



Office of Inspector General

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

Office of Audits
Middle East Region Operations

Compliance Followup Review of
Department of State Actions To Reduce
the Risk of Trafficking in Persons Violations
in Four States in the Cooperation Council
for the Arab States of the Gulf

AUD-MERO-12-47, September 2012

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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 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", written in a cursive style.

Harold W. Geisel
Deputy Inspector General

Acronyms

A/OPE	Bureau of Administration, Office of the Procurement Executive
A/LM/AQM	Bureau of Administration, Office of Logistics Management, Office of Acquisitions Management
COR	contracting officer's representative
DOSAR	<i>Department of State Acquisition Regulations</i>
FAH	<i>Foreign Affairs Handbook</i>
FAM	<i>Foreign Affairs Manual</i>
FAR	<i>Federal Acquisition Regulation</i>
FSI	Foreign Service Institute
OIG	Office of Inspector General
PIB	Procurement Information Bulletin
TIP	trafficking in persons
UAE	United Arab Emirates

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Table of Contents

<u>Section</u>	<u>Page</u>
Executive Summary	1
Background.....	3
Compliance Review Objectives.....	4
Compliance Review Results	5
MERO-I-11-06 Recommendation 1	5
MERO-I-11-06 Recommendation 2	6
MERO-I-11-06 Recommendation 3	7
MERO-I-11-06 Recommendation 4	10
MERO-I-11-06 Recommendation 5	12
MERO-I-11-06 Recommendation 6	13
MERO-I-11-06 Recommendation 7	14
New Recommendations	17
Appendices	
A. Scope and Methodology.....	21
B. Procurement Information Bulletin No. 2012-10	23
C. Procurement Information Bulletin No. 2011-09	28
D. Embassy Abu Dhabi Response	33
E. Embassy Kuwait City Response.....	36
F. Embassy Muscat Response.....	38
G. Office of the Procurement Executive Response	41
Major Contributors to This Report	42

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Executive Summary

In January 2011, the Office of Inspector General (OIG) issued the report *Performance Evaluation of Department of State Contracts to Assess the Risk of Trafficking in Persons Violations in Four States in the Cooperation Council for the Arab States of the Gulf* (MERO-I-11-06). MERO-I-11-06 reported on Department of State (Department) efforts to combat trafficking in persons (TIP) at Embassy Abu Dhabi, United Arab Emirates (UAE); Embassy Kuwait City, Kuwait; Embassy Muscat, Oman; Embassy Riyadh, Saudi Arabia; and Consulates General in Dhahran, Saudi Arabia, and Dubai, UAE. In the report, OIG identified a number of contractor practices that increased the risk that TIP could occur and issued seven recommendations to the embassies and consulates general and to the Bureau of Administration, Office of the Procurement Executive (A/OPE). Those recommendations, listed in the Background section, addressed the need to improve employment and living conditions for foreign workers of those contractors and to improve contract monitoring for potential TIP violations. The objectives of this compliance review were to assess the Department's actions to implement the seven recommendations and to determine whether the recommendations should be closed or reissued.

OIG determined that the Department had taken sufficient actions to close three of the MERO-I-11-06 recommendations. OIG closed Recommendation 1, finding that the embassies had obtained and transmitted country-specific passport retention laws to their respective contractors. OIG closed Recommendation 3 based on improvements in the living conditions for gardeners in Riyadh. OIG closed Recommendation 7 based on guidance and training that A/OPE and the Foreign Service Institute (FSI)¹ had developed to guide contracting officer's representatives (COR) monitoring for potential TIP violations.

OIG determined that the Department had not taken sufficient actions to close the other four MERO-I-11-06 recommendations. For Recommendation 2, each embassy had requested that contractors provide proof of compliance with host-country labor laws, but none had collected that proof or independently verified compliance with such laws. Recommendations 4, 5, and 6 stated that on future labor solicitations, the four embassies should include requirements for contractor-provided housing, English and native language translations of their employment contracts, and information on host-country and U.S. labor laws and policies. However, as of July 2012, only Embassies Kuwait City and Riyadh had solicited and awarded new contracts, and the embassies did not require contractors to provide housing plans or information on labor laws and policies to foreign workers. Embassies Abu Dhabi and Muscat and Consulates General Dhahran and Dubai had not solicited a new contract since OIG issued MERO-I-11-06. Because OIG could not close Recommendations 2, 4, 5, and 6 for Embassies Abu Dhabi, Muscat, and Riyadh or Recommendations 2 and 6 for Embassy Kuwait City, those recommendations are being reissued in this report. In addition, OIG made one new recommendation to Embassy Riyadh and two new recommendations to A/OPE based on issues identified during the compliance review. The new recommendations concern unsafe contractor-provided housing for

¹ FSI is the primary training institution for the U.S. foreign affairs community.

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janitors in Dhahran, Saudi Arabia, and clarification of guidance on monitoring contracts for potential TIP violations.

On August 16, 2012, OIG provided Embassies Abu Dhabi, Kuwait City, Muscat, and Riyadh and the Bureau of Administration a draft of this report requesting comments on the 11 reissued and new recommendations. OIG received comments from Embassy Abu Dhabi (see Appendix D), Embassy Kuwait City (see Appendix E), Embassy Muscat (see Appendix F), and A/OPE (see Appendix G).

Embassy Abu Dhabi did not concur with Recommendation 1, stating that CORs at post do not have the capability to monitor all service contracts to ensure compliance with local labor laws. However, Embassy Abu Dhabi also stated that the UAE annually requires commercial companies to demonstrate their compliance with local labor and other laws. The embassy requires that contractors provide copies of their annual commercial certifications before contracts are awarded or renewed. Since such a requirement provides a basis for implementing Recommendation 1, OIG considers Embassy Abu Dhabi to have met the intent of the recommendation and therefore considers Recommendation 1 resolved. This recommendation can be closed when OIG reviews and accepts documentation showing that Embassy Abu Dhabi routinely collects contractors' commercial certifications.

The embassies and A/OPE concurred with Recommendations 2–6 and 10 and 11, and OIG considers those recommendations resolved. Recommendation 2 can be closed when OIG reviews and accepts documentation showing that Embassy Abu Dhabi has implemented a process for incorporating language addressing each of the elements in the recommendation into the statements of work of future contracts. Recommendations 3 and 4 can be closed for Embassy Kuwait when OIG reviews and accepts documentation showing that the embassy has a fully functioning monitoring policy (Recommendation 3) and ensures that statements of work for future contracts include requirements outlined in Procurement Information Bulletins (PIB) 2011-09² and 2012-10³ (Recommendation 4). Recommendations 5 and 6 can be closed for Embassy Muscat when OIG reviews and accepts documentation showing that the embassy has implemented processes for monitoring contractor compliance with local laws (Recommendation 5) and for ensuring that statements of work for future service contracts include language addressing each of the elements in Recommendation 6. Recommendations 10 and 11 can be closed when OIG reviews documentation showing that A/OPE has clarified guidance on passport retention in PIB 2012-10 (Recommendation 10) and has revised PIB 2011-09 to require CORs to implement TIP monitoring strategies (Recommendation 11).

Embassy Riyadh did not provide a response to the draft report. OIG considers Recommendations 7–9 unresolved and requests that Embassy Riyadh respond to the three recommendations.

² PIB 2011-09, "Combating Trafficking in Persons," March 24, 2011.

³ PIB 2012-10, "Contractor Recruitment of Third Country Nationals," February 28, 2012.

Background

In November 2009, OIG initiated an evaluation of the Department's efforts to combat TIP in four Arab States—Kuwait, Oman, Saudi Arabia, and the UAE. Those four Arab States were selected for the evaluation, in part, because they were the Middle East states (outside of Afghanistan, Iraq, and Pakistan) that received the most U.S. contract funding during FYs 2007–2009 while receiving proportionally little funding for TIP-prevention programs. The resulting OIG report, MERO-I-11-06, stated that OIG found no direct evidence that contractors had violated the Trafficking Victims Protection Act of 2000 or the *Federal Acquisition Regulation* (FAR) for the six contracts reviewed. However, OIG identified a number of contractor practices that increased the risk that TIP could occur. The report also stated that TIP monitoring was ineffective because the FAR, the *Foreign Affairs Manual* (FAM), the *Foreign Affairs Handbook* (FAH), and standard contract language failed to address how the COR should monitor for TIP-related issues. MERO-I-11-06 contained the following seven recommendations to reduce the risk of TIP and to improve TIP monitoring:

Recommendation 1. Embassy Abu Dhabi, Embassy Kuwait City, Embassy Muscat, and Embassy Riyadh should obtain information about host country regulations regarding passport retention and discuss these regulations with all contractors employing foreign workers.

Recommendation 2. Embassy Abu Dhabi, Embassy Kuwait City, Embassy Muscat, and Embassy Riyadh should monitor all service contracts to ensure compliance with current host-country labor laws and request proof of compliance from contractors as necessary.

Recommendation 3. Embassy Riyadh, in consultation with the Office of Acquisitions Management, should inform the gardening contractor that keeping workers in unsafe housing is unacceptable to the U.S. Government.

Recommendation 4. Embassy Abu Dhabi, Embassy Kuwait City, Embassy Muscat, and Embassy Riyadh, in consultation with the Office of Acquisitions Management, should, on future solicitations, require contractors to include detailed descriptions of housing accommodations provided for foreign workers and require periodic inspections of foreign workers' housing by the contracting officer's representative.

