

GAO

Report to the Ranking Member,
Committee on Oversight and
Government Reform,
House of Representatives

January 2008

EMBASSY SECURITY

Upgrades Have
Enhanced Security,
but Site Conditions
Prevent Full
Adherence to
Standards



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Highlights

Highlights of [GAO-08-162](#), a report to the Ranking Member, Committee on Oversight and Government Reform, House of Representatives

Why GAO Did This Study

Following the 1998 embassy bombings, the Department of State (State) determined that more than 85 percent of diplomatic facilities did not meet security standards and were vulnerable to terrorist attacks. State's Bureau of Overseas Buildings Operations (OBO) has undertaken a program to replace or upgrade the security of these facilities. As of 2007, OBO had constructed more than 50 new embassies and moved nearly 15,000 staff to safer facilities. However, most remaining facilities will not be replaced in the near term. To address these facilities, OBO has obligated about \$140 million per year for its Compound Security Upgrade Program (CSUP).

GAO was asked to (1) describe the process that OBO follows to prioritize and plan CSUP projects, including stakeholder involvement; (2) determine the extent to which CSUP projects met contracted cost and time frames and whether OBO has procedures to ensure security upgrades are installed; and (3) assess whether State's CSUP efforts have enhanced posts' abilities to comply with State's physical security standards. To address these objectives, GAO reviewed pertinent State documents, met with State officials in Washington, D.C., and overseas, and traveled to 11 posts in Latin America, Europe, and the Middle East.

State provided written comments on a draft of this report and agreed with our findings.

To view the full product, including the scope and methodology, click on [GAO-08-162](#). For more information, contact Charles Michael Johnson, Jr., at (202) 512-7331 or johnsoncm@gao.gov.

EMBASSY SECURITY

Upgrades Have Enhanced Security, but Site Conditions Prevent Full Adherence to Standards

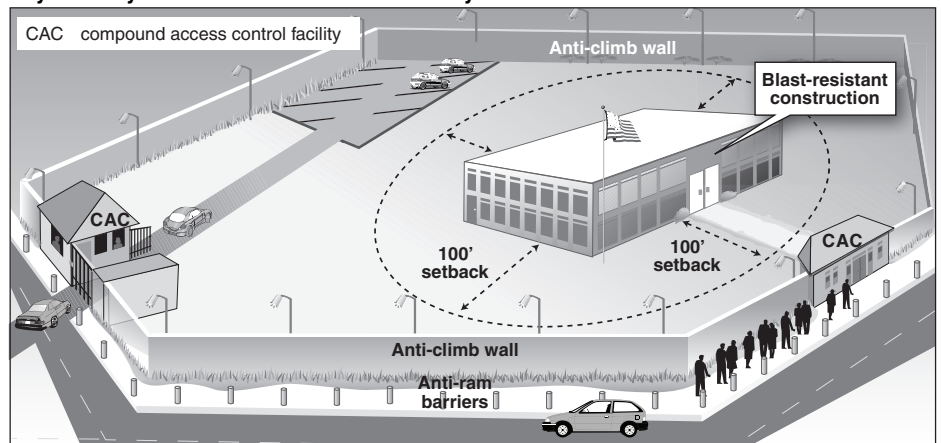
What GAO Found

OBO has a threat- and vulnerability-based process for prioritizing which posts receive CSUP projects and a planning process that utilizes input from State's Bureau of Diplomatic Security (DS) and post officials. DS assessments are currently based on physical security of each post's main compound, although many posts have facilities located outside the compound. DS is developing a prioritization process that will factor in the number of personnel, threat levels, and vulnerabilities at each facility, including those off compound. OBO has improved its planning processes by conducting a comprehensive survey of posts' physical security needs, including off-compound facilities.

GAO found that 96 percent of 47 projects undertaken since fiscal year 2004 were completed within 30 days of their contractual completion date. However, OBO modified 81 percent of the contracts to extend their completion dates. GAO also found that while OBO paid the contractors the amount specified in the contracts, contract modifications resulted in cost adjustments to all but two contracts, which GAO found in prior work is not uncommon in government renovation projects. OBO cited factors outside the contractors' control as the cause of most delays and cost increases, such as lengthy local permitting issues. To help ensure security upgrades contracted for are completed, OBO assigns a project manager who is responsible for the project's completion and relies on regional and post officials to provide additional monitoring.

CSUP projects have enhanced posts' compliance with physical security standards by constructing compound access control facilities, safe areas for post personnel, and compound walls and barriers. However, at the 11 posts GAO visited, site conditions prevented them from adhering fully with standards. For example, more than one post's urban location prevented it from achieving a 100-foot setback from the street, a key security standard. As a result, many buildings and their occupants may remain vulnerable to attack.

Key Security Measures at a Notional Embassy



Sources: GAO (data); Nova Development (clip art).

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Abbreviations

CAC	compound access control
CSUP	Compound Security Upgrades Program
DS	State Department's Bureau of Diplomatic Security
NEC	New Embassy Compound
OBO	State Department's Bureau of Overseas Buildings Operations

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United States Government Accountability Office
Washington, DC 20548

January 18, 2008

The Honorable Tom Davis
Ranking Member
Committee on Oversight and Government Reform
House of Representatives

Dear Mr. Davis:

Following the 1998 embassy attacks in East Africa, the Department of State (State) determined that more than 85 percent of diplomatic facilities overseas did not meet security standards at that time and were vulnerable to terrorist attacks. Since then, State has worked with other agencies that operate overseas to enhance security standards and State's Bureau of Overseas Buildings Operations (OBO) has undertaken a major program to replace or upgrade these facilities to comply with security standards. As of the end of fiscal year 2007, OBO constructed more than 50 new facilities and moved nearly 15,000 staff to safer work facilities at a cost of more than \$5.9 billion.¹ However, most remaining overseas diplomatic office facilities will not be replaced in the near term. To address security deficiencies at these facilities, OBO has obligated approximately \$140 million per year for its Compound Security Upgrade Program (CSUP), which aims to enhance physical security protection for vulnerable facilities until they are replaced by improving perimeter security measures and installing forced entry/ballistic resistant doors and windows, among other security upgrades.² At posts where OBO does not plan to replace the embassy facility, CSUP aims to enhance physical security protection to the extent possible given the nature of the facility and the risks identified.

