 24 individuals scored 240 and two scored 241, thus the ratio was 12:1). OIG then determined the likelihood of a 12:1 ratio with 50 percent probability. OIG used the following formula to determine this likelihood: $12 * (.50)^{12} = .00293$

To determine how well the Department has administered the contract and whether the contract is being effectively managed, OIG reviewed the Department's oversight mechanisms for enforcing contractual standards and the monitoring of English language proficiency. OIG interviewed AGNA and Bureau of Diplomatic Security staff members in Washington, DC, and in Kabul. OIG attended meetings between the regional security office and AGNA in Afghanistan. OIG reviewed program management review documentation and completed COR checklists. OIG interviewed 69 guards and 12 expatriate supervisors chosen at random about Department oversight and reviewed English proficiency documentation for guards.

To determine whether the contract includes FAR clause 52.222-50, OIG examined the contract and modifications. Additionally, OIG developed a questionnaire and interviewed 69 guards chosen at random to determine whether AGNA was complying with the clause.

To determine whether AGNA provides a safe and adequate living environment for KESF guards and whether the Department provides proper oversight of the guards' living environment, OIG met with Embassy Kabul facilities section staff, reviewed appropriate safety criteria, and coordinated an inspection of the camp.

OIG conducted this evaluation from February 2010 to May 2010. OIG did not use computer-processed data to perform this evaluation. OIG conducted this per-

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formance evaluation in accordance with the quality standards for inspections and evaluations issued in January 2005 by the Council of Inspectors General on Integrity and Efficiency.

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, W. Preston Jacobs, James Pollard, Ray Reddy, and Miguel Sapp.

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APPENDIX II – OIG ANALYSIS OF AMOUNT OWED THE DEPARTMENT FOR GUARDS LACKING REQUIRED ENGLISH LANGUAGE PROFICIENCY

This analysis estimates the amount of money AGNA owes the Department for improperly employing 16 guards who did not have required Level 2 English language proficiency. OIG identified these guards and their English proficiency level based on AGNA's February 8, 2010 English Assessment Report. Each guard was employed 21 months without penalty from the Department from June 2007 to February 2010. Two months are deducted from months worked based on AGNA's reported leave structure of Nepalese guards, which is one month off for every 11 worked. Hours invoiced per month per guard were determined by dividing the total invoiced Nepalese guard hours for Option Year 2 by the number of Nepalese guards in country in February 2010 by 12 months. The deduction rate is taken from the contract and was previously used by the Department as the penalty rate for non-compliant guards.

Non-Compliant Nepalese Guards and Their English Level

	Employee ID Number	English Level
1)	3288	0
2)	3289	1
3)	3290	0
4)	3291	1
5)	3293	1
6)	3297	1
7)	3298	1
8)	3300	0
9)	3301	0
10)	3308	1
11)	3309	1
12)	3317	1
13)	3319	1
14)	3321	1
15)	3323	1
16)	3325	0

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Hours Invoiced Per Month Per Guard

Option Year 2 Total Third-Country National Guard Hours: 698,208

Number of Guards in Country (February 2010): 275

698,208 hours / 12 months / 275 guards = 212 hours/month/guard

Amount Owed the Department

For Base Year (June 2007)

Number of Guards	Months Employed	Months of Leave	Hours Invoiced per Month per Guard	Deduction Rate	Total
16	x	(1 - 0)	x 212	x \$89	= \$301,888

For Option Year 1 (July 2008-June 2009)

Number of Guards	Months Employed	Months of Leave	Hours Invoiced per Month per Guard	Deduction Rate	Total
16	x	(12 - 1)	x 212	x \$92	= \$3,432,704

For Option Year 2 (July 2009-February 2010)

Number of Guards	Months Employed	Months of Leave	Hours Invoiced per Month per Guard	Deduction Rate	Total
16	x	(8 - 1)	x 212	x \$96	= \$2,279,424

