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United States Department of State
and the Broadcasting Board of Governors

Office of Inspector General

MIDDLE EAST REGIONAL OFFICE

Training and Logistical Support for
Palestinian Authority Security Forces

Performance Evaluation

Report Number MERO-I-11-09, July 2011

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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 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 Bureau of International Narcotics and Law Enforcement Affairs (INL) is generally providing adequate oversight and management of DynCorp International (DynCorp). However, INL has not obtained the required contract implementation plan from DynCorp or its performance measures.
- INL's review of DynCorp invoices and approval of resulting vouchers is adequate.
- The INL office at Consulate General Jerusalem has only one employee on-site, the director, to perform inherently governmental tasks as defined in the *Federal Acquisition Regulation* (FAR). The Office of Inspector General (OIG) found the following:
 - The INL deputy director in Jerusalem, who is a personal services contractor (PSC), performs the duties of the INL director when the director is not available.
 - Donation letters of agreement transferring U.S. Government-purchased and donated equipment to the Palestinian Authority (PA) have been signed by the deputy director, a PSC.
 - Although locally employed staff and contractors are overseeing and managing the task order on-site, INL has no contract administration training program for these staff members.
- The PA has not provided required documentation to show that U.S. Government-purchased and donated equipment has been incorporated into a property accountability system.
- DynCorp has not submitted performance measures or a contract implementation plan to INL, both of which are contract deliverables.
- Because of a lack of performance measures, OIG could not fully determine whether training of Palestinian Authority Security Forces (PASF), including instructors' presentation of curricula, trainees' comprehension of material, and class attendance, is effective. However, DynCorp has met its internal goal of effectiveness.

INTRODUCTION

In November 2007, under a civilian police contract managed by INL, DynCorp was awarded a task order focused on training and logistical support (procurement and provision of equipment) for the PASF in the West Bank. Since that time, INL, in coordination with the U.S. Security Coordinator (USSC)¹ has obligated \$98 million and expended approximately \$72 million for PASF training and non-lethal equipment including vehicles, helmets, bulletproof vests, and uniforms through the DynCorp task order.

The Middle East Regional Office (MERO) of OIG initiated this performance evaluation under the authority of the Inspector General Act of 1978, as amended, in response to congressional interest in DynCorp's task order to train and equip the PASF. The objectives of this performance evaluation were to determine: (1) the requirements and provisions of the task order; (2) whether performance measures were established and achieved; (3) whether the Department of State (Department) is effectively managing and overseeing the DynCorp task order; and (4) how the Department ensures that costs are properly allocated and supported.

This report, which focuses on training and logistical support, is the second of two reports on the Department's management of security assistance to the PASF. The first report addressed infrastructure construction projects under the Framework Agreement of August 2, 2007. For this second evaluation, OIG met with officials from INL, the USSC, the PA, and Consulate General Jerusalem, and with representatives of DynCorp in Jerusalem; Amman, Jordan; and Washington, DC. In addition, OIG visited the USSC office at Consulate General Jerusalem; DynCorp headquarters in Jerusalem; the Jordan International Police Training Center (JIPTC) near Amman, Jordan; and the DynCorp warehouse in Sterling, Virginia. OIG conducted this performance evaluation from July 2010 to February 2011 in accordance with the *Quality Standards for Inspection and Evaluation* issued in January 2011 by the Council of the Inspectors General on Integrity and Efficiency.

¹ The USSC, established in March 2005, is a Department-led program formed to work with Israel, and to advise and assist the PA in transforming its security sector and professionalizing its security services. USSC staff includes a small international force from Canada, the United Kingdom, and Turkey, as well as U.S. military personnel primarily on 6-month tours.

EXECUTIVE SUMMARY

RESULTS

OIG's evaluation revealed weaknesses in INL's management and oversight of DynCorp's performance. INL has not evaluated DynCorp's performance in training or provision of U.S. Government-purchased and donated equipment against targets and goals because of a lack of performance measures. According to the statement of work (SOW) developed by INL under the task order, the contractor was to provide performance measures for incorporation into an INL-approved contract implementation plan to be used to measure progress. However, the contractor has not provided, nor has INL required DynCorp to submit these performance measures, and as a result, INL has been unable to fully measure progress or document comprehensive program management.

INL's review of DynCorp invoices and approval of resulting vouchers is adequate. The contracting officer's representative (COR) reviews submitted invoices and vouchers to make certain they are allowable, allocable, and reasonable. INL checks the invoices and vouchers a second time to ensure they match the DynCorp receipts.

Although according to the FAR, the INL deputy director is not prohibited from performing inherently governmental work, OIG is concerned that some of the deputy director's functions should be performed by a U.S. Government direct-hire employee.