In this report, we (1) describe the process that OBO follows to prioritize and plan CSUP projects, including stakeholder involvement; (2) determine the extent to which CSUP projects met contracted cost and time frames and whether OBO has procedures to ensure security upgrades are

¹We reviewed OBO's progress with new embassy construction and other efforts to enhance the security of U.S. personnel overseas in earlier reports. See Related GAO Products.

²State incorporates physical security standards in its "Foreign Affairs Handbook" and "Foreign Affairs Manual."

installed; and (3) assess whether State's CSUP efforts have enhanced posts' ability to comply with State's physical security standards.

To address these objectives, we reviewed State prioritization and planning documents concerning the assignment of post threat levels, assessments of the security vulnerabilities of posts, and project planning procedures. We also reviewed contracting documentation for select CSUP projects to assess their timeliness and cost. Our scope included all 47 projects contracted since fiscal year 2004, completed by the end of fiscal year 2007, and valued at \$1 million or more and, therefore, excluded smaller projects such as those designed to enhance the security of schools and other non-U.S. government properties frequented by U.S. personnel and their dependents.³ We assessed the impact of these projects on physical security conditions at posts based on the security standards set forth in State's "Foreign Affairs Handbook" and "Foreign Affairs Manual." We discussed CSUP with officials from OBO and State's Bureau of Diplomatic Security (DS) in Washington, D.C., and with post officials and contractors overseas. We traveled to 11 posts in Latin America, Europe, and the Middle East. We selected these countries to ensure regional coverage, a range of project types, and a mix of ongoing and completed projects. We are not naming the specific countries we visited for this review due to security concerns.

We conducted this performance audit from November 2006 through January 2008, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings based on our audit objectives. (See app. I for a more complete description of our scope and methodology.)

Results in Brief

OBO has a threat- and vulnerability-based process for determining which posts receive a CSUP project each year and a project planning process to develop each CSUP project, utilizing input from DS and post personnel. OBO prioritizes which posts will receive upgrades based in part on assessments from DS of the threat levels and physical security conditions

³We reviewed State's efforts to protect U.S. officials and citizens outside of embassies in earlier reports, including: GAO, *Overseas Security: State Department Has Not Fully Implemented Key Measures to Protect U.S. Officials from Terrorist Attacks Outside of Embassies*, [GAO-05-642](#) (Washington, D.C.: May 9, 2005).

at each post. However, the DS physical security assessment is currently based on the physical security needs of the post's main compound, even though there are hundreds of post facilities located outside the main embassy or consulate compound. DS is developing a risk-based prioritization process that will factor in the number of personnel, threat levels, and vulnerabilities at each facility, including off-compound facilities. After State receives its budget appropriation, OBO decides where it will install CSUP upgrades based on its priority list. As OBO moves into the design and construction phase of individual projects, it consults with security and facilities management officials at the posts. In recent years, OBO has improved its project planning processes by conducting a comprehensive survey of the physical security needs of posts, including off-compound facilities, early in the planning phase.

Most CSUP projects have been completed within 30 days of their contractual completion date and for the contracted cost, and OBO has project management procedures to help ensure that contractors complete the work called for in the contracts. However, OBO found it necessary to modify all but one of the contracts to extend project completion dates, adjust costs, or both. In reviewing schedule performance data for 47 projects undertaken since 2004, we found that 96 percent of projects were completed within 30 days of their contractual completion date. However, OBO modified 81 percent of the 47 contracts to extend their completion dates by an average of almost 4 months. In reviewing cost data, we found that while OBO paid the contractors the amount specified in the fixed-price contracts, at an average project cost of \$2.6 million, contract modifications resulted in cost adjustments to all but two of the contracts. OBO increased the total cost of three-quarters of the projects an average of 17 percent and decreased the remaining quarter of the projects an average of 5 percent—a net increase of \$10 million for all 47 projects. Past GAO assessments of government construction projects found that for renovations of existing facilities such cost variances were not uncommon. OBO cited factors outside the contractor's control as the cause of most of the delays and cost increases, such as unusually lengthy local permitting processes and design changes made during construction work. For example, when OBO increased the scope of work of a CSUP project to include a new compound access control (CAC) facility, it modified the contract to compensate the contractor an additional \$874,000. To help ensure that security upgrades contracted for are completed and enhance posts' compliance with physical security standards, OBO assigns a project manager who is responsible for the effective completion of the project and relies on a mix of regional and post officials to provide additional on-site

monitoring. At the 11 posts we visited, the upgrades contracted for had been or were being installed.

Completed CSUP projects have generally enhanced posts' compliance with physical security standards at 47 embassies and consulates, but many of these posts continue to face physical security deficiencies that cannot be addressed without building a new facility. CSUP security enhancements at these posts have encompassed constructing compound access control facilities at the perimeter of the compounds at 25 posts; building safe areas for post officials in case of attack at 25 posts; and improving compound walls, fencing, and barriers at 22 posts. At the 11 posts we visited, we found the CSUP projects had enhanced posts' compliance with State's physical security standards as detailed in the "Foreign Affairs Handbook" and "Foreign Affairs Manual." Specifically, the projects replaced perimeter fencing to meet anti-climb requirements, installed bollards⁴ and barriers at key points to meet anti-ram requirements, built safe areas for post officials in case of attack, and replaced or enhanced pedestrian and vehicle access points to the posts. However, because of site conditions that were outside the scope of the physical security upgrade projects, we found that none of the posts we visited were in full compliance with all of State's physical security standards.⁵ For example, more than one post's location in a dense urban area prevented it from achieving a 100-foot setback from the street, a key security standard, while older structures at some posts were not able to support forced entry/ballistic resistant windows. As a result, many buildings and their occupants may remain vulnerable to attack.

