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

# Memorandum Report

## Review of Staffing at U.S. Embassy Baghdad

Report Number ISP-IQO-05-57, March 2005

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## EXECUTIVE SUMMARY

Iraq remains the number one U.S. foreign policy priority, and the successful staffing of Embassy Baghdad is vital to this effort. Therefore, in keeping with its oversight responsibilities, the Office of Inspector General (OIG) reviewed the staffing of Embassy Baghdad. OIG determined that the transition from the Coalition Provisional Authority (CPA) to Embassy Baghdad was rational, orderly, and well planned and that Embassy Baghdad's strong and inspiring leadership was an important morale-booster and recruiting factor. Over all, Department of State (Department) officials have done an exceptional job in recruiting volunteers for Iraq who are motivated by patriotism, a desire for adventure, career-enhancement, and a sense of participating in a worthy venture. These factors seem for most employees to outweigh the attraction of financial and career-related inducements.

To recruit staff for Embassy Baghdad, the Department uses personal targeting, which aims to find the best volunteers, combined with the Iraq Service Recognition Package (ISRP), a mix of significant financial and career incentives. This strategy seems sufficient to staff the embassy for the 2005-06 assignment cycle. However, OIG shares the widely held concern that future assignments will become progressively more difficult as the talent pool of qualified and highly motivated Foreign Service officers shrinks with each cycle. An increasing number of eligible officers are likely to be influenced more by financial rewards and family considerations than were those in the first tranche.

To overcome difficulties related to future staffing at Embassy Baghdad and prepare for future emergency staffing situations elsewhere, the Department will either have to expand its current benefits package for Baghdad and other exceptionally dangerous and hard-to-fill posts or undertake other measures. One possibility is directed assignments, a complicated issue that deserves further study. There are a number of other possibilities for enhancing the Department's ability to recruit for exceptionally dangerous posts. These include:

- Greater use of flexible tours of duty,
- A more rational approach to the separate maintenance allowance (SMA),
- Temporary relief from time-in-class and time-in-service limits,
- Higher grade pay for stretch assignments,

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- Eliminating restrictions on the use of when-actually-employed (WAE) and contract employees,
- Exemption from taxation,
- Linked assignments, and
- Additional availability of family-friendly arrangements.

Furthermore, to provide greater clarity and to highlight the greater danger, the Department should redesignate these posts as combat zone posts.

## OBJECTIVES, SCOPE, AND METHODOLOGY

OIG looked at the process of staffing Embassy Baghdad, from the origins of the CPA to the embassy's opening on June 30, 2004. OIG reviewed the current status of filling positions, the outlook for future staffing, and new financial, family, and career enhancements that would increase Iraq's appeal to bidders and volunteers. OIG spoke with Department and other agency officials in Washington and Baghdad, including the then U.S. Ambassador to Iraq, and reviewed relevant data and documents.

Ambassador Johnny Young (Team Leader), Robert Bemis, Iris Rosenfeld, and William B. Whitman conducted the review between January 10 and March 4, 2005.

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## THE MOVE FROM CPA TO EMBASSY BAGHDAD

Creating an embassy on short notice is not a new challenge for the Department, which has done so in the former Soviet Union and even more recently in Kabul. The U.S. Mission in Iraq, however, was established under extraordinary circumstances—converting the unique bureaucracy and culture of the CPA into a bilateral mission in a war-zone environment. Further, every operational step was taken under unprecedented scrutiny from Washington and the media. Based on interviews and other research connected with this review, OIG concluded that the effort in Baghdad represents a significant achievement and that the transition from CPA to Embassy Baghdad was rational, orderly, and well planned.

### The National Security Decision Directive 38 Process

The Department's involvement in the National Security Decision Directive 38 (NSDD 38)<sup>1</sup> process began in early 2004, when the Secretary of State sent a letter to agency heads requesting them to submit their staffing needs for the new embassy. After a meeting with agency representatives on the substance of the NSDD 38 process, the Department in the early spring of 2004 began receiving staffing requests from the agencies. A senior officer was given authority to approve these requests, and he established a detailed process of dialogue, including a series of interagency meetings to focus on specifics such as positions and job descriptions.