The deputy director attends meetings for the director and is generally viewed as a U.S. Government direct-hire employee representing the Department. He has signed donation letters of agreement for U.S. Government-purchased equipment, but OIG could not determine whether the INL director had authorized the deputy to sign these letters on his behalf, or whether the INL director can delegate this authority to a contractor. The deputy director has also served as the acting director of the INL office. Some of the deputy director's other duties such as evaluation of DynCorp's work and performance, development of acquisition plans, provision of input for planned equipment purchases, and assistance in contract management, are not generally considered inherently governmental. Although OIG estimates the majority of on-site management and oversight of DynCorp is conducted by contractors and locally employed staff, there is no contract administration training program for these staff members that might better prepare them for their duties.

Although required by the donation letters of agreement, the PA has not documented that it has incorporated U.S. Government-purchased equipment into a property accountability system, and according to INL, such a system has not been established by the PA. A property accountability system would validate the PA's acceptance of responsibility to operate and maintain the equipment; ensure U.S. Government assistance is not wasted through inadequate use or upkeep of equipment; make certain that equipment is not improperly diverted; enable the Department to ascertain whether any equipment has been lost, pilfered, or destroyed; and verify the location and use of all equipment.

In its initial bid for the task order, DynCorp stated it would focus on performance-based objectives and measurements, but the contractor has provided neither an overall performance accountability plan as stated in its technical proposal to the Department, nor the contract implementation plan as required by the SOW under the task order. The failure to provide these contract deliverables has resulted in a lack of measurable performance indicators that prevents INL from thoroughly and effectively managing and overseeing DynCorp's performance under this task order. OIG could not fully determine whether DynCorp's training of the PASF is effective. As measured by the instructors' accurate presentation of curricula and trainees' comprehension of the material, DynCorp has concluded that its training has met its internal goal of 85 percent effectiveness. There is an adequate system to monitor attendance, and the trainees' course attendance rate averages 90 percent.

RECOMMENDATIONS

RECOMMENDATION 1: OIG recommends that the Bureau of International Narcotics and Law Enforcement Affairs (INL) require DynCorp to submit performance measures including a detailed schedule and delivery dates for the provision and distribution of equipment and delivery of training, which should be incorporated into a contract implementation plan to be approved by INL. (Action: INL)

RECOMMENDATION 2: OIG recommends that the Bureau of International Narcotics and Law Enforcement Affairs (INL) review the duties, responsibilities, and authorities of the INL deputy director position, currently occupied by a personal services contractor (PSC), and provide guidance, to include amending the PSC's contract as necessary, regarding the extent of those duties, responsibilities, and authorities. Alternatively, OIG recommends that INL convert the deputy director position to a U.S. Government direct-hire position. (Action: INL)

RECOMMENDATION 3: OIG recommends that the Bureau of International Narcotics and Law Enforcement Affairs ensure that all staff members in its office at Consulate General Jerusalem are properly trained in contract administration. (Action: INL)

RECOMMENDATION 4: OIG recommends that the Bureau of International Narcotics and Law Enforcement Affairs assist the Palestinian Authority in developing a property accountability system to include U.S. Government-purchased and donated equipment inventory. (Action: INL)

MANAGEMENT COMMENTS AND OIG RESPONSE

INL and Consulate General Jerusalem provided formal comments on this report, which are included verbatim in Appendices IV and V, respectively. OIG has incorporated technical comments from INL and the consulate general as appropriate. Both entities generally agreed with the intent of OIG's recommendations. INL and the consulate general noted they have already complied with Recommendation 3, and INL reported that efforts are underway to comply with Recommendation 4.

Regarding Recommendation 1, INL noted it will require DynCorp to submit performance measurements for those areas within DynCorp's control and request that DynCorp provide an implementation plan. INL agreed with the intent of Recommendation 2, but disagreed with its premise, noting that PSCs can perform inherently governmental functions other than core policymaking and supervision of U.S. Government direct-hire staff members. OIG is aware of INL's position, but remains concerned that a PSC is encumbering the deputy director position at the INL office in Jerusalem. Given the administration's concerns about overreliance on contractors, OIG maintains that it would be prudent for INL to review and adjust as necessary, the deputy director's duties, responsibilities, and authorities. INL and the consulate general both noted that the training of staff members recommended in Recommendation 3 has begun. In comments on Recommendation 4, INL noted it has been assisting the PA to build warehouse and distribution capabilities and implement a modern inventory control system to track and maintain U.S. Government-purchased and donated equipment.

BACKGROUND

Since 2007, the USSC and INL have supported gendarmerie-style² training to PASF³ battalions based in the West Bank. From FY 2007-2010, approximately \$395 million in U.S. funds were reprogrammed or appropriated through the Department's International Narcotics Control and Law Enforcement account for training, non-lethal equipment (including helmets, bulletproof vests, uniforms, and vehicles), facilities, and strategic planning assistance for the PASF. Of the \$395 million, approximately \$157 million has been designated for training and approximately \$72 million designated for equipment. The DynCorp task order accounts for approximately \$98 million. Table 1 shows total program funding in support of the PASF from FY 2007-2010.