The Department of State provided written comments on a draft of this report, which are reproduced in appendix II. State agreed with our findings, noting that the report accurately describes State's CSUP efforts. State also provided us with technical suggestions and clarifications that we have addressed in this report, as appropriate.

Background

In response to various attacks, State has continually assessed and updated its security standards and physical security measures at posts around the

⁴A bollard is one of a series of short posts for excluding or diverting motor vehicles from entering an area.

⁵State's "Foreign Affairs Handbook" and "Foreign Affairs Manual" recognize that the standards apply to existing office buildings only to the maximum extent feasible or practicable.

world. After the 1998 embassy bombings in Nairobi, Kenya, and Dar es Salaam, Tanzania, State initiated the Capital Security Construction program (also referred to as the New Embassy Compound [NEC] program), a multiyear effort to replace approximately 200 facilities with new facilities that meet State's updated security standards. As of the end of fiscal year 2007, State had obligated more than \$5.9 billion for this program, awarded contracts for the construction of 78 new embassy and consulate compounds, and completed more than 50 new facilities. State currently plans to contract for 80 more new facilities through 2014.

To complement its efforts to move overseas U.S. government employees into more secure facilities, State initiated efforts to enhance physical security at existing facilities. After the 1998 embassy bombings, State initiated a new physical security upgrades program called the World-Wide Security Upgrade Program, which focused on enhancing perimeter security measures. In response to the September 11 terrorist attacks, State focused on ensuring that embassies and consulates had adequate safe areas for staff in case of an attack on the facilities. Since 2004, State has taken a more comprehensive approach to physical security upgrades by reviewing the entire range of physical security needs at posts through CSUP. State has identified the following four goals for CSUP:

- to provide physical security protection to the extent practical for existing facilities;
- to provide physical security upgrades to meet current security standards for those facilities that will not be replaced by a NEC in the near-term;
- to initiate physical security upgrades at facilities that are not part of the chancery compound, including annexes, public diplomacy facilities, and warehouses; and
- to provide security upgrades to nongovernmental facilities ("soft targets") frequented by U.S. citizens.

From fiscal year 1999 through 2007, State had obligated more than \$1.2 billion for security upgrades. Since fiscal year 2004 and the initiation of CSUP, OBO has undertaken approximately 55 major projects costing over \$1 million that enhance physical security at posts that are not going to be replaced with a new facility in the near future, if at all. OBO's Long-Range Overseas Buildings Plan calls for it to undertake an average of 13 major CSUP projects per year through 2012. CSUP provides several categories of security upgrades to help posts meet physical security standards, such as

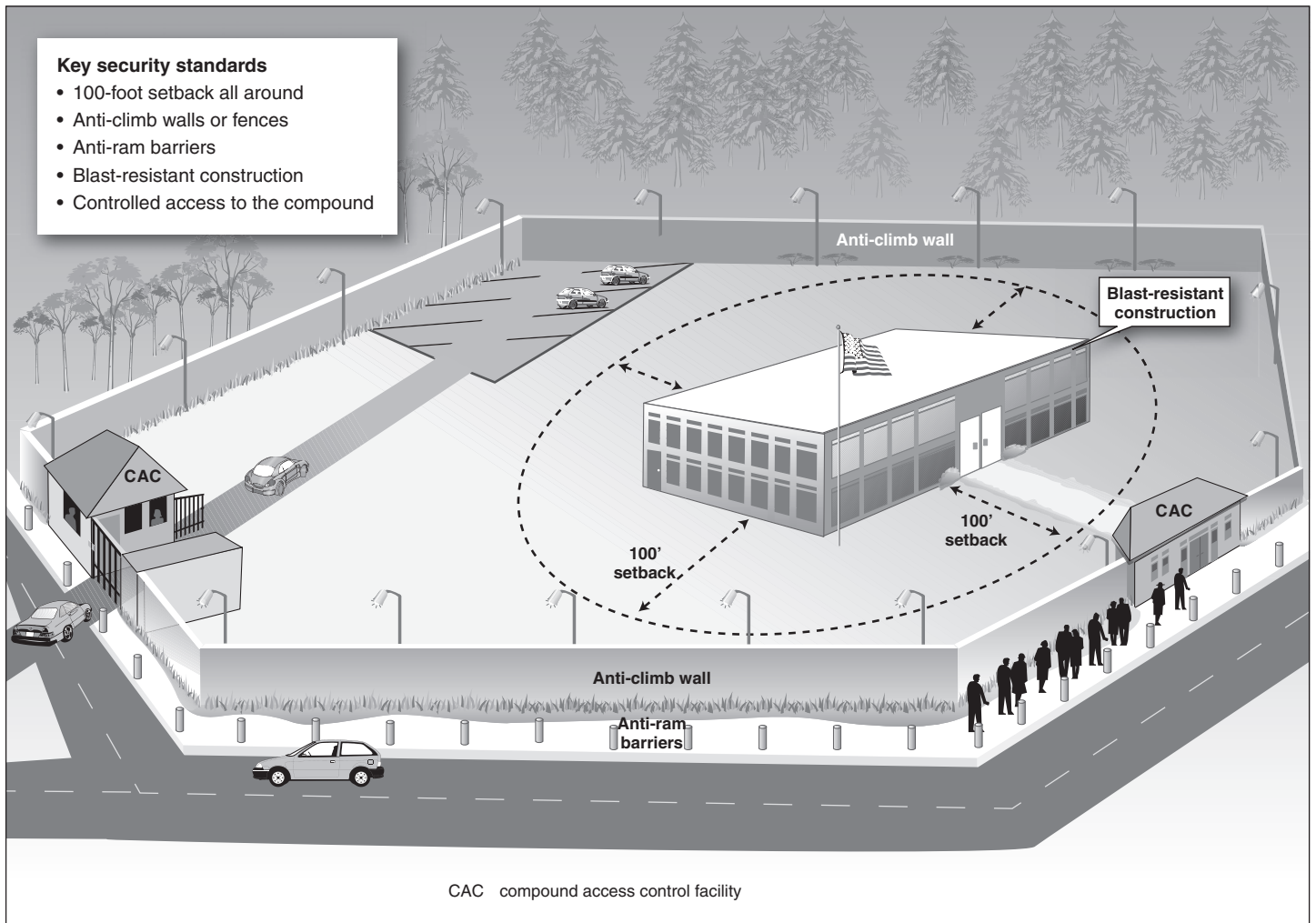
perimeter security measures (including anti-climb walls, fences, compound access control facilities, bollards, cameras, and security lighting); forced entry/ballistic resistant doors and windows; safe areas for U.S. personnel in case of emergency; and stand-alone mail screening facilities. In addition, OBO has obligated approximately \$58 million per year of CSUP funds for minor post-managed security upgrade projects, such as minor residential security upgrades, maintenance, repair, and replacement of existing forced entry/ballistic resistant doors and windows, and modular mail screening facilities.