Recommendation 5. Embassy Abu Dhabi, Embassy Kuwait City, Embassy Muscat, and Embassy Riyadh, in consultation with the Office of Acquisitions Management, should, on future solicitations, require contractors to provide workers with standard contracts in English and their native language that include policies on wages, overtime rates, allowances, salary increases, the contract term, leave accrual, and other personnel matters.

Recommendation 6. Embassy Abu Dhabi, Embassy Kuwait City, Embassy Muscat, and Embassy Riyadh, in consultation with the Office of Acquisitions Management, should, on future solicitations, require contractors to provide workers with written information about

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labor laws, including the U.S. Government's "zero tolerance" policy toward trafficking in persons, in workers' native languages.

Recommendation 7. The Bureau of Administration, Office of the Procurement Executive, should provide detailed guidance for contracting officer's representatives on how to monitor contractors' practices and activities for potential trafficking in persons violations. The Office, in consultation with the Foreign Service Institute, should develop and implement training curricula covering this guidance.

When OIG initiated this compliance review in December 2011, Recommendation 7 was closed and Recommendations 1–6 were resolved. OIG considers a recommendation "unresolved," "resolved," or "closed" based on the actions that the Department has taken or plans to take with respect to the recommendation.⁴ An unresolved recommendation is one in which the Department has neither taken actions nor stated how it plans to implement the recommendation. A resolved recommendation is one in which the Department has stated how it plans to implement the recommendation or one in which the Department has begun, but not yet completed, actions to fully implement the recommendation. A closed recommendation is one in which the Department has completed actions necessary to implement the recommendation, and no additional action is required.

OIG closed Recommendation 7 in July 2011 based on actions taken by A/OPE and FSI to issue guidance and develop training courses on monitoring contractors for potential TIP violations. OIG resolved Recommendations 1–6 based on action plans submitted in February and November 2011 by Embassies Abu Dhabi, Kuwait City, Muscat, and Riyadh that detailed how they planned to implement those recommendations. Closing Recommendations 1, 2, 4, 5, and 6 required that all four embassies separately complete actions to implement the recommendations. Although one embassy may have taken sufficient action to close its portion of a recommendation, another embassy may not have taken action or may not have had the opportunity to do so.

Compliance Review Objectives

The objectives of this compliance review were (1) to verify the actions taken by A/OPE, FSI, and U.S. Missions to Kuwait, Oman, Saudi Arabia, and the UAE to implement the seven recommendations contained in the OIG report *Performance Evaluation of Department of State Contracts to Assess the Risk of Trafficking in Persons Violations in Four States in the*

⁴ Office of Management and Budget Circular A-50 Revised, "Audit Follow-up," Sept. 29, 1982. The circular requires that Federal agencies "assure the prompt and proper resolution and implementation of audit recommendations" made by Inspectors General, other executive branch audit organizations, the Government Accountability Office, and non-Federal auditors. Sections 1, 5, and 8a(2) and (3) of the circular further require that agencies (1) resolve recommendations within a maximum of 6 months after the issuance of a final report; (2) implement corrective actions as rapidly as possible; and (3) specify criteria for proper resolution and corrective actions that provide for written plans for corrective actions with specified action dates, where appropriate.

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Cooperation Council for the Arab States of the Gulf (MERO-I-11-06, January 2011) and (2) to determine whether those recommendations should be closed or reissued.

Compliance Review Results

MERO-I-11-06 Recommendation 1. Embassy Abu Dhabi, Embassy Kuwait City, Embassy Muscat, and Embassy Riyadh should obtain information about host country regulations regarding passport retention and discuss these regulations with all contractors employing foreign workers.

Background: OIG made this recommendation after determining that embassy and consulate general contractors were retaining employee passports. Retention of employee passports is prohibited in each of the four countries either by a host-country law or through participation in international agreements.⁵ Contractor officials stated that they retained the passports because of a lack of secure storage space at employee camps, extensive year-round host-government reporting requirements, and employees' ability to obtain other government-issued identification. However, over one-third of the 75 contractor employees interviewed stated that the contractor had not informed them why or under what conditions the passports had been retained.

In their responses to MERO-I-11-06, officials at all four embassies stated that they had taken steps to implement the recommendation. Embassy Abu Dhabi officials stated that they would include discussions of passport retention in post-award orientation meetings. Embassy Muscat officials stated that they would continue to work with contractors to ensure that employee passports were not retained. Officials at Embassy Kuwait City and Embassy Riyadh stated they each had discussed passport retention laws and practices with their respective contractors.

Compliance Review Results: OIG verified that officials from all four embassies had obtained and transmitted host-country regulations regarding passport retention to their respective contractors. In addition, in February 2012, A/OPE issued PIB 2012-10, which includes guidance on passport retention.⁶ (PIB 2012-10 is in Appendix B).⁷ Specifically, the PIB requires that contracting officers include language in contracts relying on foreign employees that prohibits

⁵ Laws and agreements: Kingdom of Saudi Arabia Council of Ministers Decision 166 Article 3 and Kuwait Ministry of Social Affairs and Labor (MOSAL) Decree 60/2007 (18 July 2007). Sultanate of Oman Ministry of Manpower Circular (Nov. 2006) states that contractors may "only retain the passports of expatriate employees in execution of a court order." Kuwait, Oman, Saudi Arabia, and the UAE are signatories to the International Labour Organization Convention on the Abolition of Forced Labour, under which the retention of workers' passports is a violation of the agreement.

⁶ Although the workers on which OIG focused this review originated from countries other than the United States and/or the country to which they were assigned for duty, the workers were not considered "third-country nationals," as defined in 3 FAM 7271.1, because they were not directly employed by the U.S. Government as foreign service nationals. To avoid confusion, OIG refers to these employees as "foreign workers" or "foreign employees" or "employees" or "workers."

⁷ PIB 2012-10 includes a modified version of a questionnaire OIG applied during fieldwork for MERO-I-11-06. The questionnaire is reprinted in Appendix B. OIG did not apply that questionnaire when completing this review.

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contractors from retaining employee passports and other identification documents longer than 48 hours without the employees' consent.

Although Embassy officials met the intent of the recommendation by obtaining and transmitting passport retention regulations to their contractors, OIG determined that the contractors continued to retain employees' passports, which was in violation of PIB 2012-10 and host-country laws and agreements. Contractor employees stated that the contractors return the passports if an employee needs to travel home or renew a work permit. Contractor employees in Kuwait, Oman, and Saudi Arabia stated they had few difficulties in obtaining their passports upon request. However, contractor employees in the UAE stated it often took more than 2 days before the passports were returned.

Status: OIG closed MERO-I-11-06 Recommendation 1 based on actions taken by embassy officials and A/OPE. However, because the contractors continued to retain employee passports in violation of PIB 2012-10 and host-country laws, OIG is recommending that A/OPE clarify guidance on passport retention found in PIB 2012-10 to ensure that Department contracts do not authorize a contractor to engage in a practice that is otherwise illegal in a given country. For example, the PIB allows contractors to hold passports up to 48 hours or longer with the employees' consent; however, passport retention for any period, even with employees' consent, is prohibited in Kuwait, Saudi Arabia, and the UAE. (The new recommendation is in the section "New Recommendations.")

MERO-I-11-06 Recommendation 2. Embassy Abu Dhabi, Embassy Kuwait City, Embassy Muscat, and Embassy Riyadh should monitor all service contracts to ensure compliance with current host-country labor laws and request proof of compliance from contractors as necessary.

Background: OIG made this recommendation to ensure that monies withheld from contractor employees' paychecks were used to comply with host-country labor laws. Specifically, OIG determined that the contractors were deducting money from their employees' paychecks but were not providing the employees adequate explanations for the deductions. Further, the contractors did not always maintain adequate records to support that the deductions were in accordance with host-country labor laws.

In their responses to MERO-I-11-06, embassy officials stated they had requested that the contractors provide documentation to support compliance with host-country labor laws. Embassy Abu Dhabi officials also requested that the contractors provide copies of commercial licenses, which are renewed annually. Embassy officials explained that to obtain or renew a UAE commercial license, companies must submit documentation demonstrating their compliance with host-country labor, safety, and other laws. Embassy Abu Dhabi officials also stated that as part of the solicitation process, offerors were required to provide a copy of their commercial license, indicating that they were in full compliance with local labor and other laws.

Compliance Review Results: OIG determined that embassy officials had not received supporting documentation from the contractors to prove compliance with host-country labor laws and were not actively monitoring contracts to confirm compliance. Embassy officials stated that

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their purchasing and management officials did not have sufficient guidance from A/OPE and the Bureau of Administration, Office of Logistics Management, Office of Acquisitions Management (A/LM/AQM), on monitoring contractor compliance with host-country labor laws and that they lacked time and adequate staff to conduct monitoring activities. Further, embassy officials in Kuwait and Abu Dhabi stated that they were unsure whether additional action was warranted because a *Department of State Acquisition Regulations* (DOSAR) clause, mandatory for all contracts, already required contractors to certify compliance with all laws, decrees, labor standards, and regulations of the host country.⁸

After MERO-I-11-06 was issued, A/OPE issued PIB 2011-09, which includes a monitoring strategy for ensuring that contractors are knowledgeable about host-country labor laws. (PIB 2011-09 is in Appendix C.) However, PIB 2011-09 was issued as “suggested,” not mandatory, guidance, which may limit its use.

Status: OIG modified MERO-I-11-06 Recommendation 2 and is reissuing it to all four embassies as a new recommendation. OIG agrees that DOSAR clause 652.242-73 contains a requirement for contractors to comply fully with all host-country laws; however, the intent of the original recommendation was to ensure that embassy officials were actively monitoring the contractors to ensure compliance. OIG is also recommending that the Department revise PIB 2011-09 to make the guidance mandatory so that embassies will be required to implement the monitoring strategy as stated in the PIB. (The new recommendations are in the section “New Recommendations.”)