Table 1: Department of State Funding in Support of Palestinian Authority Security Forces, FY 2007-2010

	FY 2007 appropriation	FY 2008 supplemental appropriation	FY 2009 bridge supplemental appropriation	FY 2009 appropriation	FY 2009 supplemental appropriation	FY 2010 appropriation	Total FY 2007-2010
Training	\$28.6	\$13.0	\$22.6	\$13.5	\$39.0	\$41.0	\$157.7
Equipment	22.6	12.0	0	7.0	14.2	17.0	72.8
Infrastructure	18.6	0	18.4	0	49.7	30.5	117.2
Capacity development	6.0	0	4.0	3.5	4.2	6.5	24.2
Program development & support	10.6	0	5.0	1.0	1.9	5.0	23.5
Total	\$86.4	\$25.0	\$50.0	\$25.0	\$109.0	\$100.0	\$395.4

Sources: GAO report of May 11, 2010 (*Palestinian Authority, U.S. Assistance Is Training and Equipping Security Forces, but the Program Needs to Measure Progress and Faces Logistical Constraints*) and INL

Currently, the majority of U.S. Government-funded training is carried out at the JIPTC near Amman, Jordan, by police trainers from the Government of Jordan's Public Security Directorate and DynCorp mobile training teams (MTT). INL has obligated approximately \$85 million through letters of agreement with the Government of Jordan to assist in providing basic and specialized training for Presidential Guard units and National Security Force (NSF) special battalions.

² A gendarmerie is a military group charged with civilian police duties.

³ The National Security Forces (NSF) and Presidential Guard units are part of the PASF. NSF are capable of supporting the civil police and other security forces to maintain law and order and combat terrorism within the West Bank. Presidential Guard units protect PA leaders, key installations, and foreign visitors.

JIPTC courses are focused on NSF special battalions, Presidential Guard special battalions, and PASF instructors. Courses have three basic phases—preliminary training, basic training, and specialized battalion training. Preliminary training, designed for unit leaders and staff, consists of courses in officer and non-commissioned officer tactical leadership and combat lifesaving. Basic training includes courses in operating checkpoints and handling detainees, close quarters self-defense, patrolling, and countering civil disturbances. Specialized battalion training includes courses in advanced police tactics, surveillance, and light weapons repair. PASF trainees also take courses in crime science and human rights. Appendix II includes more detailed information on training courses.

Before admission to U.S. Government-sponsored training, all candidates are properly vetted for terrorist links, human rights violations, and criminal records by the Department, the Governments of Israel and Jordan, and the PA. Training curricula are developed by the USSC and DynCorp in consultation with the PA. Actual training is coordinated among representatives from the USSC, INL, and DynCorp MTTs, who act as on-site advisors and ensure that the training follows approved curricula. Training is also overseen by a curricula working group that includes JIPTC management, as well as representatives from the Jordanian Public Security Directorate, the MTTs, and the USSC who review curricula effectiveness, teaching methods, and attendance.

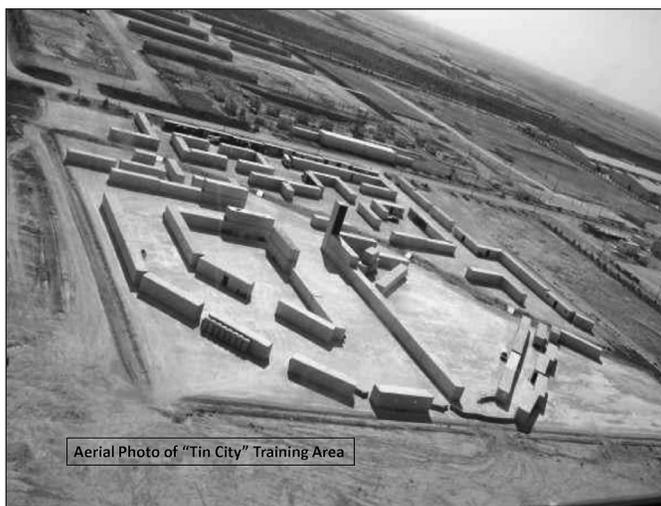


Figure 1: The photo on the top shows the tin city training area at the Jordan International Police Training Center. The photo on the bottom shows the improvised explosive device field training area.

Source: JIPTC

JIPTC facilities include a number of areas where simulations take place, including a “tin city,” an improvised explosive device field, a tent field, close quarters shoot house, a police station used as a headquarters, and a shooting range where trainees learn to use various weapons, including AK-47s, M-16s, and 9-millimeter pistols. Figure 1 on the previous page shows the tin city and improvised explosive device field. The shoot house and police station at JIPTC are shown in Figure 2 below.