The Overseas Security Policy Board, which includes representatives from more than 20 U.S. intelligence, foreign affairs, and other agencies, is responsible for considering, developing, and promoting security policies and standards that affect U.S. government agencies under the authority of the Chief of Mission at a post. This responsibility includes reviewing and issuing uniform guidance on physical security standards for embassies, consulates, and other overseas office space. State incorporates the board's physical security standards in its "Foreign Affairs Handbook" and "Foreign Affairs Manual." With respect to existing office buildings, the standards apply to the maximum extent feasible or practicable.⁶

State has identified five key Overseas Security Policy Board standards to protect overseas diplomatic office facilities against terrorism and other dangers (see fig. 1).

⁶12 F.A.M. 311.2.

Figure 1: Key Security Measures at a Notional Embassy Compound



Sources: GAO (data); Nova Development (clip art).

First, the Secure Embassy Construction and Counterterrorism Act of 1999⁷ requires that office facilities be at least 100 feet from uncontrolled areas, such as a street where vehicles can pass without being checked by security officials. This distance is meant to help protect the buildings and occupants against threats such as bomb blasts. Second, State requires high perimeter walls or fences that are difficult to climb, thereby deterring

⁷22 U.S.C. 4865(a)(3)(A).

those who might attack the compound on foot. Third, State requires anti-ram barriers to ensure that vehicles cannot breach the facility perimeter to get close to the building and detonate a bomb. The fourth standard requires blast-resistant construction techniques and materials. These materials include reinforced concrete and steel construction and blast-resistant windows. Coupled with a 100-foot setback, blast-resistant construction provides the best possible protection against vehicle bomb attack, according to DS officials. State's fifth security standard is controlled access of pedestrians and vehicles at the perimeter of a compound. Compound access control facilities allow guards to screen personnel and visitors before they enter the compound to verify that they have legitimate business at the embassy or consulate and that they bring nothing onto the compound that could be potentially harmful or used to surreptitiously gather intelligence. Similarly, the facilities allow guards to search vehicles before they are permitted to enter the compound.

CSUP Planning Process Balances Security Needs of Posts and Includes Input from Stakeholders

OBO has a threat- and vulnerability-based planning process for its CSUP projects that includes input from DS's analysis of security threats and vulnerabilities and from post officials. The DS analysis currently focuses on embassy and consulate compounds, though DS is developing a risk-based prioritization process that considers the number of personnel, threats, and vulnerabilities at each facility, including off-compound facilities. OBO has improved its process for developing projects by conducting more comprehensive needs assessments of posts, including off-compound facilities, early in the design phase.

OBO Planning Reflects DS Security Analysis and Input from Post

OBO prioritizes which posts will receive upgrades based in part on assessments from DS of the physical security conditions and threat levels at each post. Each year, DS ranks all 262 posts based on their threat levels and vulnerabilities. With input from posts' security officers and the intelligence community, DS determines the threat level for terrorism and political violence. DS also determines the vulnerabilities of each post in several categories, including protection from chemical and biological attack, seismic and blast resistance, the strength of the construction and façade, and the amount of setback. Once these determinations are made,

DS ranks the posts.⁸ The resulting list of rankings is used by OBO and other stakeholders to plan NEC projects.

For CSUP planning, posts that are scheduled for an NEC project within the next 2 to 3 years are removed from the list, and DS and OBO reevaluate the list, factoring in the number of people at post, to create a priority list for CSUP projects. OBO then modifies the list to balance various factors. First, OBO removes facilities that cannot be further upgraded, such as many leased facilities. Second, OBO adds facilities that may have been removed, such as vulnerable off-compound facilities at posts where NEC projects are planned. Third, OBO has security engineers conduct a thorough assessment of each post's needs. Fourth, OBO alters the list to account for external factors, such as difficulty getting a host government's approval on a project, which would move a project down the list. Finally, OBO develops its 6-year list of CSUP projects based on expected funds and places these projects in the Long-Range Overseas Buildings Plan. If OBO experiences budget constraints, it will delay projects—moving future projects to subsequent fiscal years—rather than reduce their scope, according to State officials.