MERO-I-11-06 Recommendation 3. Embassy Riyadh, in consultation with the Office of Acquisitions Management, should inform the gardening contractor that keeping workers in unsafe housing is unacceptable to the U.S. Government.

Background: OIG made this recommendation in response to the contractor employees’ housing conditions in Riyadh, Saudi Arabia. Specifically, the embassy’s 19 gardeners were sharing a dilapidated apartment building with numerous fire and safety hazards, including exposed, frayed wiring; extensive water damage; and mice and insect infestation. In addition, of the apartment building’s three bathrooms, only one had a working sink, one had a broken toilet and an uncovered floor drain, and one small bathroom had a washing machine that partially blocked access to the toilet.

In its response to MERO-I-11-06, Embassy Riyadh reported that the COR visits the gardening contractor residences every 6 months and that post is assured the housing meets all requirements.

Compliance Review Results: OIG verified that the living conditions at the gardening contractor’s new housing facility in Riyadh were markedly better than the conditions in which the employees had lived previously. At the time of OIG’s compliance review, employees were living in a two-story villa that had been subdivided into four apartments. Each apartment had a

⁸ DOSAR 652.242-73, “Authorization and Performance.”

UNCLASSIFIED

living room, a dining area, four bedrooms measuring approximately 15 x 23 feet each, two bathrooms, and window-mounted air conditioners. Each apartment could accommodate up to 28 employees, with up to seven people sharing a bedroom. The villa property included a security fence, an outdoor shower, and a storage area, and several stores were within walking distance. The contracting officer and the COR in Riyadh were visiting the apartments every 6 months to ensure that the housing was safe and continued to be acceptable. According to the COR, the visits reinforced the importance of suitable and safe housing conditions.

Although living conditions for gardening employees in Riyadh had improved, the living conditions for janitorial employees in Dhahran, Saudi Arabia, were dilapidated, unsanitary, unsafe, cramped, and located on the roof of the company's administration building in Dammam.⁹ Unsanitary kitchen and bathing facilities, exposed wiring, and a lack of privacy and personal space are shown in Figures 1–3.



Figure 1. Toilet facilities collocated with outdoor kitchen and laundry facilities in Dammam, Saudi Arabia. (OIG photo)

⁹ Dammam is a suburb of Dhahran.



Figure 2. Shared kitchen facility at worker housing in Dammam, Saudi Arabia. (OIG photo)



Figure 3. Wiring exposed to the elements at worker housing in Dammam, Saudi Arabia. (OIG photo)

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Status: OIG closed MERO-I-11-06 Recommendation 3 because the living conditions in Riyadh had improved. However, because of the employee living conditions observed for janitorial workers in Dhahran, OIG is issuing a new recommendation for Embassy Riyadh to inform the janitorial contractor for Consulate General Dhahran that keeping workers in unsafe housing is unacceptable to the U.S. Government. (The new recommendation is in the section “New Recommendations.”)

MERO-I-11-06 Recommendation 4: Embassy Abu Dhabi, Embassy Kuwait City, Embassy Muscat, and Embassy Riyadh, in consultation with the Office of Acquisitions Management, should, on future solicitations, require contractors to include detailed descriptions of housing accommodations provided for foreign workers and require periodic inspections of foreign workers’ housing by the contracting officer’s representative.

Background: OIG made this recommendation to address overall housing concerns. Of the 75 contractor employees interviewed during fieldwork for MERO-I-11-06, more than 70 percent reported that their housing was overcrowded, unsafe, or unsanitary. For example, OIG reported that two-thirds of the housing it toured was within space parameters of a U.S. minimum security prison cell.

In their responses to MERO-I-11-06, embassy officials stated that all newly issued contract solicitations and awards would require the contractor to provide descriptions of contractor-provided housing for its foreign workers.

In addition to the actions taken by the embassies, PIB 2012-10 requires contractors to submit housing plans as part of their offers if they intend to provide housing for foreign workers. The contractors must provide the location and a description of the proposed housing and must demonstrate that the intended housing meets all applicable housing and safety standards and codes or explains any variance. The PIB requires that each employee have a minimum of 50 square feet of personal space unless the contracting officer grants a waiver. Along with the housing plan, the PIB requires that all contractor-provided housing be inspected at least semiannually.

Compliance Review Results: OIG could not verify that Embassies Abu Dhabi or Muscat had met the intent of the recommendation because those embassies had not issued a contract solicitation or award since MERO-I-11-06 was issued.

Embassy Kuwait partially met the intent of the recommendation when awarding contracts in March and June 2012 for janitorial services and school bus drivers, respectively. The solicitation for janitorial services included a requirement for a housing plan; however, the embassy did not require the eventual awardee to submit a plan as part of the offer, nor was a written description of housing accommodations included in the contract. Although embassy

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officials toured the housing prior to awarding the contract, the embassy did not receive written descriptions of the offerors' housing plans or incorporate a written housing plan in the contract.¹⁰

The solicitation for the school bus drivers did not specifically require submission of a housing plan; however, PIB 2012-10 was included as an attachment to the contract. PIB 2012-10 requires that an acceptable housing plan be submitted for contracts exceeding \$150,000 in which contractors provide housing for non-professional labor. The PIB also requires that CORs evaluate contractor compliance with the housing plan by conducting random inspections on at least a semiannual basis. Embassy Kuwait officials stated that during the proposal review process, the COR toured and took photographs of the intended worker housing and notified the offerors that he would make periodic unannounced site inspections after the contract was awarded.

Embassy Riyadh also partially met the intent of the recommendation in its May 2012 travel management services contract, which relies on foreign workers for labor. The contract solicitation required that offerors who intended to provide worker housing or housing allowances demonstrate how the proposed housing or allowances complied with Saudi laws and regulations. Although the contractor provides employees with a housing allowance, the contract contained no reference to the housing allowance or certification from the contractor that it had complied with Saudi laws and regulations. In addition, embassy officials stated there was no documentation on file demonstrating that the contractor had complied with the solicitation requirement. Moreover, the officials stated that since the contracting officer who executed the contract was no longer at post, they could not verify whether the contractor had complied with the requirement.

OIG verified that contracting officers and CORs in Kuwait, Oman, Saudi Arabia, and the UAE had conducted some housing inspections but not on a routine basis. Embassy officials in Kuwait and Oman and Consulate General officials in Dhahran each had conducted one inspection during January and February 2011, both of which occurred during OIG fieldwork. Officials in Riyadh conducted four inspections from January 2011 to February 2012. Officials at Embassy Abu Dhabi stated that they had reviewed housing accommodations but that they had neither a schedule to regularly check housing nor criteria from which to base decisions of housing quality. Officials from all four embassies stated that A/OPE and A/LM/AQM needed to issue standards for those inspections so that the inspections would be consistent across the Department.

Status: OIG modified Recommendation 4 and is reissuing it to all four embassies as a new recommendation. The intent of the original recommendation was to ensure that contractors provided safe and secure housing to their employees, that contractors and the Department agreed on housing standards, and that contractors complied with those standards after contract award. Although Embassy Kuwait City officials conducted preaward inspections of contractor housing, they did not enforce contract solicitation or PIB 2012-10 requirements that contractors should

¹⁰ This housing assessment occurred while OIG conducted its fieldwork in Kuwait City, and OIG team members attended the inspection as observers.

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submit written housing plans prior to contract award. In addition, although Embassy Riyadh required contractors to certify that housing and allowances provided for workers complied with Saudi laws, it is unclear whether the contractor provided such a certification. (The new recommendations are in the section “New Recommendations.”)

MERO-I-11-06 Recommendation 5: Embassy Abu Dhabi, Embassy Kuwait City, Embassy Muscat, and Embassy Riyadh, in consultation with the Office of Acquisitions Management, should, on future solicitations, require contractors to provide workers with standard contracts in English and their native language that include policies on wages, overtime rates, allowances, salary increases, the contract term, leave accrual, and other personnel matters.

Background: OIG made this recommendation to address deceptive recruitment practices caused, in part, by the inability of contractor employees to read and understand the terms and conditions of their employment contract. In their responses to MERO-I-11-06, embassy officials stated that they would require contractors to provide their employees with English and native-language versions of employment contracts and that they would also include language in all contract solicitations requiring the contractors to provide employees with policies on wages, overtime rates, allowances, leave accrual, and other personnel matters.

Compliance Review Results: OIG could not verify that Embassies Abu Dhabi or Muscat had met the intent of the recommendation because those embassies had not issued a new contract solicitation or award since MERO-I-11-06 was issued.

Embassy Kuwait City’s February 2012 solicitation for a new janitorial services contract required that workers be provided copies of their employment contracts in their native languages. However, the requirement was not included in the contract as awarded in May 2012. In June 2012, the embassy awarded a school bus driver services contract, which included PIB 2012-10 as an attachment. PIB 2012-10 requires contractors to provide the employees signed contracts in English and in their native languages. The PIB further states that the content of the employment contracts should “define the terms of employment, compensation, job description, and benefits. Contracts must be provided prior to employee departure from their countries of origin.”

Embassy Riyadh did not meet the intent of the recommendation because neither its solicitation nor the subsequent May 2012 travel management services contract required that the contractor provide workers with employment contracts in both English and the workers’ native languages. The General Services Officer in Riyadh stated that each of the travel management workers received an employment contract written in English and that English fluency was a requirement for these positions.