Predictably, some of the 10 or 12 key agencies involved in this process were uncertain about their needs, with a few focused on temporary duty (TDY) assignments rather than on regular one-year tours. (The Department worked to hold the line against possible proliferation of TDY responses from the agencies.) Throughout this stage, the Under Secretaries for Management and Political Affairs played an

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<sup>1</sup> National Security Decision Directive 38, Staffing at Diplomatic Missions and Their Constituent Posts, issued on June 2, 1982, assigns ambassadors the authority and responsibility to determine the appropriate size, composition, and mandate of all staff operating under their authority.

important role, reminding the leadership of other agencies of the importance of meeting NSDD 38 requirements and ensuring that no significant agencies were excluded from the process. By late spring 2004, the Department had collected the details of other agencies' plans for staffing the new embassy.

## The Department's Side of the Equation

By late 2003, Department officers in Iraq working in the CPA and their colleagues in Washington had begun careful planning on how to meet the Department's needs in Baghdad when CPA was to be replaced on June 30, 2004, with the new embassy. Although some favored the large-scale transfer of many elements of CPA into a new embassy, Department planners, in many cases, successfully resisted this, insisting instead that Embassy Baghdad be structured as a traditional embassy. In the end, the number of positions in the various sections, and thus the size of the overall State Department contingent, was determined in consultations between the Bureau of Near Eastern Affairs (NEA) and other relevant Department bureaus.

There were, however, several important exceptions to configuring a traditional embassy profile. One was the establishment in the new embassy of a large executive secretariat as a vestige of the former CPA. (Significantly, this secretariat has since been reduced drastically from its original size.)

Further, a National Security Presidential Directive of May 11, 2004, (see Appendix A) mandated the transition from CPA to the embassy and established a separate reconstruction policy organization under the direction of the chief of mission. Known as the Iraq Reconstruction Management Office, this organization housed the Section 3161<sup>2</sup> employees hired by the Department of Defense (Defense) under the CPA and continued to provide essential liaison with Iraqi ministries. The same National Security Presidential Directive also established the Project and Contracting Office within Defense and also under the direction of the chief of mission.

In addition, the White House had a special interest in the public affairs element of the CPA, called Strategic Communications. The Department agreed to maintain a strategic communications capability in the new embassy, though reduced in size

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<sup>2</sup> 5 U.S.C. § 3161 provides for the establishment of temporary organizations under law or executive order, which are exempt from federal employee hiring requirements, e.g., classification and competition.

from the CPA's. It did so by using Iraq Reconstruction Management Office authority to hire employees under the 3161 provisions. A more traditional public affairs section with seven positions was established in the embassy as well. Gradually, the staffing of the strategic communications unit has been shrinking as the country-team silhouette of the embassy has solidified.

Pre-embassy planning took special account of the Department's experience in global rightsizing. CPA had relied on off-site support from Embassy Kuwait and the Department enhanced this trend, drawing on support from Washington offices and establishing an Iraq Support Unit in Embassy Amman.

Months of planning by transition teams in Washington and Baghdad laid the groundwork for the development by the Department and Defense of "OPLAN Sovereign Iraq," a series of detailed memoranda of agreement between the two agencies defining the range of support and security services for the embassy. These continue to serve as reference points and guidance for personnel working on Iraq issues.

The unprecedented challenges involved in staffing the U.S. mission to Iraq meant not all problems were foreseen. No one could have predicted, for example, that a rapidly deteriorating security situation would mean that it would be extremely difficult to hire and retain locally employed staff. The presence in Baghdad of several agencies soon after the invasion gave them a leg up on building their own housing; secure housing remains a contentious issue for Department employees. The need to sustain a significant number of unaccompanied employees has raised a number of family-related issues, which the Department still needs to confront. The embassy continues to rely on contractors for security and large areas of administrative support that are normally provided by direct-hire staff.

## EQUITIES AND COMPARABILITIES

### Salary and Benefits

Mission Baghdad is staffed by numerous categories of employees, all working under human resources systems having a variety of legal authorities, rules, and regulations. For example, Embassy Baghdad staff includes Foreign Service officers and staff at all levels, Civil Service officers on excursion tours, TDY staff, Iraq



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Reconstruction Management Office staff (Section 3161 employees), WAEs, and contractors. (See Appendix B, prepared by NEA, which shows the total number of persons in Iraq under chief of mission authority.)