Once a project is placed on the Long-Range Overseas Buildings Plan, an OBO team undertakes an assessment visit to the post to determine what the project should include. OBO consults with DS and the post and reviews Office of Inspector General security inspections in order to determine the scope of the project. One year prior to a project's start date, OBO then develops an initial planning survey in which OBO seeks agreement between its engineers and the post's Regional Security Officer. The initial planning survey is then sent in draft form for approval by OBO and post officials, including the Regional Security Officer, administrative officer, and facilities manager. Once this process is completed, OBO works with its contract design firm to develop conceptual design plans. State's contracting offices use these plans to advertise for bids to complete the design and construct the improvements using a design-build contract.⁹ After a firm has been awarded the contract, it will develop and submit

⁸We did not assess State's methodology for determining posts' threat levels and vulnerabilities or the formula it uses to determine actual post rankings, as this was beyond the scope of our assignment.

⁹The design-build contract delivery method reduces project cycle time by combining design and construction in a single contract award and may allow contractors to begin construction before the building design is complete.

interim and then final plans for OBO's review. OBO consults with post officials, including the Regional Security Officer, in reviewing the designs to help ensure that proposed upgrades meet each post's security needs before giving the firm authorization to proceed with construction.

DS Priority Assessments Focus on Main Compounds, but Efforts Are Being Made to Address All Post Facilities

According to OBO and DS officials, the DS physical security assessment is currently based on the physical security needs of each post's main compound but does not factor in the security of facilities located outside the main embassy or consulate compound, even though hundreds of such facilities exist. We noted that, in several cases, these off-compound facilities lacked required physical security measures. For example, we found that one post compound, following the conclusion of its CSUP project, met most security standards, but a nearby off-compound office facility did not have setback, blast-resistant walls and windows, a controlled access facility for pedestrians and vehicles, a safe area, and other security features.

OBO and DS are currently working to better address the needs of all facilities, including the hundreds of annexes located off compound, and improve CSUP project prioritization. OBO officials commented that newer projects take into account the needs of all facilities at a post, whether they are on compound or not. For example, at one post we visited, we saw a CSUP project for an off-compound office facility. Moreover, DS is developing a new risk-based process to prioritize CSUP projects that will rate the vulnerabilities of each overseas building with office space, including annexes, and factor in the number of personnel and threat levels to better set priorities. According to a DS official, the formula needs to be validated and, if successful, staff needs to be trained on its use before beginning implementation. State expects to complete these steps by March 2008.

OBO Has Taken Steps to Conduct More Comprehensive Needs Assessments during Project Design

OBO is taking additional steps to more comprehensively address post security needs and improve CSUP planning processes. According to OBO, CSUP initially focused on perimeter security, but as new standards have been put in place and perimeter projects completed, the program has broadened its focus to ensure that posts meet all physical security standards to the extent feasible. For example, in 2004, terrorists rushed on foot past the barriers blocking a car being inspected at the vehicular gate of the consulate in Jeddah, Saudi Arabia. In response, State began to install additional fencing and a secondary gate, called a man trap, at vehicle entry points at posts to prevent attackers on foot from accessing

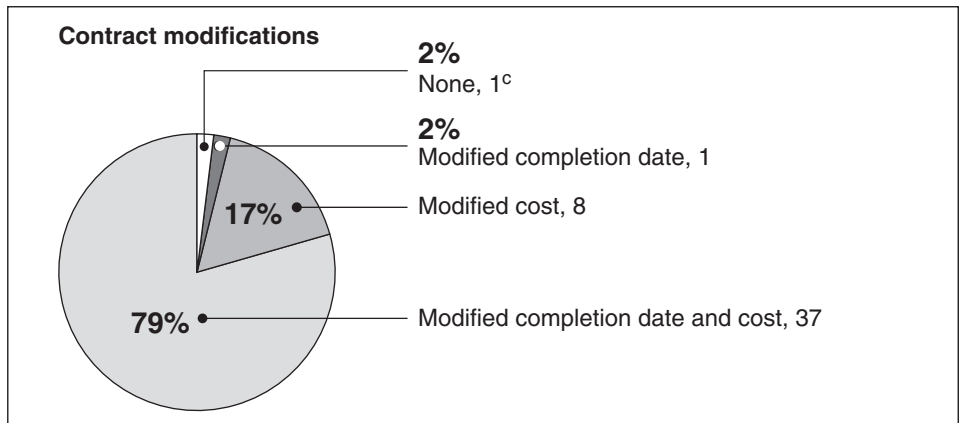
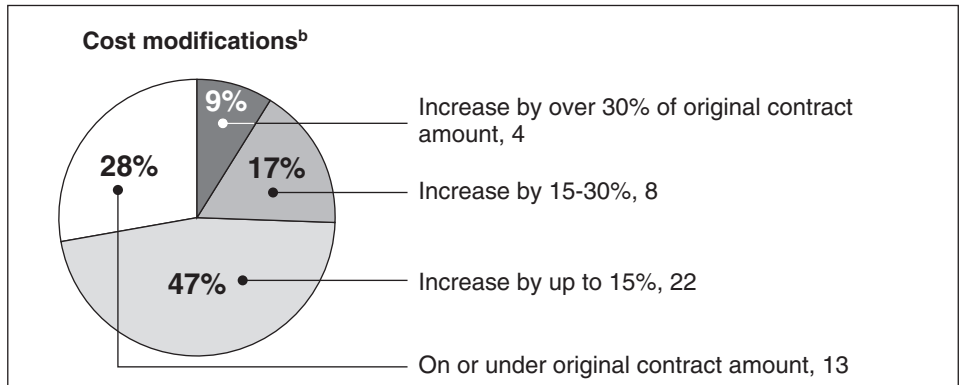
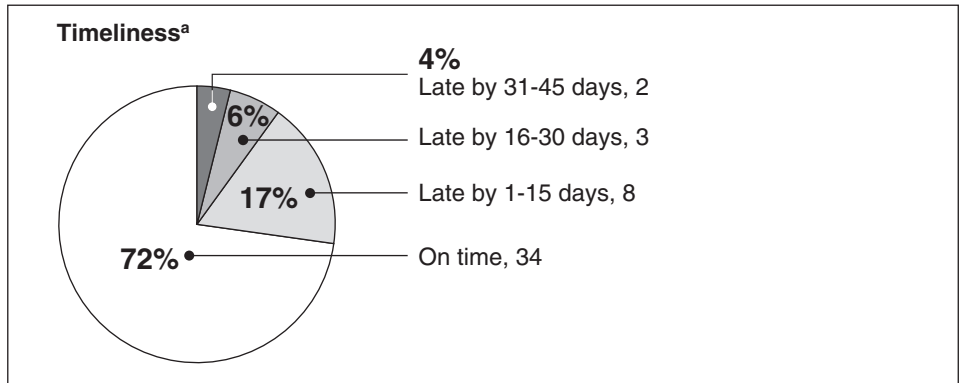
the compounds. Moreover, the Overseas Security Policy Board is currently considering the addition of a new security standard requiring man traps. In addition, OBO officials noted that they meet monthly to improve processes for project planning and execution, including those involving CSUP. One result of these meetings has been a decision to conduct OBO's initial planning surveys earlier in the design process to gain a better understanding of post's security needs. Another result of these meetings is that OBO created a more comprehensive survey instrument to better identify all vulnerabilities at the post for consideration in the CSUP project.