Status: OIG closed MERO-I-11-06 Recommendation 5 for Embassy Kuwait City based on its inclusion of the PIB 2012-10 requirement in the school bus driver’s contract. For Embassies Abu Dhabi, Muscat, and Riyadh, OIG has modified Recommendation 5 and is reissuing it to those embassies as a new recommendation. (The new recommendations are in the section “New Recommendations.”)

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MERO-I-11-06 Recommendation 6: Embassy Abu Dhabi, Embassy Kuwait City, Embassy Muscat, and Embassy Riyadh, in consultation with the Office of Acquisitions Management, should, on future solicitations, require contractors to provide workers with written information about labor laws, including the U.S. Government's "zero tolerance" policy toward trafficking in persons, in workers' native languages.

Background: OIG made this recommendation because 40 of the 75 workers OIG interviewed during fieldwork for MERO-I-11-06 stated that they were unaware of local labor laws and only 16 stated that they had received contractor-provided labor law training upon arrival in country. In addition, OIG found no evidence that contractors were notifying contract employees of TIP policies as required by FAR clause 52.222-50, "Combating Trafficking in Persons." FAR clause 52.222-50 states that contractors are required to notify employees of the following: (1) the U.S. Government's zero tolerance policy¹¹ regarding TIP, (2) prohibited activities such as procuring a commercial sex act or using forced labor, and (3) actions that may be taken against the contractors for violations.

In their responses to MERO-I-11-06, embassy officials stated that they would include requirements in future contract solicitations for contractors to provide their employees with written information on host-country labor laws and the U.S. Government's zero tolerance policy toward TIP.

Compliance Review Results: OIG could not verify that Embassies Abu Dhabi or Muscat had met the intent of the recommendation because those embassies had not issued a contract solicitation or award since report MERO-I-11-06 was issued.

OIG determined that Embassy Kuwait had partially met the intent of the recommendation. Specifically, Embassy Kuwait's school bus driver contract required that the contractor document that it had provided to all employees a brochure entitled "Know Your Rights"¹² and briefed employees on the requirements of FAR 52.222-50. The contract also stated that the contractor must display posters in worker housing on how to report TIP violations to the company and the company's obligation to forward reported violations to the contracting officer. However, the contract did not require the contractor to provide workers with written information on local labor laws.

Embassy Riyadh did not meet the intent of the recommendation. Neither the solicitation nor the May 2012 award for Embassy Riyadh's travel management services contract required the

¹¹ National Security Presidential Directive 22, "Combating Trafficking in Persons," issued on Dec. 16, 2002, states, "The United States hereby adopts a 'zero tolerance' policy regarding U.S. Government employees and contractor personnel representing the United States abroad who engage in trafficking in persons."

¹² The "Know Your Rights" brochure is available at http://travel.state.gov/visa/temp/pamphlet/pamphlet_4578.html in English, Arabic, Chinese, Creole, Portuguese, Russian, Spanish, Tagalog, and Ukrainian versions. The brochure includes a definition of human trafficking, references to U.S. laws and regulations prohibiting TIP, descriptions of warning signs that may indicate human trafficking is occurring, frequently asked questions for reporting potential abuses, and available services for trafficking victims.

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contractor to provide its workers with written information on local labor laws and regulations. Both the solicitation and the contract included references to FAR 52.222-50. However, the FAR does not specify the method for transmitting the information, and neither the solicitation nor the contract stated that the information should be provided in writing in employees' native languages. The General Services Officer at Embassy Riyadh reported that contracted travel management employees confirmed that the contractor provided them with information on local labor laws, but he did not state whether this information was provided orally or in written format.

Although it had not issued a contract solicitation or award, Embassy Muscat took steps to translate Omani labor laws into all of the native languages of its contracted workers and had distributed the translations of these laws to all foreign workers employed by embassy contractors. However, on contracts in Kuwait, Saudi Arabia, and the UAE in effect during OIG's review, OIG found that the information on labor laws and workers rights that contractors had provided to their workers was limited. OIG found that all contractors had hung posters and signs in multiple languages in employee housing; however, the posters and signs addressed company housing policies and did not address labor issues. OIG also found that only two of the contractors provided employees written general information on labor laws and rights. U.S. Government personnel and contractors at Embassies Abu Dhabi, Kuwait City, and Riyadh and Consulates General Dhahran and Dubai stated that they were unclear as to which laws needed to be distributed and into which languages those laws should be translated. They further stated that because of the number of laws and the various languages involved, translations would be burdensome and costly. Staff at all six posts, including Embassy Muscat, also stated they were not convinced the effort would be commensurate with the return, noting that many of the workers could not read.

Status: OIG modified MERO-I-11-06 Recommendation 6 and is reissuing it to all four embassies as a new recommendation. The intent of Recommendation 6 was to make contractors responsible for providing their workers with written information about labor laws and the U.S. Government's zero tolerance policy toward TIP in workers' native languages. The actions taken by Embassy Muscat to provide translations are commendable, but completing and providing such translations should be the contractor's responsibility. Although neither of Embassy Kuwait City's contracts had required contractors to provide workers with written information on local labor laws, the most recent contract did require the contractor to provide information about the U.S. Government's zero tolerance policy. Therefore, OIG is reissuing only the portion of the recommendation on labor laws to Embassy Kuwait City. (The new recommendations are in the section "New Recommendations.")

MERO-I-11-06 Recommendation 7. The Bureau of Administration, Office of the Procurement Executive, should provide detailed guidance for contracting officer's representatives on how to monitor contractors' practices and activities for potential trafficking in persons violations. The Office, in consultation with the Foreign Service Institute, should develop and implement training curricula covering this guidance.

Background: OIG made this recommendation after determining that Federal and Departmental guidance did not address how to monitor contracts for TIP violations. In addition,

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OIG determined that FSI did not consistently include TIP awareness and education in its course offerings for procurement and contract administration personnel.

In response to MERO-I-11-06, A/OPE and FSI officials stated that they would incorporate TIP discussions into the COR training, as well as into the Contracting Officer's Representative Handbook.¹³ In subsequent correspondence, A/OPE officials stated that A/OPE had chaired a working group to improve COR effectiveness in the Department by revising COR guidance in the FAH and the FSI's COR course to include training on monitoring for potential TIP violations.

OIG Review Results: OIG verified that A/OPE and FSI had made significant progress in providing guidance to procurement professionals and to CORs on TIP and on how to monitor contractors' practices and activities for potential TIP violations. Specifically, A/OPE released PIBs 2011-09 and 2012-10, which addressed the Department's zero tolerance policy on TIP and the Department's requirements for contractors hiring foreign workers as well as incorporating TIP policies and monitoring practices into Department regulations and training courses.

In March 2011, A/OPE issued PIB 2011-09, which reiterates the U.S. Government's zero tolerance policy toward engagement in TIP by any recipient of Department funds. The PIB also provides guidance to CORs for monitoring Department contracts for signs of TIP, including passport retention, threats to compel labor or sexual activity, knowledge of local labor laws, labor policies, advice to employees on salary deductions, the adequacy of workers' housing, and potential TIP violations.

In December 2011, A/OPE completed updates for two FAH sections to include contract administration and COR monitoring tools relevant to TIP prevention (14 FAH-2 H-516, "Post-Award Orientation and Conference," and 14 FAH-2 H-524, "Preventing Trafficking in Persons," respectively). These sections provide guidance for post-award orientation meetings between Department officials responsible for setting contract requirements and officials responsible for administering the contract. A goal of the post-award orientation is to guarantee that all individuals are aware of their responsibilities and roles in protecting workers' rights. These FAH sections outline topics of discussion for these meetings, including briefing contractors and employees on U.S. Government and Department policies on TIP, to include the zero tolerance policies and other items outlined in the March 2011 PIB. The FAH also explains the severity of the consequences for contractors engaging in TIP, including termination for default.

Finally, in February 2012, A/OPE issued PIB 2012-10, which provides new contract requirements and additional guidance for monitoring Department contracts exceeding \$150,000 that rely on foreign workers for labor. The PIB requires that contractors relying on foreign workers submit a recruitment plan and a housing plan if applicable. The PIB also provides guidance and requirements for contractor retention of workers' passports, recruiting practices,

¹³ 14 FAH-2, "Contracting Officer's Representative Handbook."

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housing and safety standards, language for workers' employment contracts, and briefings for employees on their rights.

A/OPE has worked with FSI to incorporate TIP awareness and education in a variety of its course offerings for procurement and contract administration personnel. For example, FSI developed or expanded training modules focused on TIP for its required courses for CORs and General Services Officers. During OIG's evaluation, FSI was also revising the course "How To Be a Contracting Officer" and the course "Diplomatic Security Contracting Officer's Representative" to incorporate TIP modules.

FSI staff stated that they had participated in multidisciplinary working groups to develop additional ways to disseminate TIP information to domestic and overseas Department staff. For example, during OIG's evaluation, one team was developing a distance learning course exclusively addressing contracting and TIP issues, enabling access for new students and other students from any location. In addition, FSI was working to adapt the Department of Homeland Security's online course "Human Trafficking Awareness Training" for the Department. FSI staff stated that the training would be made available once it was compatible with Department standards and systems.

Status: OIG closed MERO-I-11-06 Recommendation 7 based on the actions taken by A/OPE and FSI.

New Recommendations

Recommendation 1. OIG recommends that Embassy Abu Dhabi establish and implement a monitoring process for service contracts to ensure compliance with host-country labor laws and contractor-provided housing plans.