Salaries and benefits for each system and category vary and many of these variations are not unique to Baghdad. However, when the special benefits and rules of the ISRP are added to existing compensation systems, all but human resources and legal specialists can become confused.

Many employees in Embassy Baghdad perceive inequities in the ISRP that occur as a result of their employment and grade level. Some employees, comparing and contrasting benefits packages, were unhappy over these disparities, which include allowances and differentials, caps, rollovers, premium pay, per diem pay, locality pay, business versus economy travel, and others. Further, until their pay was regularized when they came under Department authority in June 2004, the compensation arrangements for Section 3161 employees gave them a loosely administered and seemingly preferential status.

OIG, however, agrees with those in the Department who referred to these inconsistencies as “differences” rather than inequities, chiefly because many of the differences disadvantage no one. The Department should make this clear to Baghdad employees.

However, there are other issues--especially the treatment of assigned versus TDY personnel--that Department officials hope to resolve and include in the next ISRP revision. The Department has been aware of these inconsistencies and anomalies from the time the first ISRP was developed. However, some of the issues could not be resolved within the tight timeframes given to complete the ISRP. The Department continues to work on resolving them and ensuring the comparability of the ISRP benefits among all employees.

### Iraq Fatigue

Although Iraq is universally recognized throughout the Department as America’s number one foreign policy priority, some employees perceive that Embassy Baghdad is absorbing a disproportionate share of the Department’s resources. On the financial side, OIG was told that all Baghdad-related expenses are reimbursed to the Department through the Iraq Supplemental appropriation. In terms of human resources, to fill the 141 Department positions needed for Embassy Baghdad (under the CPA, all employees were TDY), the Department imposed an

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“Iraq Levy” on the bureaus (with NEA and the Bureaus of South Asian Affairs, Consular Affairs, and Diplomatic Security exempted). Each bureau was instructed to identify a specific number of positions to cede to Baghdad. In many cases, the relinquished positions were vacant and unlikely to be filled. OIG also learned that, in almost all cases, the positions relinquished would not have been filled anyway. However the Department offered the bureaus some relief by allotting them new, entry-level positions and new employment opportunities for embassy family members. The 141 Baghdad positions have not been reprogrammed or lost to the bureaus and will be returned to them in the future. The levy was imposed for FY 2004 and FY 2005. To eliminate this levy in FY 2006, the Department has requested funding for approximately 200 positions for use worldwide. The decision whether to extend the Iraq levy will depend on the Department’s success with the FY 2006 budget request, which includes additional positions for Iraq, Afghanistan, and other recent requirements.

Transfers of staff to Iraq worry some bureaus and posts, which see resources that were already inadequate to achieve their goals and objectives eroding even further. Also, some employees were transferred without fully discussing their plans with post management and coworkers, leaving some posts short-staffed with little notice. In some cases, post management was reluctant to release the employee. At the same time, Department policy calls for bureaus and posts to accommodate employees who volunteer for service in Iraq.

So far, many employees serving in Iraq have done so for patriotic and altruistic reasons, but the career enhancement elements of the ISRP (promotions and onward assignments) are a significant inducement. There is some real and anecdotal evidence of an emerging concern or creeping resentment among some employees. Those employees believe those who serve in Iraq become entitled to various preferences that put the rest of the service at a career disadvantage and result in “service distortion.” Although top Department officials call for recognizing those who have served in Iraq, as do promotion board precepts, critics find this recognition unfair to those in other hardship posts.

Also, a number of those interviewed pointed to the Department’s need for more Arabic language-qualified officers, both in Iraq and beyond. This dearth has played a role in the overall problem of “Iraq fatigue,” and some posts in the area have seen their Arabists drawn off to staff positions in Iraq. The Department is encouraging more entry-level officers to study Arabic, with more than just service in Iraq in mind. However, the Department’s efforts are necessarily long-term, with pay-off in terms of real language proficiency deferred to the future.