CSUP Projects Generally Completed within Contractual Time Frames and Costs, and OBO Has Project Management Procedures to Help Ensure Completion

While most CSUP projects we reviewed have been completed within their contractual time frames and costs, OBO found it necessary to modify all but one of the contracts to extend project time frames, adjust costs, or both. Since the beginning of fiscal year 2004, OBO has contracted for 47 projects valued at \$1 million or more that were subsequently completed by September 30, 2007. In reviewing schedule performance data, we found that 96 percent of projects were completed within 30 days of their contractual completion date (see fig. 2). However, we found that OBO modified the contracts to extend their completion dates for 81 percent of the projects. On average, OBO extended the contracts by 4 months—an average increase of 26 percent.¹⁰ Many of these extensions did not result in increased costs to the government.

¹⁰For one project, the modification documents are awaiting final approval; therefore, the completion date and cost modifications are not factored into this calculation.

Figure 2: CSUP Project Timeliness, Cost, and Contract Modifications



Total projects = 47

Source: GAO analysis of State data.

^aTimeliness was measured against contractual obligations, including modifications. Total does not equal 100 due to rounding.

^bTotal does not equal 100 due to rounding.

^cThis project has a pending modification for both completion date and cost.

For each of the 47 projects, OBO paid the contractor the amount specified in the fixed-price contracts—an average project cost of \$2.6 million. In reviewing cost data, we found that OBO increased the contract cost for 34 projects, at an average increase of 17 percent, and decreased the contract cost for 11 projects, at an average decrease of 5 percent (see fig. 2). The net change in the cost of the 47 projects was an increase of \$10 million. Cost increases were generally due to changes in the scope of the projects, while cost decreases were generally due to a reduction in expected local tax costs. Our past assessments of domestic government renovation projects found that work on existing facilities presented a number of difficulties and challenges, making renovations especially susceptible to cost increases stemming from unexpected conditions.¹¹ We found that, for such projects, government agencies generally budget 5 to 15 percent of project cost for unexpected changes.

OBO cited factors outside the contractor's control as the cause of most of the delays and cost increases, such as unusually lengthy local permitting processes, previously unidentified underground utilities that needed to be moved, design changes that OBO made during construction work, and project changes requested by the post. For example, OBO extended the deadline 10 months for completion of perimeter fencing upgrades and a new CAC facility at a U.S. consulate in Asia because of delays in receiving approval from local authorities to proceed with the work. In addition, in response to a request from officials at a U.S. embassy in Europe, OBO added to the scope of the planned CSUP project, including a new CAC facility, and modified the contract to pay the contractor an additional \$874,000 for the added work. However, in cases where OBO found that contractor error was the cause of a delay or cost increase, OBO held the contractor accountable. For example, at a U.S. mission in Europe, OBO found instances where the contractor's work did not conform to contract specifications and required the contractor to redo the work. OBO did not compensate the contractor for the additional costs associated with replacing the substandard work. Similarly, at a U.S. consulate in Europe,

¹¹GAO, *Kennedy Center: Stronger Oversight of Fire Safety Issues, Construction Projects, and Financial Management Needed*, [GAO-05-334](#) (Washington, D.C.: Apr. 22, 2005).

the contractor was more than 6 months late in completing the security upgrades; OBO, therefore, assessed the contractor a penalty of almost \$60,000.

OBO has project management procedures to help ensure the security upgrades it contracted for are completed and have enhanced posts' compliance with physical security standards. For each CSUP project, OBO assigns a project manager who is responsible for the effective completion of the project. However, because CSUP projects are generally small and OBO has limited resources, project managers are not usually able to be on site full time during the project. Project managers visit posts to ensure the work contracted for is being done and, in many cases, rely on post officials, including the Regional Security Officers and facility managers, to provide additional monitoring of the work. In our visits to 11 posts, we found that, in most cases, the work called for in the projects had been done or was under way. However, at one location, we found that one component of the project—strengthening the room where the post's emergency generator is located—was removed from the scope of the project because, according to post officials, it would have unexpectedly required creating new office space to relocate people during the work, adding costs that could not be covered by the CSUP budget. OBO decided to remove this work from the scope of the project and initiate a new project in the future to address this physical security need.

CSUP Has Enhanced Physical Security, but Site Conditions at Many Posts Limit Ability to Adhere to All Security Standards

Completed CSUP projects have achieved their objective of enhancing the security at posts by bringing posts in better compliance with security standards. Major CSUP projects have enhanced physical security at 47 embassies and consulates since fiscal year 2004, and OBO currently expects to complete all major CSUP projects, barring extensive changes to current security standards or expected funding, by 2018. CSUP security enhancements have encompassed constructing compound access control facilities at the perimeter of the compounds at 25 posts (see fig. 3 for an example); building safe areas for post officials in case of attack at 25 posts; improving compound walls, fencing, and barriers at 22 posts (see fig. 4 for examples); and strengthening the interior walls and doors that create a "hard line" that separates American staff from visitors at 8 posts.