Management Response: Embassy Abu Dhabi did not concur with Recommendation 1, stating that although Department contracts require contractors to comply with local laws and regulations, it is beyond the capabilities of the post's CORs to identify all host-country labor laws and monitor for compliance. The embassy also stated that it is concerned that taking on responsibility for monitoring and "ensuring compliance" with host-country labor laws will result in the contractors' relying on post for the currency and interpretation of local law. The embassy therefore recommended that compliance with local law be an element of post-award orientation meetings, with the contractors being responsible for advising the CORs of their knowledge and interpretation of host-country labor laws.

OIG Reply: OIG disagrees that it is beyond the CORs' responsibilities to monitor and ensure compliance with local labor laws. CORs are responsible for ensuring that the contractor complies with all contract terms and conditions. *Department of State Acquisition Regulations* clause 652.242-73 requires the contractor to comply with all local labor laws; therefore, the COR is responsible for ensuring such compliance. OIG agrees that it is important to have contractors attest that they will observe local labor laws, whether in writing or verbally at post-award orientation meetings, as such attestations provide expectations to the contractors. However, the attestations do not constitute independent verification that the contractor actually observes the laws.

In its comments on Recommendation 2, Embassy Abu Dhabi stated that commercial companies registered in the UAE are required to annually submit documents that demonstrate their compliance with local labor and other laws and that the embassy requires contractors to provide copies of the commercial certification before a contract is awarded or renewed. Since such requirements provide a basis for implementing Recommendation 1, OIG considers Recommendation 1 resolved. This recommendation can be closed when OIG reviews and accepts documentation showing that Embassy Abu Dhabi routinely collects contractors' commercial certifications.

Recommendation 2. OIG recommends that Embassy Abu Dhabi establish a process to ensure that statements of work for service contracts include requirements that contractors should provide detailed descriptions of housing accommodations for foreign workers; provide workers with standard contracts in English and workers' native languages that include policies on wages, overtime rates, allowances, salary increases, the contract term, leave accrual, and other personnel matters; provide workers with written information, in workers' native languages, on relevant United Arab Emirates labor laws; and provide workers with written information, in workers' native languages, about the U.S. Government's zero tolerance policy toward trafficking in persons.

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Management Response: Embassy Abu Dhabi concurred with Recommendation 2, stating that it would include language in future solicitations that follows A/LM/AQM guidance. The embassy also stated it would provide information to contractors on the U.S. Government's zero tolerance policy once the Department provides these documents to post in the required languages.

OIG Reply: Based on Embassy Abu Dhabi's statement that it will include language in future solicitations that follow A/LM/AQM guidance, OIG considers Recommendation 2 resolved. This recommendation can be closed when OIG reviews and accepts documentation showing that Embassy Abu Dhabi has implemented a process for incorporating language addressing each of the elements in the recommendation into the statements of work of future contracts.

OIG does not consider it necessary for the Department to provide information on the U.S. Government's zero tolerance policy to the embassy. The intent of the recommendation was to require the contractor to provide that information to its employees. Once Embassy Abu Dhabi includes the required language in its solicitations, the contractor will be responsible for providing the information in its employees' native languages.

Recommendation 3. OIG recommends that Embassy Kuwait City establish and implement a monitoring process for service contracts to ensure that contractors comply with host country labor laws and contractor-provided housing plans.

Recommendation 4. OIG recommends that Embassy Kuwait City establish a process to ensure that statements of work for service contracts include requirements that contractors should provide detailed descriptions of housing accommodations for foreign workers and provide workers with written information, in workers' native languages, on relevant Kuwaiti labor laws.

Management Response: Embassy Kuwait City concurred with Recommendations 3 and 4, stating that it has established a fully functioning monitoring policy and has committed to ensuring that statements of work for future contracts include the necessary language from PIBs 2011-09 and 2012-10.

OIG Reply: OIG considers Recommendations 3 and 4 resolved. The recommendations can be closed when OIG reviews and accepts documentation showing that the embassy has a fully functioning monitoring policy (Recommendation 3) and implements a process for ensuring that statements of work for future service contracts include the requirements outlined in PIBs 2011-09 and 2012-10 (Recommendation 4).

Recommendation 5. OIG recommends that Embassy Muscat establish and implement a monitoring process for service contracts to ensure that contractors comply with host country labor laws and contractor-provided housing plans.

Recommendation 6. OIG recommends that Embassy Muscat establish a process to ensure that statements of work for service contracts include requirements that contractors should provide

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detailed descriptions of housing accommodations for foreign workers; provide workers with standard contracts in English and workers' native languages that include policies on wages, overtime rates, allowances, salary increases, the contract terms, leave accrual, and other personnel matters; provide workers with written information, in workers' native languages, on relevant Omani labor laws; and provide workers with written information, in workers' native languages, about the U.S. Government's zero tolerance policy toward trafficking in persons.

Management Response: Embassy Muscat concurred with Recommendation 5, stating that contracting officers or CORs will visit each service contractor's living quarters and conduct interviews with contractor employees on a semi-annual basis to ensure compliance with local labor standards. Embassy Muscat also concurred with Recommendation 6, stating that it requested that existing contractors provide detailed descriptions of employee housing; provide workers with standard contracts in English and their native languages that include policies on wages, overtime rates, allowances, salary increases, the contract terms, leave accrual, and other personnel matters; provide workers with written information, in workers' native languages, on relevant Omani labor laws; and provide workers with written information, in workers' native languages, about the U.S. Government's zero tolerance policy on trafficking in persons. The embassy also stated that future contract solicitations would include each of the items listed in the recommendation as mandatory requirements for contract awards.

OIG Reply: OIG considers Recommendations 5 and 6 resolved. These recommendations can be closed when OIG reviews and accepts documentation showing that the embassy has established and implemented processes for monitoring contractor compliance with local laws (Recommendation 5) and for ensuring that statements of work for future service contracts include language addressing each of the elements specified (Recommendation 6).

Recommendation 7. OIG recommends that Embassy Riyadh establish and implement a monitoring process for service contracts to ensure that contractors comply with host country labor laws and contractor-provided housing plans.

Recommendation 8. OIG recommends that Embassy Riyadh establish a process to ensure that statements of work for service contracts include requirements that contractors should provide detailed descriptions of housing accommodations for foreign workers; provide workers with standard contracts in English and workers' native languages that include policies on wages, overtime rates, allowances, salary increases, the contract terms, leave accrual, and other personnel matters; provide workers with written information, in workers' native languages, on relevant Saudi Arabia labor laws; and provide workers with written information, in workers' native languages, about the U.S. Government's zero tolerance policy toward trafficking in persons.

Recommendation 9. OIG recommends that Embassy Riyadh inform the janitorial contractor in Dhahran that keeping workers in unsafe housing is unacceptable to the U.S. Government.

Management Response: Embassy Riyadh did not provide a response to the draft report.

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OIG Reply: OIG considers Recommendations 7–9 unresolved, and Embassy Riyadh is requested to respond to the three recommendations.

Recommendation 10. OIG recommends that the Bureau of Administration, Office of the Procurement Executive, clarify guidance on passport retention found in Procurement Information Bulletin 2012-10, “Contractor Recruitment of Third Country Nationals,” to ensure that Department of State contracts do not authorize a contractor to engage in a practice that is otherwise illegal in a given country.

Recommendation 11. OIG recommends that the Bureau of Administration, Office of the Procurement Executive, revise Procurement Information Bulletin 2011-09, “Combating Trafficking in Persons,” to make the guidance mandatory so that contracting officer’s representatives are required to implement the monitoring strategy as stated in the Procurement Information Bulletin.

Management Response: A/OPE concurred with Recommendations 10 and 11, stating that it would clarify guidance on passport retention as outlined in PIB 2012-10 and on implementing monitoring strategies as outlined in PIB 2011-09.

OIG Reply: OIG considers Recommendations 10 and 11 resolved. These recommendations can be closed when OIG reviews documentation showing that A/OPE has clarified guidance on passport retention in PIB 2012-10 (Recommendation 10) and has revised PIB 2011-09 to require CORs to implement TIP monitoring strategies (Recommendation 11).

Scope and Methodology

The objectives of this compliance review were (1) to verify the actions taken by the Bureau of Administration's Office of the Procurement Executive (A/OPE), the Foreign Service Institute (FSI), and U.S. Missions to Kuwait, Oman, Saudi Arabia, and the United Arab Emirates (UAE) to implement the seven recommendations contained in the Office of Inspector General (OIG) January 2011 report *Performance Evaluation of Department of State Contracts to Assess the Risk of Trafficking in Persons Violations in Four States in the Cooperation Council for the Arab States of the Gulf* (MERO-I-11-06) and (2) to determine whether the recommendations should be closed or reissued.

To assess actions taken to implement Recommendations 1–6, OIG conducted overseas fieldwork from February to March 2012. The fieldwork was conducted at the U.S. embassies in Abu Dhabi, UAE; Kuwait City, Kuwait; Muscat, Oman; and Riyadh, Saudi Arabia and at consulates general in Dhahran, Saudi Arabia and Dubai, UAE. At the six posts, OIG met with embassy and consulate staff responsible for monitoring contractor performance, collected and reviewed documentation related to implementing the report recommendations, interviewed contractors and workers on company policies and procedures, and toured contractor-provided housing. In addition, OIG reviewed the solicitations and awards for two contracts awarded by Embassy Kuwait City in May and June 2012 and one contract awarded by Embassy Riyadh in May 2012, which were the only contracts solicited and awarded after MERO-I-11-06 was issued.¹ OIG did not explicitly review to determine whether actual trafficking in persons (TIP) violations were occurring.