Some employees raised concerns that, as it becomes increasingly difficult to staff Iraq, the Department may need to lower its recruiting standards. If this happens, they speculate, mediocre performers, problem employees, and anyone seeking to revive a stagnant career will reap career rewards from service in Iraq that they otherwise would not receive, leading to unintended consequences for the Foreign Service.

## THE RECOGNITION PACKAGE

As a critical element of the embassy-establishment effort, in October 2003 the Department announced its ISRP, the similar successor to benefits and allowances packages for Embassy Kabul and the CPA. The ISRP established a mix of career and financial inducements for service in Iraq. Highlights of the ISRP, which was modified slightly in July 2004, included:

- Two rest and recuperation trips to Washington or the employee's post of assignment during a one-year tour or TDY or one such trip for assignments or TDYs of more than six months.
- Three regional rest breaks of up to five days per one-year tour; one or two such trips for shorter TDYs or assignments.
- A special 20 percent differential paid in recognition of overtime hours worked by those in grades FS-1 through FS-4.
- Raising the post differential cap on compensation, including allowances and differentials, to the ES-I level of \$175,700 (now \$180,100).
- Allowing danger pay, post, and special differentials earned in excess of the cap to be rolled over into the following year.
- Assuring those serving in Iraq that their onward assignment wishes will receive preferential consideration during the assignment process.
- Encouraging selection boards "to weigh positively creditable performance in hardship and danger pay posts...with U.S. combat troop involvement and a danger pay designation, i.e., Iraq and Afghanistan."

At the same time, to ensure a successful transition from the CPA to a full-fledged mission, a number of top officials in the Department launched an exceptional and largely successful personal campaign to recruit the right employees for Iraq, especially for senior positions. In many cases this commendable effort involved direct approaches to specific candidates by the Ambassador, deputy chief

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of mission, the Director General and his HR colleagues, senior officials of NEA and other bureaus, and, in a few cases, the Secretary and Deputy Secretary themselves. At the U.S. Agency for International Development, the Administrator aggressively encouraged employees to seek Iraq assignments. As a result Baghdad in the winter of 2004-05 was well staffed with well-qualified officers, especially at the senior level. This was due, in part, to the special efforts involved in these individualized assignments.

OIG found anecdotal evidence that the impact of ISRP varies. Most of those close to the assignment process attributed the good results in attracting bids from untenured and entry-level offices to patriotism and a sense of adventure. This cohort, they reported, was in general much less interested in the financial inducements offered by ISRP than by those inducements that would enhance their careers, even though the package gives them no assurance of advantages in the tenuring process, a matter of vital concern to many new officers. In fact, a number of entry-level officers with Baghdad service remain untenured. Higher-ranking officers, however, have also responded well because of a sense of mission, service loyalty, and, in a few cases, direct appeals by senior officials. The ISRP's financial and career inducements are also important to this segment and to specialists.

As of mid-February 2005, recruiting, bidding, and assigning for the summer 2005-06 cycle was progressing quite well, demonstrating that the combination of personal identifications and/or the ISRP's benefits is, for now, working adequately. OIG also noted that curtailments from Baghdad have been quite low. At that time, 55 of 141 State jobs had been filled, while 62 positions have candidates being closely vetted for their suitability by HR. However, 13 positions had no bidders. Unbid/unfilled positions for 2005-06 are largely made up of security officers, office management specialists, and mid-level reporting officers. This shortfall in part reflects the Department's failure to hire to attrition in the 1990s; i.e., before instituting the Diplomatic Readiness Initiative. As of March 1, 2005, all senior positions except the economic counselor position were filled for the summer of 2005; (b) (6)(b) (6)(b) (6)(b) (6)(b) (6)(b) (6)(b) (6)(b) (6) and the Department is working to identify another candidate. In January and again in February 2005, the Director General cabled all posts reiterating the need to staff Embassy Baghdad and urging volunteers to step forward. At the same time, the Director General met with the Bureaus of Diplomatic Security and Economic and Business Affairs and other relevant bureaus to encourage additional bidding on vacant positions.

