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

Report of Inspection

Review of Staffing Process for Embassy Baghdad's New Embassy Compound

Report Number ISP-IQO-05-61, July 2005

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EXECUTIVE SUMMARY

In response to congressional interest, the Department of State's (Department) Office of Inspector General (OIG) conducted a management review of the process for requesting, reviewing, and approving 2010 staffing levels for the Baghdad new embassy compound (NEC). The Department's Bureau of Near Eastern Affairs (NEA) led the staffing process, which consisted both of a series of submissions from other agencies and an internal process within the Department, to determine the number of people who will work in the Baghdad NEC and hence its size and cost. OIG found that the Department's process was generally rigorous, transparent, and effective. Although OIG did not examine the accuracy of the predictions that the process made of personnel needs, all interlocutors stated their acceptance of and agreement with the final figures. The concerted effort to determine the right number of personnel for the Baghdad NEC, involved the highest levels of concerned agencies government-wide, and is unlikely to be replicated for lower priority missions.

PURPOSE

OIG examined whether the consultative process employed to arrive at the numbers of Department and other agency personnel that will work in the NEC was effective. Were the numbers given to Congress and the Bureau of Overseas Buildings Operations (OBO), which is planning construction of the NEC, the best possible estimates, given the information then available? Were these estimates arrived at with due diligence, reflecting the wisdom and experience of all those officials involved in the process? Were the numbers properly vetted by the senior officials of the relevant agencies in Washington with due input from their representatives in Baghdad? Can the process used for Baghdad serve as a model for rightsizing efforts being undertaken on a worldwide basis, particularly given the Congressional interest?

SCOPE AND METHODOLOGY

The report is based on data collected both in Washington, DC, and Baghdad, Iraq, from Department and other Government agency elements that will staff the NEC. Ambassador John C. Monjo (team leader), John A. Parker, and Iris Rosenfeld conducted this review between March 7, 2005, and May 30, 2005.

BACKGROUND

In accordance with Congressional mandates and the President's Management Agenda, the Department applied rightsizing principles to projected Embassy Baghdad staffing numbers, especially to management support positions. The Department's Office of Rightsizing the U.S. Government Overseas Presence (M/R) analyzed the projected positions in order to eliminate duplicate or overlapping functions and to move as many support functions as possible to other locations. As a result, staffing for projected management support functions was reduced by 16 percent.

The Iraq Support Unit (ISU) was established in Amman, Jordan to provide offsite support to Embassy Baghdad. ISU provides logistics and transportation services support and performs voucher, payroll, procurement, and human resources processing. In spite of start-up problems, ISU has made considerable progress in establishing a support platform (see *OIG report Review of Off-Site Support to Embassy Baghdad and Constituent Posts*, ISP-IQO-05-53, issued December 2004). Additionally, the Model for Overseas Management Support, established by the Under Secretary for Management and implemented by M/R, manages a pilot project that provides Washington-based administrative support to Embassy Baghdad.

Before addressing potential staffing needs, NEA developed a set of policy and management assumptions to guide decisionmaking. Other agencies, other State Department offices, and the then-ambassador to Baghdad, John Negroponte, accepted these assumptions both in proposing and establishing final staffing levels.

The policy assumptions were that between 2010 and 2015:

1. Iraq will have a close political and security relationship with the United States.
2. The security situation will have significantly stabilized, but there will be continuing risks for U.S. personnel. There will be no combat operations and strong military-to-military links.
3. Iraq will begin to wean itself from international technical assistance and advisors, but organization, resource, quality of staff and leadership challenges will remain.
4. Iraq will increasingly be a major regional political, security, and economic power. It will have comprehensive bilateral relations and be active in multilateral fora.
5. Iraq will begin to compete economically in areas other than oil. Oil will continue to be the most important export.
6. U.S-Iraqi connections will be more extensive than U.S. relations with other similarly sized countries.

The management assumptions were that between 2010 and 2015:

1. The security situation will not permit family members to live at post.
2. The mission will be able to hire and train staff locally.
3. All agencies at post will share administrative support.
4. As many administrative support functions as possible will be performed outside of Iraq.
5. Coalition forces, contractors, and Multinational Force Iraq personnel will not occupy NEC housing or office space.
6. U.S. government agencies will carry out current Iraq Reconstruction Management Office and Project Contracting Office programs.

The Department then invited other agencies to make requests for positions and space in the Baghdad NEC while concurrently asking internally for staffing estimates. The decision was made early to conduct negotiations on size of staffing in Washington, rather than in Baghdad. Outside agencies generally first discussed possible needs with their Baghdad field offices, finalized the request in Washington,

and then submitted staffing requests to NEA. NEA reviewed these requests in conjunction with M/R. Internal State Department requests were usually generated by Baghdad staff and were also submitted to the same review. The highest levels at State and other agencies were involved in the submissions and the subsequent review process.