To assess actions taken to implement Recommendation 7, OIG met with A/OPE managers and FSI administrators and instructors in Washington, DC, on efforts to provide additional information on TIP monitoring. OIG also reviewed documents that included Procurement Information Bulletins, updated sections of the *Foreign Affairs Handbook* that discussed TIP-related policies and guidance, TIP and other contracting requirements required by the *Federal Acquisition Regulation* and the *Department of State Acquisition Regulations*, and course materials for new FSI training courses and modules on monitoring contracts for indications of TIP.

OIG conducted this review from December 2011 to July 2012 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. OIG believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on the review objectives.

¹ See SKU200-12-C-0504, awarded March 6, 2012; SKU200-12-D-0500, awarded June 21, 2012; and S-SA700-12-D-0001, awarded May 1, 2012. Embassy Abu Dhabi and Consulate General Dubai each awarded a single contract before MERO-I-11-06 was issued; however, solicitations for each of those contracts predated the report.

Review of Internal Controls

OIG did not assess the adequacy of internal controls related to the area reviewed.

Use of Computer-Processed Data

OIG did not use computer-generated data to complete this review.

Procurement Information Bulletin No. 2012-10

OFFICE OF THE PROCUREMENT EXECUTIVE
PROCUREMENT INFORMATION BULLETIN NO. 2012-10

SUBJECT: Contractor Recruitment of Third-Country Nationals



1. Scope: This Procurement Information Bulletin (PIB) is applicable to all domestic and overseas contracting activities and Regional Procurement Support Offices.

2. Background: The Department of State employs contractors to support mission objectives throughout the world. Some contractors recruit third country nationals for contract performance and import labor. These contracts may create a risk of abusive labor practices leading to potential illegal trafficking in persons. This Procurement Information Bulletin provides a clause and procedures to reduce this risk.

3. Responsibilities:

a. **Clauses:** The clause Recruitment of Third Country Nationals for Performance on Department of State Contracts (see attachment 1) shall be included in any solicitation and contract (including commercial items) valued over \$150,000 requiring non-professional labor where contract performance will require recruitment of third country national labor specifically for contract performance

b. **Proposal content and evaluation:** Contractors shall submit Recruitment and Housing Plans as appropriate. Contracts shall only be awarded to contractors submitting acceptable plans.

c. **Monitoring:** Contracting Officer Representatives (CORs) shall evaluate Housing Plan compliance with random, at least semi-annual inspections. Bureau of Overseas Buildings Operations (OBO) CORs shall follow OBO inspection protocols for inspection of Temporary Labor Camps specifically established for execution of the project. The OBO inspections shall be coordinated with Regional Security Officers to ensure the safety of inspection personnel. Inspections should include a common sense evaluation of living conditions taking into account local standards, contract requirements, and the contractor's Housing Plan. CORs may contract for inspection service support if needed to assist in monitoring responsibilities, and may consider local government inspection and certification of housing if available, but final evaluation and determination of acceptability rests with the COR. Recruitment conditions can be verified by COR employee interviews using the

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Interview Questionnaire (attachment 2) derived from OIG reviews or other questions as appropriate.

4. Questions: Questions can be directed to [REDACTED] at 703-875-[REDACTED] fax 703-875-6155, or by e-mail at [REDACTED]@state.gov 2 5. Effective Date: This PIB is effective immediately.

2/28/2012

/// signed ///

Date

Corey M. Rindner
Procurement Executive

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A/OPE Staff

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AF/EX: [REDACTED]

INL/EX: [REDACTED]

DS/EX: [REDACTED]

OBO: [REDACTED]

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Attachment 1: Recruitment of Third Country Nationals for Performance on Department of State Contracts

RECRUITMENT OF THIRD COUNTRY NATIONALS FOR PERFORMANCE ON DEPARTMENT OF STATE CONTRACTS

(February 28, 2012)

1. On contracts exceeding \$150,000 where performance will require the recruitment of non-professional third country nationals, the offeror is required to submit a **Recruitment Plan** as part of the proposal. Contractors providing employer furnished housing are required to submit a **Housing Plan**.

2. Recruitment Plan

a. State the anticipated number of workers to be recruited, the skills they are expected to have, and the country or countries from which the contractor intends to recruit them.

b. Explain how the contractor intends to attract candidates and the recruitment strategy including the recruiter.

c. Provide sample recruitment agreement in English.

d. State in the offer that the recruited employee will not be charged recruitment or any similar fees. The contractor or employer pays the recruitment fees for the worker if recruited by the contractor or subcontractor to work specifically on Department of State jobs.

e. State in the offer that the contractor's recruitment practices comply with recruiting nation and host country labor laws.

f. State in the offer that the contractor has read and understands the requirements of FAR 52.222-50 Combating Trafficking in Persons.

g. Contractor and subcontractors shall only use bona fide licensed recruitment companies. Recruitment companies shall only use bona fide employees and not independent agents.

h. Contractor will advise the Contracting Officer of any changes to the Recruitment Plan during performance.

3. The offeror will submit a **Housing Plan** if the contractor intends to provide employer furnished housing for TCNs. The **Housing Plan** must describe the location and description of the proposed housing. Contractors must state in their offer that housing meets host country housing and safety standards and local codes or explain any variance. Contractor shall comply with any Temporary Labor Camp standards contained in this contract. In contracts without a Temporary Labor Camp standard, fifty square feet is the minimum amount of space per person without a Contracting Officer waiver. Contractor shall submit proposed changes to their Housing Plan to the Contracting Officer for approval.

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4. Department of State contractor and subcontractors will treat employees with respect and dignity by taking the following actions:

- a. Contractor may not hold employee passports and other identification documents longer than 48 hours without employee concurrence. Contractors and subcontractors are reminded of the prohibition contained in Title 18, United States Code, Section 1592, against knowingly destroying, concealing, removing, confiscating, or possessing any actual or purported passport or other immigration document to prevent or restrict the person's liberty to move or travel in order to maintain the services of that person, when the person is or has been a victim of a severe form of trafficking in persons.
- b. Contractor shall provide employees with signed copies of the/their employment contracts, in English and the employee's native language, that define the terms of employment, compensation, job description, and benefits. Contracts must be provided prior to employee departure from their countries of origin.
- c. Contractor shall provide all employees with a "Know Your Rights" brochure and document that employees have been briefed on the contents of the brochure. The English language version is available at <http://www.state.gov/g/tip> or from the Contracting Officer.
- d. Contractor shall brief employees on the requirements of the FAR 52.222-50 Combating Trafficking in Persons including the requirements against commercial sex even in countries where it is legal and shall provide a copy of the briefing to the Contracting Officer Representative (COR).
- e. Contractor shall display posters in worker housing advising employees in English and the dominant language of the Third Country Nationals being housed of the requirement to report violations of Trafficking in Persons to the company and the company's obligation to report to the Contracting Officer. The poster shall also indicate that reports can also be submitted to the Office of the Inspector General (OIG) Hotline at 202-647-3320 or 1-800-409-9926 or via email at OIGHOTLINE@STATE.GOV.
- f. Contractor and subcontractors shall comply with sending and receiving nation laws regarding transit, entry, exit, visas, and work permits. Contractors are responsible for repatriation of workers imported for contract performance.
- g. Contractor will monitor subcontractor compliance at all tiers. This includes verification that subcontractors are aware of, and understand, the requirements of FAR 52.222-50 Combating Trafficking in Persons and this clause. Contractors specifically agree to allow U.S. Government personnel access to contractor and subcontractor personnel, records, and housing for audit of compliance with these requirements.
- h. The contractor agrees to include this clause in all subcontracts over \$150,000 involving recruitment of third country national for subcontractor performance.

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Attachment 2: OIG Employee Interview Questionnaire

Recruitment 1	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 it 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.
Work 2	
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.
Pay 3	
3a. How much are you paid?	3a.
3b. How are you paid? Are there additional fees for check cashing or wiring? How much?	3b.
Isolation 4	
4a. Do you get to keep money and identification on you? Where is your passport?	4a.
4b. If you have a problem, can you contact the host country 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.

Procurement Information Bulletin No. 2011-09

OFFICE OF THE PROCUREMENT EXECUTIVE
PROCUREMENT INFORMATION BULLETIN NO. 2011-09

SUBJECT: Combating Trafficking in Persons



1. Scope: This Procurement Information Bulletin (PIB) is applicable to all domestic and overseas contracting activities and Regional Procurement Support Offices.

2. Background: The Department of State employs contractors to support mission objectives throughout the world. Trafficking in persons (TIP) encompasses a variety of illegal and exploitative practices that occur throughout the world. The U.S. Government has a zero tolerance policy towards engagement in TIP by any recipient of federal funds. Every instance must be reviewed and addressed. FAR 52.222-50, Combating Trafficking in Persons, sets government-wide requirements for preventing these practices. This PIB provides guidance to Contracting Officers and Contracting Officer's Representatives (CORs) on how to monitor contracts for TIP compliance.

3. Responsibilities:

a. **Solicitation and contract clauses**: Contracting Officers and CORs must ensure that all solicitations and contracts over the micro-purchase threshold (currently \$3,000), including all options, contain the clause at FAR 52.222-50, Preventing Trafficking in Persons. FAR 52.222-50 would be included in Section I for Uniform Contract Format solicitations and contracts. It is already included in the clause FAR 52.212-5 for commercial item solicitations and contracts;

b. **Proposal content and evaluation requirement**: Whenever there is a potential for employer-provided housing (such as use of third country nationals), the Contracting Officer must include in the solicitation a requirement for a housing plan. The requirement would state that contractors providing such housing as part of contract performance must provide a housing plan as part of their quote or proposal. The housing plan must clearly demonstrate that the Contractor-provided housing will be in accordance with all applicable local laws, as well as adequate to attract and retain employees; and

c. **Contracting Officer and COR monitoring**: See Attachment 1, Contracting Officer and Contracting Officer Representative (COR) TIP Responsibilities, for guidance on how Contracting Officers and CORs can monitor TIP compliance. Contracting

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Officers and CORs should review this guidance and structure a monitoring program using as many of these suggestions as feasible.