## FUTURE RECRUITING PROBLEMS

Despite the Department's achievements in staffing its most dangerous, stressful, and difficult post, OIG shares the concern of many that future assignments, starting with the 2006 cycle, will become progressively more difficult. As one knowledgeable senior officer observed, "we may have already skimmed the cream of the cream." The pool of officers available for future assignments, those with the skills, motivation, and personal situation to take on an assignment in Iraq, will inevitably shrink with every one-year cycle. At the same time, it is likely that potential returnees who have already served in Iraq will want to move on with their careers and not want to return. This shortfall seems likely even if Embassy Baghdad is, over time, reduced in size from a huge embassy to merely a very large one. And it may also be that other posts will replace Baghdad, just as Baghdad replaced Kabul, as a magnet for highly motivated officers seeking action, advancement, and excitement.

The Department used a combination of flexibility in planning, personal recruiting efforts, and the special incentives offered by the ISRP, to accomplish a great deal in attracting volunteers for Iraq. Nevertheless, continued success in staffing Iraq will increasingly depend on finding volunteers in a diminished personnel pool. That pool will always include officers motivated by a sense of duty and altruism, but will have an increasing number who are likely to be influenced by financial rewards and family considerations. And some officers will opt out of the personnel pool for health reasons or because of the danger involved. Under those conditions, and to have effective incentives in place when other emergency staffing situations arise, the Department will need to examine additional inducements to maximize its recruiting potential. This ability to develop additional incentives relates directly to the Director General's message of February 2, 2005, on "New Directions for the Foreign Service," and to the Active Response Corps initiative. Both stress the need to pre-position the Department to meet future crises.

In OIG's view, if the Department is unable to do this, it may face some unpleasant choices in staffing Baghdad and in meeting future emergency situations requiring additional, large-scale human and financial resources. At the least desirable end of the spectrum, those choices might include directed assignments, a step that the human resources system rightly regards as drastic, even though Foreign Service officers must affirm their worldwide availability for assignment. Many officers oppose directed assignments, but others, including some senior officers in Embassy Baghdad, now feel that they should be considered. The issue of directed assignments is complicated and deserves further study.

In developing other ways to improve the Department's recruitment, OIG, in part, drew on two impressive efforts to identify practical, less dramatic steps to enhance the Department's ability to recruit for Iraq and have ready the recruiting tools to meet future emergencies. One was the 2002 Hardship Incentives Working Group, convened by the Under Secretary for Management. That group had also identified several of these tools, while others had been discussed by an HR/CDA working group that met in October 2004.

OIG found that the Department has made clear that assignments to Iraq and Afghanistan represent an exponentially greater level of danger and hardship than found at other unaccompanied or hardship posts. It did so by designating Embassies Baghdad and Kabul as the only "Footnote N" posts, in accordance with the criteria listed in its Standardized Regulations (DSSR 541 (a)). These are "widespread warfare, U.S. combat troop involvement in hostilities, and the post has a danger pay designation."

The following suggested enhancements, some of which draw on the two efforts described above, are therefore intended to apply to these Footnote N posts and to other posts where the Director General deems extraordinary recruiting efforts are required:

### *Suggested Enhancements*

#### *Six-Month and Other Tours*

Because of the extraordinary stress of the post's environment and its effect on individual performance, some officials at Embassy Baghdad question the efficacy of the current standard of one-year tours in Baghdad. Although some officials in the Department disagree with this, OIG believes that the Department should consider regularizing six-month assignments for those functional areas where continuity is not required. This might be implemented as one component of a mix of assignment lengths. This could result, for example, in a ten-person office with a core of two or three one-year employees, a number of six-month employees, and a few on three-month rotations. Besides regularizing six-month tours, the Department should consider lengthening to 18 or 24 months the tours of those entry-level officers assigned to Baghdad who wish to extend and whose performance merits such an extension. And the Department should continue its efforts to attract Civil Service employees and suitable candidates from agencies outside the Department.

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### *Raising the Legislative Cap on Hardship Differential and Danger Pay*

OIG agrees with the finding of the Hardship Incentives Working Group that the existing 25 percent differential does not adequately reflect the greater, life-threatening dangers at Embassy Baghdad, a combat-zone post having difficulties not found in other hardship posts with the same differential. The Department should therefore continue to seek authority to raise the cap on hardship differential pay and danger pay to 35 per cent for Baghdad and other posts in the future that face unusually difficult conditions. The Department is vigorously pursuing this in the FY 2006 authorization legislation.