PASF graduates will be stationed in nine operations camps located throughout the West Bank in Jericho, Jenin, Tubas, Bethlehem, Nablus, Hebron, Tulkarem, Qalqilya, and Ramallah. In addition to the operations camps, the Presidential Guard College in Jericho will be refurbished and a training center in Nuweimah is under construction. The completion of operations camps and training centers in the West Bank should diminish the need for training at JIPTC. JIPTC has provided specialized battalion training to 3,100 PASF troops.

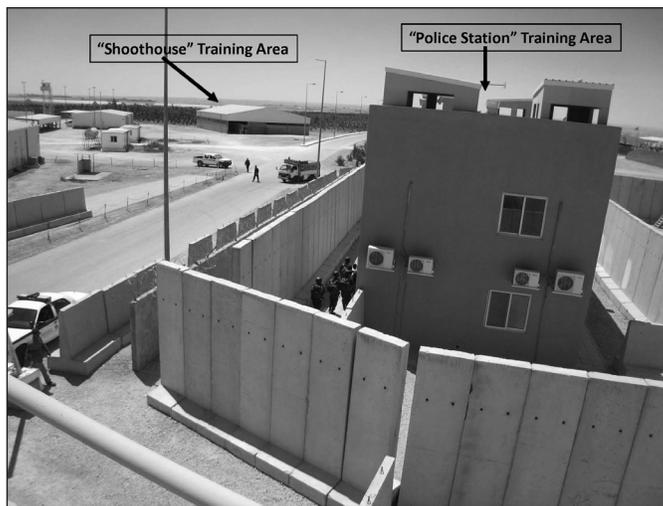


Figure 2: The photo above shows the shoot house and police headquarters training areas at the Jordan International Police Training Center.

Source: JIPTC

In addition to JIPTC training, DynCorp conducts training of PASF in Ramallah, Nablus, Jericho, and Bethlehem in the West Bank using DynCorp MTTs. Since June 2008, 3,942 students have been enrolled and 145 courses have been given in the West Bank. These courses focus on support skills such as English language, computers, driving, first aid, and basic management techniques.

Providing equipment to the PASF is a time-consuming and complex process that requires coordination among INL, the Department’s Office of Acquisition Management, the USSC, the PA, DynCorp, and the Government of Israel. This process is described in detail in Appendix III.

OVERSIGHT BY THE BUREAU OF INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS

INL has not effectively evaluated DynCorp's performance against set targets and goals because the contractor has not provided, nor has the bureau required the contractor to submit performance measures. OIG determined through its review that DynCorp appears to be providing adequate training and the necessary equipment to support the PASF. However, according to the SOW developed by INL under the task order, the contractor was to "provide performance measures within 5 days of award including a detailed schedule and delivery dates for the provision and distribution of equipment and delivery of training." These performance measures were to be incorporated into an INL-approved contract implementation plan against which progress was to be measured. DynCorp has not submitted measurable performance indicators as it stated it would in its technical bid, or the contract implementation plan, as required by the task order SOW. Further, INL has not requested or mandated these delinquent deliverables. The lack of indicators has hampered INL's efforts to measure progress against set criteria or document comprehensive program management for this task order.

REVIEW OF DYNCORP INVOICES

OIG examined INL vouchers for more than \$20 million worth of equipment and personnel invoices and found that INL's review of DynCorp invoices and approval of resulting vouchers is adequate. INL conducts two independent reviews of all submitted invoices and vouchers. The COR first reconciles invoices with DynCorp status reports and the task order to ensure the work is within the scope of the deliverables and that invoices match the work performed by the contractor. The COR then ensures that submitted invoices fall within assigned contract line item numbers. All equipment is tracked to the approved DynCorp purchase proposal and to its actual purchase. After the COR reviews all DynCorp invoices and approves the INL vouchers, an assistant in INL checks the invoices and vouchers a second time to ensure they match the DynCorp receipts.

PERSONNEL

The INL office at Consulate General Jerusalem has only one U.S. Government direct-hire employee on-site to perform inherently governmental work, including representing the U.S. Government, monitoring DynCorp's performance, and officially accepting goods and services. The INL deputy director at the consulate general works under a personal services contract and performs the duties of the INL director when he or she is not available. In particular, OIG determined that the INL deputy director attends meetings for the director and is generally viewed by those outside the Department, including PA officials, as a U.S. Government direct-hire employee who represents and speaks for the Department.