Grand Total = \$6,014,016

APPENDIX III - TRAFFICKING IN PERSONS SURVEY

1. Recruitment	Guard Response
1a. How did you find out about this job? (friend, colleague, newspaper, recruiter)	1a.
1b. If there was a recruiter, was he honest about the job? (pay, hours, danger)	1b.
1c. Do you owe money to the recruiter such as a recruitment fee? (yes, no, I don't know). If yes, is a large amount? Is it reasonable? Did you have to pay for anything like your plane ticket?	1c.
1d. Are there problems if you can't pay right away? (financially, legally, family)	1d.
1e. Did you have to sign an agreement or contract? What was in the agreement?	1e.
1f. Why did you take the job? Did you take long deciding? (good money, adventure, bad family situation)	1f.
1g. Did you feel pressured to take the job by the recruiter? If so, in what way? (financially, family)	1g.

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2. Work	
2a. Is the job what you expected? What is different?	2a.
2b. Were there other benefits promised? Have you received the benefits yet?	2b.
2c. How many hours do you work? Are the pay and hours what you expected?	2c.
2d. Do you get breaks? How long? How many?	2d.
2e. Tell me what it is like to work with your supervisors?	2e.
2f. Are you allowed to socialize with your co-workers?	2f.
2g. What kind of information about human rights and ethical conduct have you received?	2g.
<hr/>	
3. Pay	
3a. How much are you paid?	3a.
3b. How are you paid? Are there additional fees for check cashing or wiring? How much?	3b.
<hr/>	
4. Isolation	
4a. Do you get to keep money and identification on you? Where's your passport?	4a.
4b. If you have a problem, can you contact the Nepalese government? How would you do that?	4b.
4c. Can you end your contract early? What is the penalty?	4c.
4d. Would you like to renew your contract? If not, why? If so, why?	4d.
<hr/>	
5. Prostitution	
5a. To your knowledge, have employees of ArmorGroup used prostitutes in the past? Do employees now use them? At what point did they stop?	5a.
5b. To you knowledge, have employees visited brothels?	5b.
5c. Have you ever seen a prostitute at Camp Sullivan? When?	5c.
5d. Has ArmorGroup given any policy to use regarding the use of prostitutes? What did it say? When was this given?	5d.

APPENDIX IV - COMMENTS FROM THE BUREAU OF
DIPLOMATIC SECURITY

Diplomatic Security (DS) appreciates the opportunity to comment on the Office of Inspector General (OIG), Middle East Regional Office's (MERO's) Performance Evaluation of the Kabul Embassy Security Force (KESF) contract. DS supports the efforts of the OIG, including this MERO evaluation, to improve the performance of our programs. DS also appreciates MERO noting that KESF has accomplished its mission of ensuring the safety of Chief of Mission personnel in Kabul. This comment, in conjunction with the positive comments in the OIG Inspection of Embassy Kabul report of February 2010, validates the satisfactory operational performance of the Kabul Embassy Security Force.

The KESF contract has been one of the most closely overseen contracts managed by DS and the Department's Office of Acquisitions Management (AQM). Contract oversight began immediately following the contract award to Armor Group North America, Inc. (AGNA). DS and AQM have held weekly and sometimes daily meetings with senior AGNA management in Washington and DS Agent Contracting Officer's Representatives (CORs) have overseen operations at Post, assisted by regular visits from DS program office personnel. Over the life of the contract, AQM and DS have issued AGNA eight notices covering 25 deficiencies, one cure notice, and one show cause notice. In each case, AGNA was required to take corrective action to the satisfaction of the Government. Despite AGNA's administrative deficiencies, the oversight provided by DS and AQM ensured that the security of the Embassy and its personnel was never jeopardized.

DS and AQM have been aggressive in taking deductions for non-compliance, over \$3.1M has been deducted so far. Additionally, DS and AQM obtained appropriate compensation for relieving AGNA of its requirement to provide training weapons and on April 29, 2010, accepted AGNA's credit for \$381,000 as its settlement for the use of U.S. Government weapons for training.