### *Separate Maintenance Allowance*

OIG believes that the Department needs to consider redefining and restructuring SMA to have it differentiate payments for service at posts where families cannot accompany the employee versus posts where families can but do not want to. It is inherently unfair to lump these two family models into the same category for payment of this benefit, as is presently the case. Along with the number of unaccompanied posts, SMA payments have increased in number over the years. Putting SMA on a more equitable and rational footing for voluntary and involuntary reasons might provide a more attractive and useful incentive for service at hardship and danger-pay posts, particularly those involving unaccompanied assignments. OIG understands that there is a Department effort underway to revise involuntary SMA and to recommend changes to the Under Secretary for Management.

### *Time-in-Class and Time-in-Service Extensions*

The Department should examine the feasibility of exempting those serving at Embassy Baghdad in selected positions and on a one-time-only basis from the Department's time-in-class and time-in-service considerations. Regional bureaus, in consultation with the Bureau of Human Resources, Office of Career Development and Assignments, would determine the positions to include, based on the historical difficulty of filling them. Restrictions might include requiring a tour of duty to start more than two years, but less than four years before completion of time-in-class and time-in-service extensions.

*Pay for Stretch Assignments*

The Department should examine its ability to reinstate or seek renewed authority to allow stretch assignees to Footnote N and selected other posts, so that these employees can be paid the salary of the higher-ranking position they occupy. This would encourage bidders without imposing any financial hardship on the relevant bureau, because the bureau would presumably have factored the salary and expenses of the higher-ranking position into its budget.

*Use of When-Actually-Employed and Contract Employees*

In resolving future staffing difficulties at hardship and danger-pay posts, the Department should continue to pursue the use of Foreign and Civil Service retirees, a large pool of persons with specialized languages skills, area expertise, and a wide range of technical skills. Retirees are now serving in limited numbers in Baghdad, and top embassy officials say there have been excellent results. However, the Department is subject to rules, regulations, and restrictions that do not facilitate its use of some prospective WAEs who have the requisite experience.

For example, changing the WAE rules to limit pay to “grade at time of separation” from the service instead of the present limitation based on “salary at time of separation” would be an option the Department could pursue. This would permit automatic increases in WAE salary limits, which would have broad implications throughout the Department. The Department has used the authority granted under the Foreign Service Act of 1980 to waive the time limitation of WAEs, on a case-by-case basis, so that they may continue to receive an annuity while working. All waiver requests, to permit annuitants to work beyond the normal time limits and continue to collect his or her annuity have been granted to support Iraq, Afghanistan, and other critical requirements. Using contracted employees can also circumvent this continuity problem, but Department offices are limited in the exercise of this authority, or see themselves constrained from using it.

Retirees under either arrangement would be excellent prospects for service at hardship posts in interim situations, until more permanent staffing solutions can be worked out. WAEs have been valuable assets in filling positions behind active-duty officers assigned or on details to critical jobs in hardship posts. Enabling the greater use of qualified retirees responds directly to the Department’s plan to identify and create an Active Response Corps of talent for meeting future emergencies.



*Footnote N Posts*

This often unknown category of post, as classified by the Office of Allowances and now limited to Embassies Baghdad and Kabul, should be widely publicized and explained to the entire Foreign and Civil Service. All Department employees and civilians in other U.S. government agencies need to know that there is a category of hardship and danger post unlike any other due to its status in a war zone with U.S. troops in combat and that service at such posts may offer extra benefits. Explaining this category of post would enlighten those who believe all hardship and danger posts are in the same category. Breaking out posts of this type from other hardship posts would also provide the rationale for treating them differently, in terms of allowances and other benefits. To underline this difference, Footnote N posts should be redesignated as combat-zone posts.

Many Department officials told OIG that an important recruitment tool for Footnote N posts would be the ability to grant employees tax-exempt status. Legislation is needed on this sensitive issue. Due to these sensitivities, the Department of Defense is not seeking this exemption for its civilian employees serving at combat-zone posts. The Department has studied this subject, but has not yet pursued it with Congress.