The FAR prohibits the use of contractors to perform inherently governmental functions, but also states that the prohibition on contractors performing inherently governmental functions does not apply to services obtained through personal services contracts issued under statutory authority.⁴ The INL deputy director, therefore, is not prohibited from performing inherently governmental functions under this provision. Nonetheless, OIG is concerned, particularly in light of the administration's concern about over-reliance on contractors and the possibility they may be performing inherently governmental functions,⁵ that some of the deputy director's functions should be performed by a U.S. Government direct-hire employee. In addition to representing INL with PA officials, OIG found instances in which, from November 2009 to August 2011, the deputy director signed donation letters of agreement on behalf of the INL director that transferred millions of dollars worth of U.S. Government-purchased equipment. OIG could not determine whether the INL director had authorized signature of these letters on his behalf since both the INL director and the deputy director had been replaced by new personnel at the time of OIG's evaluation, and no documentation on delegation of authority from the director to the deputy could be found. It is also unclear whether the INL director can delegate authority to a contractor to represent the U.S. Government in officially transferring U.S. Government-purchased equipment to the PA. When the INL director is not in-country, the deputy director serves as the acting director. The deputy director also evaluates the day-to-day work and performance of DynCorp, develops acquisition plans, provides input for planned purchases of equipment for the PASF, and assists in contract management that influences official evaluations of DynCorp—functions not generally considered to be inherently governmental.⁶ In a 2009 Management Assessment Visit report,⁷ the INL team stated that INL Jerusalem should seriously consider designating the deputy director position for a direct-hire Foreign Service officer.

⁴ FAR Subpart 7.502 Applicability.

⁵ *Duncan Hunter National Defense Authorization Act for Fiscal Year 2009*, Section 321 (110 P.L. 417), October 14, 2008; Office of Management and Budget, Office of Federal Procurement Policy Notice of Proposed Policy Letter, March 31, 2010.

⁶ FAR Subpart 7.503(d).

⁷ INL Management Assessment Visit Report, Jerusalem, September 2009.

OIG interviewed INL staff members in Jerusalem regarding their involvement in on-site management and oversight of DynCorp logistics and procurement processes. OIG found that the majority of property transfer and end-use monitoring quarterly reporting is conducted by contractors and locally employed staff. The OIG team's review of various property reports written by the staff revealed there was no standard approach to report writing or to specific areas to be addressed. Staff members told the OIG team they had not received any training, but would benefit from such training if it was made available. Training in contract administration would give a general framework and foundation for inspecting contract deliverables and writing reports encompassing all relevant areas. This approach would provide more useful information to those with official responsibility for contract administration.

EQUIPMENT TRANSFER AND PROPERTY ACCOUNTABILITY

Although the donation letters of agreement require the PA to document that U.S. Government-purchased equipment has been incorporated into the PA's property accountability records, the consulate general has never received verification of such actions. Since the start of the program, tens of thousands of pieces of equipment have been provided to the PASF through donation letters of agreement, including vehicles, armored vests, communication equipment, and other non-lethal items. However, according to INL officials, the PA has not yet certified to Consulate General Jerusalem that any equipment received from the United States has been integrated into its property accountability system.

Each donation letter of agreement states that the PA will document incorporation of U.S. Government-purchased and donated equipment into property accountability records. However, to date, the PA has not provided such documentation and according to INL officials, has not set up a property accountability system. OIG believes that a property accountability system is essential. An effective accountability process would validate the PA's acceptance of responsibility for the operation and maintenance of the equipment. Proper accounting of equipment receipt and maintenance would help ensure that millions of dollars in U.S. Government assistance is not wasted through inadequate use or upkeep and make certain the equipment is not improperly diverted. Further, since the PA has not yet developed a property accountability system, there is no way to fully ascertain if U.S. Government-purchased and donated equipment has been lost, pilfered, or destroyed. Finally, although INL monitors the end-use of certain designated items as required, it does not monitor the location and use of all U.S. Government-purchased and donated equipment. The PA's lack of a property accountability system limits INL's ability to fully verify the location and use of all equipment.

PERFORMANCE MEASURES

The SOW developed by INL under the task order requires DynCorp to submit performance measures and a contract implementation plan. Although DynCorp was awarded the task order and given notice to proceed in November 2007, the contractor never submitted the contract implementation plan, a major deliverable under the task order. In addition, the DynCorp technical proposal submitted with its initial bid for the task order stated that the contractor would focus on performance-based objectives and measurements to control and improve performance. The technical proposal also stated that DynCorp would design a performance accountability plan to be delivered to INL within 15 days of the award announcement. This plan was to include performance metrics, balance scorecards,⁸ delivery schedules, and reviews that would collect and evaluate performance data. DynCorp's failure to provide deliverables included in its own technical proposal, the contract implementation plan, or measurable performance indicators, as well as INL's failure to request these required deliverables, hinders INL's thorough and effective management and oversight of this task order.