The reviewers sought to eliminate administrative positions that were unnecessary, either because they would provide overlapping services or services that could be provided outside of Iraq. In addition, all staffing requests were reviewed for consistency with management and policy assumptions. NEA and M/R conducted a rigorous review, which, for many agencies, resulted in final staffing levels below those first requested. Most agencies and departments participated fully in the give and take of the review process. However, in one case NEA was given a personnel request, which it included without discussion into the final totals. After some debate, all agencies and bureaus accepted the figures, and Ambassador Negroponte approved them on October 24, 2004.

FINDINGS

OIG found that the process used to set the numbers of State and other agency personnel that will work in the Baghdad NEC was effective. It arrived at numbers that seem consistent with the assumptions. NEA and M/R did an excellent job under very difficult conditions of coordinating a large interagency process effectively. Both practiced due diligence in arriving at the figures, consulted widely and rigorously, and reviewed all requests, both internal and external. The consistency and impartiality of the evaluation process allowed NEA and M/R to arrive at final figures even though the agencies involved used different procedures to reach their estimates. Although OIG did not examine the accuracy of agency predictions of personnel needs, all the interlocutors accepted and agreed with the final figures. Ambassador Negroponte reviewed and approved those figures.

The numbers sent to Congress and OBO, which is planning construction of the NEC were derived in a transparent, coherent, and fair process, taking into consideration all the information then available and the political and management assumptions. If actual numbers turn out to be higher in 2010, OBO told OIG that the planned NEC will be sufficiently scaleable to accommodate somewhat higher numbers than the agreed-on 2010 figures. Indeed, the staffing projections for 2007-2008, when the Department plans to occupy the NEC, exceed those for 2010. Washington officials at very high levels and senior Baghdad staff vetted the numbers and observed the process closely. NEA and M/R made a concerted effort to place all possible administrative support functions outside Iraq. It appears that this effort has been reasonably successful.

The Baghdad experience may have some relevance to setting up high-priority new missions, such as Tripoli. Although the concerted effort to determine the right number of personnel for the Baghdad NEC, involving the highest levels of concerned agencies government-wide, is unlikely to be replicated for lower priority missions, Baghdad may prove to be a laboratory for offshore administrative functions and for interagency sharing of administrative support, both of which are the Department's long-term goals.

In both Washington and Baghdad OIG's interlocutors consistently reported satisfaction with the process and acceptance both of the assumptions used and final figures. All those interviewed stated that they had sufficient input and that the figures seemed reasonable to them.



NEC Staffing Summary: 2007-2008

Section	Desks		Desks		Non-Desks			All Total
	US	Non-US	Desk Total	US	Non-US	N-D Total		
Executive - Chancery	8	7	15	0	0	0	15	
Political / Pol-Mil	20	7	27	0	0	0	27	
Economic	11	4	15	0	0	0	15	
Public Affairs	11	25	36	0	0	0	36	
Consular	6	12	18	0	0	0	18	
Diplomatic Security	20	25	45	23	500	523	568	
Regional Affairs	187	0	187	0	0	0	187	
INL	5	2	7	0	0	0	7	
Management	50	151	201	0	245	245	446	
Dept. of Agriculture	1	2	3	0	0	0	3	
Dept. of Commerce	1	3	4	0	0	0	4	
Defense Attaché Office	8	0	8	0	2	2	10	
FBI	7	0	7	0	0	0	7	
Dept. of Health and Human Services	1	0	1	0	0	0	1	
Dept. of Homeland Security	5	2	7	0	0	0	7	
Dept. of Justice	20	0	20	0	2	2	22	
Dept. of Transportation	1	1	2	0	0	0	2	
Dept. of Treasury	2	0	2	0	0	0	2	
USAID	37	37	74	0	3	3	77	
IRMO	30	5	35	2	3	5	40	
PCO	20	10	30	0	4	4	34	
OMC/Training Program	280	133	413	0	13	13	426	
Totals:	731	426	1157	25	772	797	1954	

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NEC Staffing Summary: 2010-2012

Section	Desks			Non-Desks			All Total
	US	Non-	Desk	US	Non-US	N-D	
Executive - Chancery	8	7	15	0	0	0	15
Political / Pol-Mil	28	11	39	0	0	0	39
Economic	11	4	15	0	0	0	15
Public Affairs	11	25	36	0	0	0	36
Consular	8	17	25	0	0	0	25
Diplomatic Security	20	25	45	23 ¹	500 ²	523	568
Regional Affairs	187 ³	0	187	0	0	0	187
INL	20	9	29	2	0	2	31
Management	65	151	216	0	245	245	461
Dept. of Agriculture	1	3	4	0	0	0	4
Dept. of Commerce	2	5	7	0	0	0	7
Defense Attaché Office	11	0	11	0	4	4	15
FBI	7	0	7	0	0	0	7
Dept. of Health and Human	2	1	3	0	0	0	3
Dept. of Homeland Security	10	5	15	0	0	0	15
Dept. of Justice	13	0	13	0	0	0	13
Office of Military Cooperation	15	5	20	0	1	1	21
Dept. of Transportation	3	1	4	0	0	0	4
Dept. of Treasury	2	0	2	0	0	0	2
USAID	37	37	74	0	3	3	77
Totals:	461	306	767	25	753	778	1538

¹Marine Security Detachment
²Local Guard Contract ³75

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Source: NEA/I