*Linked Assignments*

To reassure volunteers for Embassy Baghdad that their subsequent assignment will be attractive, the Department could tie a desirable future posting to a Baghdad tour, much as current language and training assignments are routinely linked to an onward assignment. At present the human resources system rewards hardship assignments only informally. Bureau and human resources officials track returnees individually to attempt to get them good assignments. The reluctance of other bureaus to accept returnees in an ad hoc manner is usually given as the reason why there is no linking.

However, in the event of future recruiting difficulties, OIG believes that the Director General may wish to establish an intra-bureau quota system that reflects the numbers, grades, and specialties of those leaving Iraq. Bureaus could then be expected to meet their quota or explain why they are not considering an otherwise qualified candidate. OIG believes that, in practice, this formal recognition of hazardous duty need not prove a major disruption to the assignment process. The overall number of officers involved, even at today's levels, which may decline, is

not excessive. Many returnees will be qualified for the positions they seek, while others will return to their home bureau or post without the need for special handling.

*Family-Friendly Efforts*

A number of those interviewed by OIG suggested that families be based at nearby posts. Istanbul, Cairo, and Amman were specifically mentioned. As a result, family separations arising from an unaccompanied tour would be more palatable and might be linked to longer tours in Baghdad. During the Vietnam War, Embassy Bangkok and other posts in the region played this role for Department families. Although this could prove costly, OIG notes that, at present, other U.S. government agencies are allowing families to stay in nearby cities. The Department should explore adopting similar arrangements for Iraq and future Footnote N posts and should explore allowing families to remain at post while the officer moves to a Footnote N assignment or at a post designated by the Director General.

Some officials close to the situation suggested family friendly efforts that, if adopted, would benefit recruiting for Baghdad. These include approaches taken by Defense for the uniformed services, such as videoconferencing with family members, building active networks with other families, and activities that might be added to an enhanced Overseas Information Briefing Center at the Foreign Service Institute.

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## ABBREVIATIONS

CPA	Coalition Provisional Authority
Defense	Department of Defense
Department	Department of State
ISRP	Iraq Service Recognition Package
NEA	Bureau of Near Eastern Affairs
NSDD 38	National Security Decision Directive 38
OIG	Office of Inspector General
SMA	Separate Maintenance Allowance
TDY	Temporary duty
WAE	When actually employed

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# APPENDIX A

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THE WHITE HOUSE  
WASHINGTON  
May 11, 2004

NATIONAL SECURITY PRESIDENTIAL DIRECTIVE/DIRECTIVE/NSPT)

MEMORANDUM FOR THE PRESIDENT

THE SECRETARY OF STATE  
THE SECRETARY OF THE TREASURY  
THE SECRETARY OF DEFENSE  
THE ATTORNEY GENERAL  
THE SECRETARY OF INTERIOR  
THE SECRETARY OF AGRICULTURE  
THE SECRETARY OF COMMERCE  
THE SECRETARY OF LABOR  
THE SECRETARY OF HEALTH & HUMAN SERVICES  
THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT  
THE SECRETARY OF TRANSPORTATION  
THE SECRETARY OF ENERGY  
THE SECRETARY OF EDUCATION  
THE SECRETARY OF VETERAN AFFAIRS  
THE SECRETARY OF HOMELAND SECURITY  
CHIEF OF STAFF TO THE PRESIDENT  
DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET  
ASSISTANT TO THE PRESIDENT FOR  
NATIONAL SECURITY AFFAIRS  
ASSISTANT TO THE PRESIDENT FOR  
ECONOMIC POLICY  
DIRECTOR OF CENTRAL INTELLIGENCE  
CHAIRMAN, JOINT CHIEFS OF STAFF

SUBJECT: United States Government Operations in Iraq

We have seen a period of significant advancement in Iraq, as the yoke of Saddam Hussein's tyranny has been thrown off and democracy and economic reform have begun to take root. With the termination of the Coalition Provisional Authority (CPA) not later than June 30, 2004 and the re-establishment of diplomatic relations between the United States and a sovereign Iraqi government, our efforts in Iraq will take on new and formidable challenges that must be met successfully.

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2

During these critical times, we must organize to advance these gains and establish and sustain a strong bilateral relationship. When the CPA is terminated, the United States will be represented in Iraq by a Chief of Mission, who on my behalf and under the guidance of the Secretary of State, shall be responsible for the direction, coordination and supervision of all United States Government employees, policies, and activities in country, except those under the command of an area military commander, and employees seconded to an International organization.