4. Questions: Questions can be directed to [REDACTED] at 703-516-[REDACTED] fax 703-875-6155, or by e-mail.

5. Effective Date: This PIB is effective immediately.

03/24/2011

Date

/// signed ///

Corey M. Rindner

Procurement Executive

Distribution:

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G/TIP - [REDACTED]

Regional Bureaus:

EUR-I/O/EX- [REDACTED]

WHA/EX- [REDACTED]

EAP/EX- [REDACTED]

NEA/SCA/EX- [REDACTED]

INL/EX: [REDACTED]

DS/EX: [REDACTED]

OBO: [REDACTED]

Attachment 1: Contracting Officer and Contracting Officer Representative (COR) Responsibilities for Monitoring TIP

Both the Contracting Officer and the COR play important roles in preventing TIP. The following are suggested actions a Contracting Officer or a COR can take to minimize the risk of TIP on their contract. Contracting Officers and CORs should review these suggestions and utilize those techniques appropriate to their situation:

1. Pre-Solicitation:

- a. TIP Clause: Ensure contracts contain the required Trafficking in Persons clause, FAR 52.222-50 "Combating Trafficking in Persons". Contact the Contracting Officer if it is missing. Provide the clause in full text to ensure contractors understand clause requirements if needed. Contracting Officers are responsible for including the clause in all contracts over the micro-purchase threshold;
- b. TIP Risk Assessment: Contact the Trafficking in Persons (TIP) Official at the post to assess the nature and level of TIP threats at place of performance. Review the Trafficking in Persons Report by the Office of Combating Trafficking in Persons (G/TIP). Determine if the program is at greater risk of TIP because of low wage labor, use of third country nationals, employer provided housing, or use of recruiters;
- c. Local Labor Law Assessment: Get information on local labor laws from Human Resources, Political Section or other sources. Local labor laws may prevent a Contractor from charging workers for obtaining work permits, may require payment of minimum wages and benefits, may prevent outside, non-sanctioned employment, or may define acceptable conditions for employer furnished housing; and
- d. Assess Contractor provided housing: Ensure solicitations include a requirement for contractors to submit a housing plan when required by page 1, paragraph 3(b) of this PIB. Contact the Contracting Officer if the requirement is missing. Contracting Officers are responsible for including this requirement in solicitations when there is a potential for employer provided housing such as use of third country nationals.

2. Pre-Proposal Conference: The Contracting Officer should discuss the importance of TIP prevention and the requirements of the clause at the Pre-Proposal Conference if held.

3. Post Award Orientation: Discuss the importance of preventing TIP in post award orientation. The Contracting Officer is responsible for leading the post award orientation with COR support. The requirements of the Combating Trafficking in Persons clause and Contractor efforts to comply should be an agenda item for every post award Contractor briefing. This ensures that all parties are aware of their responsibilities. The Contracting Officer should incorporate the following into the list of items on which the Contracting Officer briefs the contractor during this orientation:

- a. Discuss the importance of preventing TIP: Advise the Contractor that TIP is a highly visible issue that the U.S. Government feels strongly about;
- b. Zero tolerance policy: Tell the Contractor that Government has a zero tolerance policy.

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Every instance of trafficking will be examined and could result in termination of employees or subcontractors, suspension of contract payments or contract termination;

- c. Brief employees: Insist that the Contractor brief employees on Trafficking in Persons prohibitions. This briefing should include the nature of trafficking, where it takes place, how to recognize it, the prohibition of the use of forced labor, and the importance of not procuring commercial sex which provides a financial environment for perpetuating TIP. Ask the Contractor for a copy of the briefing for the contract file;
 - d. No commercial sex: Explain that the Contractor should tell his or her employees that they cannot procure commercial sex. Stress that the Contractor must discipline any employee procuring commercial sex and should report the incident to the Contracting Officer. Contracting Officers will review incidents to determine if contractor disciplinary actions are sufficient;
 - e. Contractor should provide adequate housing plan: Explain that Contractors who provide worker accommodations should ensure these accommodations meet local host nation labor and health laws and are clean and adequate. Contractors submitting a housing plan in response to 1(d) above should promptly submit to the COR any material updates to the plan occurring during contract performance;
 - f. Withhold passports or visas: Tell the Contractor that they may not withhold employee passports or visas without employee permission because this may have the effect of preventing the free movement of employees who no longer want to work for the Contractor. It has the appearance of bonded labor which is prohibited;
 - g. Observe local labor laws: Contractors should understand the local labor laws. The Contractor should explain how they will keep abreast of changes in the laws;
 - h. Clear explanations for salary deducts: The Contractor should explain deductions from wages. Unexplained wage deductions may cause employees to owe more than they make and force them to work for the contractor to pay off debts; and
 - i. Briefing subcontractors: TIP requirements also apply to subcontractors. Prime Contractors should brief subcontractors on TIP requirements and must flow the TIP clause down to subcontractors.
4. Contractor Monitoring:
- a. Verify the Contractor does not hold employees' passports and visas: Employee mobility may be severely limited if an employer holds the employee's travel documents. This activity may also be in violation of local labor laws. CORs should determine if the contractor is holding travel documents by interviewing employees during site visits to the work location;
 - b. Ensure Contractor doesn't use work permits or physical force or threats to compel labor or obtain sexual activity: The COR should use locally engaged staff or others with knowledge of other languages to engage contractor employees who cannot communicate effectively in English in their own native language in order to determine if coercion or threats are being used;

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- c. Determine that Contractor is knowledgeable about local labor laws: This assessment can be performed at the post award meeting and periodically through discussions with contractor management as work progresses. It is the Contractor's responsibility to obtain this information from the host country, not the COR's;
- d. Verify that workers are informed about labor policies: Verification can be obtained through interviews with Contractor employees;
- e. Verify that Contractor is providing advice of salary deductions through periodic review: Employees who are not informed on the nature of salary deductions may find themselves in situations similar to bonded labor by owing more than they make. Verify that employees have the information they need to understand salary deductions;
- f. Verify that Contractor is briefing employees on the requirements of the Trafficking in Persons clause: This briefing is a requirement of the Trafficking in Persons clause. The COR should interview Contractor management as well as select employees to verify compliance. The COR should obtain a copy of the Contractor's briefing materials;
- g. Verify that the Contractor is briefing subcontractors and flowing the TIP clause down through subcontracts: Ask the Contractor to identify any subcontracts and show that the subcontracts contain the TIP clause. Have the Contractor provide a copy of briefing materials provided to subcontractors;
- h. Obtain information on employer furnished housing and periodically visit to assess adequacy: The adequacy of self selected housing is the responsibility of the employee. Employer furnished accommodations represent an expenditure of Government funds that should not be exploitative. Where housing is employer provided, particularly to third country national employees, CORs should obtain information on the location and nature of the housing. CORs will then better understand the Contractor's costs and should visit the housing periodically to ensure adequacy. Any concerns or requests for corrective action should be coordinated through the Contracting Officer to avoid any potential claims;
- i. Obtain information on Contractor violations: The Contractor is required to inform the Contracting Officer of any information that alleges a Contractor or subcontractor employee engaged in conduct that violates TIP requirements. CORs should communicate with the Contracting Officer on any compliance issues; and
- j. Audit support: CORs may work with their Contracting Officer to contract with an audit firm to assist in implementing TIP monitoring responsibilities.

Embassy Abu Dhabi Response



Embassy of the United States of America

September 9, 2012

Mr. Harold W. Geisel
Deputy Inspector General
Washington, DC

Dear Mr. Geisel,

Enclosed please find US Embassy Abu Dhabi's written response to Recommendation 1 and Recommendation 2 of the draft report *Compliance Following Review of Department of State Actions To Reduce the Risk of Trafficking in Persons Violations in Four States in the Cooperation Council for the Arab States of the Gulf*.

Embassy Abu Dhabi appreciates the cooperation and assistance provided by your staff during this review. If you have any questions, please contact (b) (6) (b) (6) at +971-2-414-(b) (6)

Sincerely,

A handwritten signature in blue ink, appearing to read "L. Victor Hurtado".

L. Victor Hurtado
Chargé d' Affaires, a.i.
Embassy Abu Dhabi

Enclosure: As stated
cc: (b) (6)

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***Embassy of the United States of America
Abu Dhabi, United Arab Emirates***

September 9, 2012

MEMORANDUM

TO: OIG/FO Evelyn R. Klemstine

FROM: Embassy Abu Dhabi – Charge d ‘Affairs Hurtado

SUBJECT: Middle East Region Office report of Trafficking in Persons
(TIP) – Gulf Region

REF: Office of Arabian Peninsula email dated August 22, 2012

PURPOSE: As a participating entity for Recommendation 1 and 2 in the OIG draft evaluation report on the Middle East Region Office report of Trafficking in Persons (TIP) – Gulf Region, Embassy Abu Dhabi offers the following responses.

Recommendation 1: OIG recommends that Embassy Abu Dhabi establish and implement a monitoring process for service contracts to ensure compliance with host-country labor laws and contractor-provided housing plans.