PALESTINIAN AUTHORITY SECURITY FORCES TRAINING

Without the required performance measurements, OIG could not verify the effectiveness of PASF training. However, through its evaluation of the JIPTC training courses, OIG determined that DynCorp's training, which includes presentation of curricula, simulated training exercises, and monitoring class attendance, appears to be sufficient. A DynCorp representative observes each hour of the 7-hour training day. The representative evaluates the Jordanian instructor and is encouraged to comment in writing while the training is in session, as appropriate, on student involvement and understanding of the material being presented. At the beginning of the task order, DynCorp measured its training effectiveness by the instructors' accurate presentation of curricula and the trainees' comprehension of the material. Early training courses fell below DynCorp's internal standard of 85 percent accuracy and comprehension. As a result, each instructor was individually coached by DynCorp MTT members. Instructors also continued teaching the same assigned subject areas to fine tune their presentation. DynCorp reported it has now met its own goal of 85

⁸ A balance scorecard is a strategic planning and management system used extensively in business and industry, government, and nonprofit organizations worldwide to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals.

percent effectiveness for training at JIPTC, which it has validated only by its internal criteria. After graduation, the USSC reported to the OIG team that it informally reviews PASF performance in real life situations. This information is passed back to JIPTC to help improve instruction and teaching methods. According to USSC officials, it has determined through observation of anecdotal instances, the PASF have been adequately operating in the West Bank.

DynCorp representatives also take attendance each hour and report trainees who are missing from class. Each absent trainee's location must be recorded—for example, the clinic (for medical reasons), in quarters with permission, or on another assignment. The JIPTC trainee attendance rate averages 90 percent. OIG reviewed the time and attendance system for trainees, MTT personnel, and DynCorp support personnel. Each person enters his or her time and attendance in the Web-based system, and time is also monitored and approved by an on-site supervisor. INL compares these records against hours submitted in the system to ensure accuracy.

ABBREVIATIONS

COR	contracting officer's representative
Department	Department of State
DynCorp	DynCorp International
FAR	<i>Federal Acquisition Regulation</i>
INL	Bureau of International Narcotics and Law Enforcement Affairs
JIPTC	Jordan International Police Training Center
MERO	Middle East Regional Office
MTT	mobile training team (DynCorp)
NSF	National Security Forces
OIG	Office of Inspector General
PA	Palestinian Authority
PASF	Palestinian Authority Security Forces
PSC	personal services contractor
SOW	statement of work
USSC	U.S. Security Coordinator

APPENDIX I – PURPOSE, SCOPE, AND METHODOLOGY

The Middle East Regional Office initiated this work under the authority of the Inspector General Act of 1978, as amended, in response to congressional interest in DynCorp's task order to train and equip the PASF. The objectives of this performance evaluation were to determine: (1) the requirements and provisions of the contract; (2) whether performance measures were established and achieved; (3) whether the Department of State is effectively managing and overseeing the DynCorp contract; and (4) how the Department ensures that costs are properly allocated and supported.

To determine INL's effectiveness in managing and overseeing the DynCorp task order, OIG interviewed INL management and staff in Washington, DC, and Jerusalem. OIG reviewed contract files, monthly status reports, quality control reports, and project files. OIG reviewed the statements of work for the task order, invoices, and payments. OIG observed the JIPTC training facility and operation near Amman, Jordan. OIG obtained and reviewed funding data to include amounts committed, obligated, and disbursed, and remaining balances including donation letters of agreement and those individuals authorized to sign, approve, transfer, or release funding from bank accounts, make payments, and transfer equipment to the PA.

In evaluating the effectiveness of INL management of the DynCorp task order, OIG interviewed INL management and USSC personnel in Jerusalem. OIG met with representatives of DynCorp in Jerusalem and Washington, DC. OIG met with officials from INL, the USSC, Consulate General Jerusalem, and representatives of DynCorp in Jerusalem, Amman, and Washington, DC. In addition, OIG visited the USSC office at Consulate General Jerusalem, DynCorp headquarters in Jerusalem, JIPTC, and the DynCorp warehouse in Sterling, Virginia.

To assess contractor vetting procedures OIG reviewed Palestinian procurement regulations and interviewed INL officials in Jerusalem and Washington, DC. OIG reviewed INL's records and process for ensuring U.S. funds are not being funneled to foreign terrorist organizations.

OIG conducted this evaluation from July 2010 to February 2011. OIG did not use computer-processed data to perform this evaluation. This evaluation was conducted in accordance with the *Quality Standards for Inspection and Evaluation* issued in January 2011 by the Council of the Inspectors General on Integrity and Efficiency.

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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: Barbara J. Brandon, Patrick Dickriede, Kelly Herberger, Janet Mayland, and James Pollard.