Figure 3: A New CAC Facility



Source: GAO.

Figure 4: A New Fence, Bollards, and Concrete Planters



Source: GAO.

At the 11 posts we visited with ongoing or completed CSUP projects, we found that the projects had enhanced posts' compliance with State's physical security standards as detailed in the "Foreign Affairs Handbook" and "Foreign Affairs Manual." The projects we viewed added or enhanced pedestrian and vehicle access points, replaced perimeter fencing to meet anti-climb requirements, installed bollards and barriers at key points to meet anti-ram requirements, built safe areas for post officials in case of

attack, enhanced the hard line separating post employees from visitors, and installed forced entry/ballistic-resistant windows and doors.

Nevertheless, without building a new facility, many posts are unable to meet all security standards for a variety of reasons beyond the scope of CSUP. We found that none of the posts we visited adhered fully with current security standards because of conditions that were outside the scope of CSUP projects.¹² For example, most of the posts we visited were located in dense urban areas that prevented them from achieving a 100-foot setback from the street, one of the key security standards (see fig. 5 for an example). OBO and DS officials acknowledged that, at many locations, it is not feasible to increase the setback by acquiring land and closing off nearby streets. In other cases, officials stated the buildings themselves were not structurally capable of handling heavy forced entry/ballistic-resistant windows or other upgrades. And in other cases, officials commented that host nations or cities would not allow certain upgrades to be implemented, such as removing trees to create a clear zone around the embassy or changing the facade of historic buildings. Finally, current plans for the NEC program do not include the replacement of 61 of 262 embassies and consulates. Several of these facilities were built after physical security standards were strengthened in response to terrorist attacks against U.S. facilities in Beirut, Lebanon, in the 1980s. State officials acknowledged that other facilities may not be replaced due to cost and political concerns. As a result, many buildings and their occupants may remain vulnerable to attack.

¹²When an upgrade project cannot meet security standards due to site location and other factors, OBO and DS seeks the appropriate waivers and exceptions to ensure that the process has been fully vetted by stakeholders.

Figure 5: A Post with Insufficient Setback



Source: GAO.

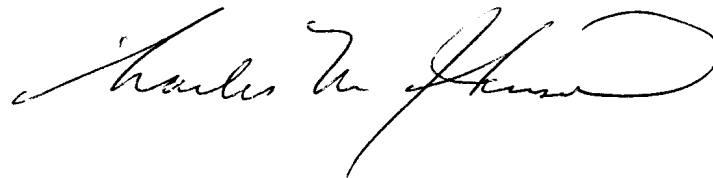
Agency Comments and Our Evaluation

The Department of State provided written comments on a draft of this report, which are reproduced in appendix II. State agreed with our findings, noting that the report accurately describes State's CSUP efforts. State also provided us with technical suggestions and clarifications that we have addressed in this report, as appropriate.

As agreed with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies of this report to interested Members of Congress and the Secretary of State. We also will make copies available to others upon request. In addition, the report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact Charles Michael Johnson, Jr., at (202) 512-7331 or johnsoncm@gao.gov. Contact points for our Office of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix III.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Charles M. Johnson, Jr.", written in black ink.

Charles Michael Johnson, Jr.,
Acting Director, International Affairs and Trade

Appendix I: Scope and Methodology

To discuss the factors that the Bureau of Overseas Buildings Operations (OBO) considers as it plans and prioritizes Compound Security Upgrades Program (CSUP) projects, we reviewed Department of State (State) prioritization and planning documents concerning the assignment of post threat levels, assessments of the security vulnerabilities of posts, and CSUP. We discussed CSUP prioritization and planning, as well as changes to those processes in response to recent attacks, with officials from OBO and State's Bureau of Diplomatic Security (DS) in Washington, D.C, and overseas, including post officials, including Deputy Chiefs of Mission, Regional Security Officers, facilities managers, and General Services Officers, and with contractors overseas. In addition, we reviewed past GAO audit work on related issues. (See Related GAO Products at the end of this report.) To help confirm the accuracy of our analysis, we discussed our findings with State personnel involved in CSUP.

To assess the extent to which CSUP projects met cost and schedule projections, we analyzed data that OBO provided specifically for the purposes of our review. Our scope included all 47 projects contracted since fiscal year 2004, completed by the end of fiscal year 2007, and valued at \$1 million or more and, therefore, excluded smaller projects such as those designed to enhance the security of schools and other non-U.S. government properties frequented by U.S. personnel and their dependents. For each CSUP project, OBO provided data on the originally contracted completion date and cost, the modifications to the contracted completion date and cost, and the actual date of substantial completion and final contract cost for completed projects. We reviewed contracting documents to verify that the data were sufficiently reliable for the purposes of this report. To assess the extent to which CSUP projects included the security upgrades called for in the contract, we reviewed OBO's project management procedures. We interviewed project managers in Washington, D.C., and facilities managers, administrative officers, and regional security officers at 11 posts to verify the role and responsibilities of the project managers. We also inspected the ongoing or completed CSUP work at these posts to verify that the projects encompassed all of the security upgrades called for under the contract.