Embassy Abu Dhabi Response:

Department of State contracts require contractors to comply with local laws and regulations. Post is concerned that taking on responsibility for monitoring and “ensuring compliance” with host-country labor laws will result in the contractors relying on post for the currency and interpretation of local law. It is beyond the capabilities of Post’s Contracting Officer Representatives to identify all current host country labor laws and to monitor all service contracts to ensure compliance. Similar domestic requirements for contractors to comply with labor laws utilize a multitude of federal and state agencies from OSHA to the Department of Labor to ensure compliance. Post recommends that compliance with local law be an

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element of the post award orientation meeting with the contractor being responsible for advising the Contracting Officer's Representative of their knowledge and interpretation of host-country labor laws.

Recommendation 2: OIG recommends that Embassy Abu Dhabi establish a process to ensure that statements of work for service contracts include requirements that contractors should provide detailed descriptions of housing accommodations for foreign workers; provide workers with standard contracts in English and workers' native languages that include policies on wages, overtime rates, allowances, salary increases, the contract term, leave accrual, and other personnel matters; provide workers with written information, in workers' native languages, on relevant United Arab Emirates labor laws; and provide workers with written information, in workers' native languages, about the U.S. Government's zero tolerance policy toward trafficking in persons.

Embassy Abu Dhabi Response:

Embassy Abu Dhabi will follow AQM's lead on including language in future solicitations requiring the above. Embassy Abu Dhabi will provide information to contractors on the U.S. Government's zero tolerance policy once the Department provides these documents to Post in the required languages.

Commercial companies registered in the UAE are required to submit a variety of documents on a yearly basis demonstrating their compliance with local labor, safety and other laws in order to renew their commercial license. Documentation is substantial and includes areas such as housing accommodation, payroll by EFT, medical insurance, company safety record, etc. As part of the solicitation process, companies are required to provide a copy of their current commercial license indicating to post that they are in full compliance with local labor and other laws. Post requires a copy of their current license prior to award and renewal of a contract.

Embassy Kuwait City Response



Embassy of the United States of America

Kuwait City, Kuwait
August 30, 2012

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MEMORANDUM

TO: Evelyn Klemstine
OIG/AUD [REDACTED]

FROM: Calvin D. Levo [REDACTED]
(b) (6)

SUBJECT: Embassy Kuwait Response to OIG Recommendations

This memo is in response to your request for our comments and agreement on the recommendations outlined with your draft report, *Compliance Followup Review of Department of State Actions To Reduce the Risk of Trafficking in Persons Violations in Four States in the Cooperation Council for the Arab States of the Gulf*. Monitoring provides an indication of progress against goals and indicators of performance, reveals whether desired results are occurring, and confirms whether implementation is on track. In general, the results measured are the direct and near-term consequences of program activities, whereas evaluations document the achievement of outcomes and results and, in some cases, the value of continuing the investment. This is the right thing to do, and also the smart and strategic thing to do.

Embassy Kuwait agrees to the recommendations made within the report. Please note our responses to your recommendations:

Recommendation 3. OIG recommends that Embassy Kuwait City establish and implement a monitoring process for service contracts to ensure that contractors comply with host country labor laws and contractor-provided housing plans.

Response – Embassy Kuwait now has a fully functional monitoring policy as per PIB 2011-09, PIB 2012-10, and the OIG recommendations.

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Recommendation 4. OIG recommends that Embassy Kuwait City establish a process to ensure that statements of work for service contracts include requirements that contractors should provide detailed descriptions of housing accommodations for foreign workers and provide workers with written information, in workers' native languages, on relevant Kuwaiti labor laws.

Response – Embassy Kuwait policy on statements of work for service contracts now includes the necessary language as per PIB 2011-09, PIB 2012-10, and the OIG recommendations.

Thank you for the opportunity to comment on the Report. We would also like to extend our thanks to your staff for the professional and collaborative manner in which they conducted the audit. Few people likely realize the time and effort that go into conducting such important audits as we work to demonstrate our commitment to fully support Department policies on Trafficking in Persons.

Attachments:

- a. Contracting Officer and Contracting Officer Representative (COR) Responsibilities for Monitoring Trafficking in Persons.
- b. Recruitment of Third Country Nationals for Performance on Department of State Contracts
- c. Procurement Information Bulletin No. 2011-09
- d. Procurement Information Bulletin No. 2012-10

CC:

(b) (6) [REDACTED]
(b) (6) [REDACTED]
(b) (6) [REDACTED] - Kuwait

Embassy Muscat Response



Embassy of the United States of America

Muscat, Sultanate of Oman
August 29, 2012

Mr. Harold W. Geisel
Deputy Inspector General
Office of the Inspector General

Dear Mr. Geisel:

Embassy Muscat carried out a thorough review of the draft "Compliance Followup Review of Department of State Actions to Reduce the Risk of Trafficking in Persons Violations in Four States in the Cooperation Council for the Arab States of the Gulf," received from your office and dated August 16, 2012. We acknowledge and appreciate OIG addressing our previous concerns about grouping all posts together for all recommendations and responses. Separating the actions significantly clarifies the steps that we need to take individually, and allows us to focus on only those areas that need Post's specific attention.

Attached are detailed responses to Recommendation 5 and Recommendation 6 – those recommendations that apply to Embassy Muscat. We have taken significant steps to address both areas of concern, and will continue to do so going forward.

Post point of contact is (b) (6) at +968-2464 (b) (6) or (b) (6) @state.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "W. Johann Schmonsees".

W. Johann Schmonsees
Chargé de Affaires, a.i.
U.S. Embassy Muscat

Attachment: Embassy Muscat Response to TIP Audit

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OIG Response – Embassy Muscat

Report Number and Title: AUD-MERO-12-XX, August 2012
Report of Inspection: Compliance Followup Review of Department of State Actions to Reduce the Risk of Trafficking in Persons Violations in Four States in the Cooperation Council for the Arab States of the Gulf

Recommendation #5: OIG recommends that Embassy Muscat establish and implement a monitoring process for service contracts to ensure that contractors comply with host country labor laws and contractor-provided housing plans.

Management Decision: Agree

Agreement: *Embassy Muscat has implemented a semi-annual inspection program, during which the Contracting Officer or Contracting Officer's Representative (COR) visits each service contractor's living quarters and interviews a random sampling of contractor personnel to ensure compliance with local labor standards.*

*Date of last inspection: Aug 7, 2012. Contractor: Kalhat (janitorial).
Date of next inspections: Sep 15, 2012. Contractor: GDS (gardening).
March 1, 2013. Contractor: janitorial.
March 15, 2013. Contractor: gardening.*

Funds: n/a

Post Request: *Mark recommendation "resolved." Close recommendation March 15, 2013, upon completion of one full year review cycle.*

Report Number and Title: AUD-MERO-12-XX, August 2012
Report of Inspection: Compliance Followup Review of Department of State Actions to Reduce the Risk of Trafficking in Persons Violations in Four States in the Cooperation Council for the Arab States of the Gulf

Recommendation #6: OIG recommends that Embassy Muscat establish a process to ensure that statements of work for service contracts include requirements that contractors should provide detailed descriptions of housing accommodations for foreign workers; provide workers with standard

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contracts in English and workers' native languages that include policies on wages, overtime rates, allowances, salary increases, the contract terms, leave accrual, and other personnel matters; provide workers with written information, in workers' native languages, on relevant Omani labor laws; and provide workers with written information, in workers' native languages, about the U.S. Government's zero tolerance policy toward trafficking in persons.

Management Decision:

Agree

Agreement:

Embassy Muscat has informally requested service contractors to incorporate detailed information as listed above in the information packet provided to newly-hired or re-contracted workers. Both service contractors are making efforts to comply. For future solicitations, post will include such action as a mandatory requirement for contract award in solicitation packages for service contracts.

Manual laborers in Oman come primarily from India, Pakistan, Sri Lanka, and Bangladesh. There are 26 officially recognized languages in these four countries, and literally hundreds of unofficial languages. In order to make this a feasible requirement, Embassy Muscat will require translation into the following five languages: English, Hindi, Urdu, Bengali, and Sinhala, which will cover the majority of the potential contracted labor force.

Funds:

n/a

Post Request:

Mark recommendation "resolved." Close recommendation upon completion of the next solicitation for post's service contracts (not later than May 19 and June 30, 2013, respectively).

Office of the Procurement Executive Response



United States Department of State

Washington, D.C. 20520

August 28, 2012

MEMORANDUM

TO: OIGAUD - Evelyn R. Klemstine

FROM: A/OPE- Corey M. Rindner *Corey M. Rindner*

SUBJECT: Comments on Draft Report of Audit Compliance Follow up Review of Department of State Actions to Reduce the Risk of Trafficking in Persons Violations in Four States in the Cooperation Council for the Arab States of the Gulf AUD-MERO-12-XX August 2012

Below is A/OPE's response to Recommendations 10 and 11 of the subject Audit report. [REDACTED] is the point of contact on these recommendations and can be reached on 703-875-[REDACTED]

Recommendation 10: OIG recommends that the Bureau of Administration, Office of the Procurement Executive, clarify guidance on passport retention found in Procurement Information Bulletin 2012-10, "Contractor Recruitment of Third Country Nationals," to ensure that Department of State contracts do not authorize a contractor to engage in a practice that is otherwise illegal in a given country.

Response: Concur. Guidance will be clarified.

Recommendation 11: OIG recommends that the Bureau of Administration, Office of the Procurement Executive, revise Procurement Information Bulletin 2011-09, "Combating Trafficking in Persons," to make the guidance mandatory so that contracting officer's representatives are required to implement the monitoring strategy as stated in the Procurement Information Bulletin.

Response: Concur. Guidance will be clarified.

Major Contributors to This Report

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