APPENDIX II – TRAINING OFFERED TO NATIONAL SECURITY FORCES, PRESIDENTIAL GUARD UNITS, AND INSTRUCTORS

Trainees	Type of Training	Course Title	Number of Trainees	Length of Course
NSF	Preliminary Training	Officer Tactical Leadership	40	4 weeks
		Non-commissioned Officer Tactical Leadership	40	4 weeks
NSF		Combat Lifesaver	80	2 weeks
NSF	Basic Training*	Human Rights, Rules of Engagement, Firearms, Checkpoints and Detainee Operations, Close Quarters and Civil Disturbance, and Patrolling	500	19 weeks
NSF	Specialized Battalion Training	Advanced Police Tactics – Crime Science, Civil Defense, Detainee Operations	80	4 weeks
NSF		Surveillance	20	4 weeks
		Advanced Driving Course	30	4 weeks
NSF		Light Weapons Repair	40	2 weeks
Presidential Guard	Advanced Driving Training		40	3 weeks
	Basic Training		480	14 weeks
Instructors	Basic Instructor Skills and Specialized Training		50	19 weeks

* At the end of training, there is a 3-day exercise in which all students use the newly learned skills and are evaluated by the instructors.

Source: USSC

APPENDIX III – LOGISTICAL SUPPORT FOR PALESTINIAN AUTHORITY SECURITY FORCES – PROCUREMENT AND PROVISION OF EQUIPMENT

INL oversees U.S. Government-purchased and donated non-lethal equipment, which is provided to the PASF through DynCorp. After the USSC and PA decide which equipment needs to be provided, the USSC creates an equipment list, including specifications, and sends it to DynCorp to ensure all specifications are accurate and complete. The USSC then submits the list to the Government of Israel to approve the equipment to be purchased and donated. Once approved, INL reviews the list and sends a request for information to DynCorp. DynCorp issues the request for information, obtains bids from three companies, and formulates a proposal for INL and the Department's Office of Acquisition Management. After clearance by the Office of Acquisition Management and just before the battalion is to be trained, INL issues DynCorp a notice to proceed; DynCorp may then order the equipment. Since several months may pass between the DynCorp proposal and the actual notice to proceed, the cost of the equipment may have changed and/or the specific equipment may not be available. If the cost differs by more than 10 percent from the original estimate, the bid process must be repeated. U.S. Government-furnished equipment is held at the DynCorp warehouse in the United States (Sterling, Virginia). DynCorp sends a list of the equipment and specifications to the Government of Israel for final clearance to ship. Once the property arrives in Israel, it is processed for value added tax exemption, cleared by the appropriate Government of Israel ministries, and released to DynCorp. After INL, the USSC, and the PA coordinate the delivery date, the USSC obtains permits from Israel, and DynCorp transports the equipment to the West Bank. INL, the USSC, and the PA then reconcile the equipment and verify its receipt. Some equipment, such as vehicles, is subject to end-use monitoring.

APPENDIX IV – COMMENTS FROM THE BUREAU OF INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS



United States Department of State

Washington, D.C. 20520

June 3, 2011

UNCLASSIFIED MEMORANDUM

TO: OIG/MERO – Richard G. Arntson, Assistant Inspector General

FROM: INL/RM – Robert S. Byrnes, Executive Director *Bob*

SUBJECT: INL Responses on OIG Draft Report Training and Logistical
Support for Palestinian Authority Security Forces (Draft Report
Number MERO-I-11-09, May 23, 2011)

The Bureau of International Narcotics and Law Enforcement Affairs (INL) appreciates the opportunity to comment on the draft OIG report. Responses to specific recommendations are below and technical comments are included in Appendix I.

Recommendation 1: *OIG recommends that the Bureau of International Narcotics and Law Enforcement Affairs (INL) require DynCorp to submit performance measures including a detailed schedule and delivery dates for the provision and distribution of equipment and delivery of training, which should be incorporated into a contract implementation plan to be approved by INL. (Action: INL)*

INL Response (June 2011): INL agrees with the general intent provided the following context is taken into consideration. When the U.S. Government controls, and the contractor does not have control of, the timing for delivery of any requirement under a contract award, INL believes that the contractor cannot be held responsible for failure to meet delivery schedules. On the Palestinian program, DynCorp International (DI) does not control the timing of the provision of training at JIPTC nor does DI have control over the delivery of equipment to the Palestinian Authority Security Forces. The provision of both training and equipment is subject to approvals by the Government of Israel. For those areas that are within DI's control, INL will

request DI to provide an implementation plan. The plan will include timelines for submission of resumes for replacement of mobile training team (MTT) members when vacancies arise in the MTT cadre, timelines for procurement actions to begin, and timelines for shipment to Israel once Government of Israel approval is obtained.