To review the extent to which State's CSUP efforts have enhanced posts' ability to comply with State's physical security standards, we reviewed the project authorization memoranda, contract modifications, and OBO summary document on each of the 47 CSUP projects. These documents allowed us to identify the type of physical security upgrades that were installed at all 47 facilities. We discussed over 50 completed, ongoing, and planned projects with OBO officials. To confirm our initial findings, we

traveled to 11 posts in Latin America, Europe, and the Middle East that had recently completed or ongoing CSUP projects. We selected these countries to ensure regional coverage, a range of project types, and a mix of ongoing and completed projects; however, as this was not a generalizable sample, our findings do not necessarily apply to all posts. We are not naming the specific countries we visited for this review due to security concerns. We developed a physical security needs checklist based upon State's "Foreign Affairs Handbook," "Foreign Affairs Manual," and OBO's own needs assessment documentation. We applied our checklist consistently at all 11 posts. Our checklist did not, however, attempt to assess State's procedures for utilizing physical security upgrades. For example, the checklist did not assess whether posts use new CACs properly to screen vehicles or people. At each post, we conducted a review of the security needs and received briefings on the recently completed, ongoing, or planned CSUP projects. We met with relevant post personnel, including Deputy Chiefs of Mission, Regional Security Officers, facilities managers, and General Services Officers, as well as contractors to discuss the physical security needs at post, CSUP project management and implementation, and post-specific limitations to receiving certain physical security upgrades.

We conducted this performance audit from November 2006 through January 2008, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings based on our audit objectives.

Appendix II: Comments from the Department of State



United States Department of State

*Assistant Secretary for Resource Management
and Chief Financial Officer*

Washington, D.C. 20520

Ms. Jacquelyn Williams-Bridgers
Managing Director
International Affairs and Trade
Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548-0001

DEC 19 2007

Dear Ms. Williams-Bridgers:

We appreciate the opportunity to review your draft report, "EMBASSY SECURITY: Upgrades Have Enhanced Security, but Site Conditions Prevent Full Adherence to Standards," GAO Job Code 320456.

The enclosed Department of State comments are provided for incorporation with this letter as an appendix to the final report.

If you have any questions concerning this response, please contact Paula Harrison, Program Analyst, Bureau of Overseas Building Operations, at (703) 875-5128.

Sincerely,

A handwritten signature in black ink, appearing to read "Bradford R. Higgins".

Bradford R. Higgins

cc: GAO – Michael Courts
OBO – Gen. Charles Williams
State/OIG – Mark Duda

Department of State Comments on GAO Draft

**EMBASSY SECURITY: Upgrades Have Enhanced Security, but Site
Conditions Prevent Full Adherence to Standards
(GAO-08-162, GAO Code 320456)**

Thank you for giving the Department the opportunity to comment on GAO's report concerning the Compound Security Upgrade Program (CSUP). We appreciate your interest in the Department's planning and implementation of CSUP projects.

We agree with the GAO's observations and conclusions in this review. The report accurately describes the Department's significant efforts to prioritize, plan, and execute CSUP projects.

The Department, through the Capital Security Construction program (also known as the New Embassy Construction (NEC) program), continues to aggressively replace vulnerable, deficient, and functionally obsolete overseas facilities with new, safe, and secure compounds. Since 2001, the Department – with excellent support from the Congress – has moved nearly 15,000 U.S. Government (USG) employees into new buildings.

However, as noted in this report, the large number of remaining deficient facilities – in conjunction with the time and cost to construct new facilities – necessitates interim measures to protect overseas personnel. Security upgrades since 1998 have prevented or limited deaths, injuries, and damage caused by terrorist attacks on U.S. diplomatic facilities in Pakistan, Uzbekistan, Saudi Arabia, Syria, and Austria, and have deterred planned attacks at numerous other posts. The Compound Security Upgrade Program remains a vital component of the Department's ongoing, high priority efforts to provide safe and secure facilities.

The Department agrees with the GAO's conclusion that CSUP projects are limited by existing site conditions and other host nation restrictions. As stated in one of the report's examples, the Department typically cannot meet the 100-foot setback requirement at posts located in dense urban areas. In many cases, the only way to meet all security standards is to consolidate all post functions within a safe and secure New Embassy Compound through the Capital Security Construction program.

Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact

Charles Michael Johnson, Jr., Acting Director, International Affairs and Trade, (202) 512-7331, or johnsoncm@gao.gov

Staff Acknowledgments

In addition the individual named above, David C. Maurer, Assistant Director; Michael J. Courts, Assistant Director; Valérie L. Nowak; Thomas M. Costa; Martin H. de Alteriis; Michael W. Armes; Leslie K. Locke; Ramon J. Rodriguez; Joseph P. Carney; Ian A. Ferguson; Etana Finkler; and Jason L. Bair made key contributions to this report.

Related GAO Products

Embassy Construction: State Has Made Progress Constructing New Embassies, but Better Planning Is Needed for Operations and Maintenance Requirements. [GAO-06-641](#). Washington, D.C.: June 30, 2006.

Overseas Security: State Department Has Not Fully Implemented Key Measures to Protect U.S. Officials from Terrorist Attacks Outside of Embassies. [GAO-05-688T](#). Washington, D.C.: May 10, 2005.

Overseas Security: State Department Has Not Fully Implemented Key Measures to Protect U.S. Officials from Terrorist Attacks Outside of Embassies. [GAO-05-642](#). Washington, D.C.: May 9, 2005.

Embassy Construction: Achieving Concurrent Construction Would Help Reduce Costs and Meet Security Goals. [GAO-04-952](#). Washington, D.C.: September 28, 2004.

Embassy Construction: State Department Has Implemented Management Reforms, but Challenges Remain. [GAO-04-100](#). Washington, D.C.: November 4, 2003.

Overseas Presence: Conditions of Overseas Diplomatic Facilities. [GAO-03-557T](#). Washington, D.C.: March 20, 2003.

Embassy Construction: Better Long-Term Planning Will Enhance Program Decision-making. [GAO-01-11](#). Washington, D.C.: January 22, 2001.

State Department: Overseas Emergency Security Program Progressing, but Costs Are Increasing. [GAO/NSIAD-00-83](#). Washington, D.C.: March 8, 2000.

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