During late summer of 2009, allegations of misconduct were brought to the Department's attention and investigated jointly by DS and OIG. As a result of the investigation, 20 AGNA personnel, including its senior in-country management team were removed from the contract. DS also implemented the following measures: a DS Agent was assigned to live at the guard camp; an additional DS agent was designated as a COR to enhance RSO oversight; DS has established a personal services con-

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tractor (PSC) position (i.e. a direct government employee, not a third-party contractor) who will arrive in Kabul August 27 to further augment the RSO's oversight responsibilities; DS introduced mandatory cultural awareness training and banned the consumption or possession of alcohol. A senior level review of the misconduct allegations against AGNA personnel, combined with AGNA's history of contract compliance deficiencies, led DS, AQM, and Embassy Kabul to conclude that it was in the best interests of the Government to compete a new contract. In light of recent legislation, the KESF contract has been combined with the Baghdad Embassy Security Force and Worldwide Personal Protective Services II (WPPS II) contracts into one base Worldwide Protective Services (WPS) contract.

The new WPS contract is a multi-award, indefinite delivery, indefinite quantity (IDIQ) contract that will be awarded on a best value basis. Individual requirements, such as the KESF, will be awarded as task orders under the base WPS contract. The current KESF contract with AGNA expired on June 30, 2010, but performance has been extended until the end of December 2010 to allow for the completion of the acquisition process for the new WPS contract and KESF task order and to provide for an orderly transition to the next provider.

Subject: Response to MERO – KESF Performance Evaluation Report

Drafted: DS/IP/OPO/FPD – P. Isaac

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DS/EX/MGT: LWatts (ok)

DS/MGT/PPD: JStewart (ok)

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A/LM/AQM – S. James (ok)

APPENDIX V - COMMENTS FROM EMBASSY KABUL

**Kabul Regional Security Office Management Comments
MERO A-10-11**

The Kabul Regional Security Office (RSO) appreciates the opportunity to comment on the Office of Inspector General (OIG), Middle East Regional Office's (MERO's) Performance Evaluation of the Kabul Embassy Security Force (KESF) contract, MERO A-10-11. RSO Kabul supports the efforts of the OIG, including this MERO evaluation, to improve the performance of our programs. RSO Kabul also appreciates MERO noting that KESF has accomplished its mission of ensuring the safety of Chief of Mission personnel in Kabul. This comment, in conjunction with the positive comments in the OIG Inspection of Embassy Kabul report of February 2010, validates the satisfactory operational performance of the KESF.

RSO Kabul continues to provide strict oversight and proper support of the KESF. RSO Kabul holds weekly meetings between the Contracting Officer's Representatives (CORs) and key operational personnel of the KESF. Furthermore, RSO Kabul holds weekly meetings involving the RSO Kabul senior management, the CORs, and the KESF project management team. While RSO Kabul provides a DS Agent that lives at Camp Sullivan, the CORs and RSO Kabul senior management make regular, unannounced visits as well.

After the allegations of misconduct late last summer, RSO, in coordination with DS, took immediate action to correct the situation and prevent any such recurrence. In addition to the dismissal of 20 AGNA personnel, including members of its senior in-country management, the following measures were taken: the consumption and possession of alcohol by KESF personnel was banned; a DS agent was assigned to reside at the guard camp full-time; an additional DS agent was designated as a COR to enhance RSO oversight; all existing policies affecting morale, welfare, and recreation (MWR) were revised to provide strict parameters for acceptable behavior; additional policies were issued to address areas of potential concern; RSO requested, and the contract was modified to require, training in local culture and Foreign Service situational awareness; and periodic drug testing was initiated. More recently, a third DS agent has been designated as a COR.

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RSO-Greg Hays, x8361

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