Recommendation 2: *OIG recommends that the Bureau of International Narcotics and Law Enforcement Affairs (INL) review the duties, responsibilities, and authorities of the INL deputy director position, currently occupied by a personal services contractor (PSC), and provide guidance, to include amending the PSC's contract as necessary, regarding the extent of those duties, responsibilities, and authorities. Alternatively, OIG recommends that INL convert the deputy director position to a U.S. government direct-hire position. (Action: INL)*

INL Response (June 2011): INL disagrees with the premise of this recommendation. PSC's can perform inherently governmental functions other than core policy-making functions. INL follows USAID policy on the subject. Per page seven of the *INL Acquisition and Assistance Policies and Procedures* handbook. For OIG's consideration, INL offers the following excerpt from the AIDAR:

- (3) Notwithstanding any other provision of USAID directives, regulations or delegations, U.S. citizen personal services contractors (USPSCs) may be delegated or assigned any authority, duty or responsibility delegable to U.S. citizen direct-hire employees (USDH employees) except that:
 - a. They may not supervise U.S. direct-hire employees of USAID or other U.S. Government agencies. They may supervise USPSCs and non-U.S. citizen employees.
 - b. They may not be designated as Contracting Officers or delegated authority to sign obligating or sub-obligating documents. [Note: Donation letters are not obligating or subobligating documents.]
 - c. They may represent the agency, except that communications that reflect a final policy, planning or budget decision of the agency must be cleared by a USDH employee.
 - d. They may participate in personnel selection matters, but may not be delegated authority to make a final decision on personnel selection.
 - e. Exceptions to the limitations in this paragraph (b)(3) must be approved by the Assistant Administrator for Management (AA/M). [In INL's case the Assistant Secretary, though this authority has never been exercised.]

Recommendation 3: *OIG recommends that the Bureau of International Narcotics and Law Enforcement Affairs ensure that all staff members in its office at Consulate General Jerusalem are properly trained in contract administration. (Action: INL)*

INL Response (June 2011): Fulfilled. During the time of the OIG visits, INL Jerusalem added a previously planned Management Officer (PSC/former Director of Contracts and Contracting/Grants Officer) to the staff. The Management Officer has worked extensively with the local staff to provide training in contract management, appropriation law, INL financial management, and ethics, and has coordinated with GSO Contracting Officers at Post and the Regional Procurement Support Office (RPSO) Frankfurt to ensure that INL practices are compliant with applicable laws, regulations, and policies.

Recommendation 4: *OIG recommends that the Bureau of International Narcotics and Law Enforcement Affairs assist the Palestinian Authority in developing a property accountability system to include U.S.-purchased and donated equipment inventory. (Action: INL)*

INL Response (June 2011): INL agrees with the recommendation. Efforts are underway based on the program's implementation. INL and USSC are assisting the Palestinian Authority to develop the institutional capacities necessary to manage and support the operations of the PASF. Part of this assistance involves helping to build warehouse and distribution capabilities, and implementation of a modern inventory control system, consistent with Federal Acquisition Regulations and INL property management policies, that will track and maintain accountability of U.S.-donated and other equipment owned by the PA. An INL prototype property management system was developed in 2008, and underwent testing through limited implementation and use by the PA. This process identified development and implementation shortcomings and served as the basis for creating a second generation system. The new system has been developed with extensive participation and buy-in by the PA.

Since March 2011, the system has been in the process of implementation and is expected to be the common system for the PA. It will be the foundation that will support a comprehensive Enterprise Resource Planning (ERP) tool expected to be introduced during 2012. The ERP solution as an end state will provide the PASF with comprehensive, integrated asset management, warehousing, and financial management capabilities.

APPENDIX V – COMMENTS FROM CONSULATE GENERAL JERUSALEM

JERUSALEM

June 14, 2011

Nick Arntson
Assistant Inspector General
Office of the Inspector General
Department of State
Washington, DC 20520

Dear Mr. Arntson:

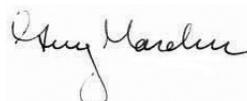
Thank you for the opportunity to review the final draft of the Office of Inspector General's Middle East Region Office report on "Training and Logistical Support for Palestinian Authority Security Forces – Performance Evaluation."

Consulate General Jerusalem would like to offer the following response to the recommendations in the draft report.

Recommendation 3: OIG recommends that the Bureau of International Narcotics and Law Enforcement Affairs ensure that all staff members in its office at Consulate General Jerusalem are properly trained in contract administration. (Action: INL)

Response: During the time of the MERO team's evaluation, the Consulate General's INL section added a previously-planned Management Officer to the staff. The Management Officer has worked extensively with locally-employed staff to provide training in contract management, appropriation law, and ethics, and has coordinated with GSO Contracting Officers at Post and the Regional Procurement Support Office in Frankfurt to ensure that INL practices are compliant with applicable laws, regulations, and policies.

Sincerely,



Greg Marchese
Deputy Principal Officer

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