Commander, USCENTCOM, under the authority, direction, and control of the Secretary of Defense, shall continue to be responsible for U.S. efforts with respect to security and military operations in Iraq. In all activities, the Chief of Mission and Commander, USCENTCOM shall ensure the closest cooperation and mutual support.

The Secretary of State shall be responsible for the continuous supervision and general direction of all assistance for Iraq. Commander, USCENTCOM, with the policy guidance of the Chief of Mission, shall direct all United States Government efforts and coordinate international efforts in support of organizing, equipping, and training all Iraqi security forces. At the appropriate time, the Secretary of State and the Secretary of Defense shall jointly decide when these functions shall transfer to a security assistance organization and other appropriate organizations under the authority of the Secretary of State and the chief of mission that will be staffed in accordance with NSDD 38 of June 2, 1982.

The U.S. Mission in Baghdad and an office in the Department of State will assume from the CPA those authorities and responsibilities that continue after CPA termination.

I establish, in accordance with Title 5, United States Code, section 3161, a temporary organization within the Department of State and, if the Secretary of State so designates, within the U.S. Mission in Baghdad, called the Iraq Reconstruction Management office (IRMO) to facilitate the transition in Iraq. The IRMO will be headed by a Director selected by the Secretary of State, and its staff may include, as determined by the Secretary: (1) personnel with relevant expertise detailed on a non-reimbursable basis from other United States Government agencies; (2) senior and other technical advisors; (3) personnel from other Coalition partner governments; and (4) such other personnel as the Secretary may direct to support that effort.

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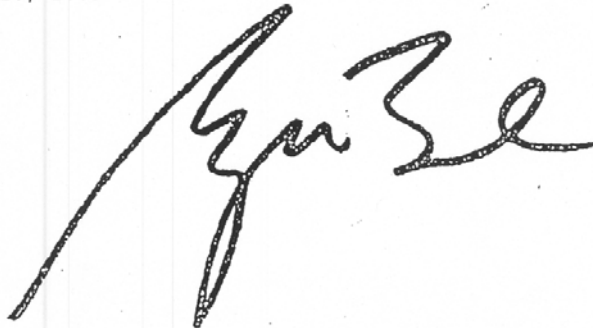
3

The Secretary shall regularly evaluate the staffing requirements of this organization.

I also establish, in accordance with Title 5, United States Code, section 3161, a temporary organization within the Department of Defense to be called Project and Contracting Office (PCO) to provide acquisition and project management support with respect to activities in Iraq, as requested by the Secretary of State and heads of other Departments and agencies. The Secretary of Defense in consultation with the Secretary of State shall select a Director for PCO. PCO personnel in Iraq shall be permanently or temporarily assigned under Chief of Mission authority. PCO shall provide acquisition and project management support to the Chief of Mission. PCO's services may include engineering, auditing, and other contract-related services.

The effort to build a strong bilateral relationship with the Government of Iraq and support Iraq as it makes the transition to democracy must have the full commitment of all agencies. To accomplish our mission, I direct the heads of U.S. departments and agencies to provide, on a non-reimbursable basis, assistance, services and other support, to include security, medical, logistical and administrative support and details of personnel, with respect to U.S. activities in Iraq. To the maximum extent possible, the Secretary of State shall identify for the heads of relevant departments and agencies the expected requirements for non-reimbursable support for their use in preparing future budget requests. The Director of the Office of Management and Budget shall ensure that future budget submissions request the funding and authorities I determine necessary to support the U.S. Mission in Iraq.

This NSPD shall be effective immediately, shall constitute an Executive order solely for purposes of 5 U.S.C. 3161, and shall not be subject to Executive order 11030 of June 19, 1962, as amended. The CPA shall terminate not later than June 30, 2004. Upon the termination of the CPA, this NSPD supersedes NSPD-24, dated January 20, 2003.

A handwritten signature in black ink, appearing to read "George", is written over the bottom portion of the text.

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# APPENDIX B

Source: NEA/1

**US Mission Iraq  
Staffing Summary**



As of 3/11/2005

AGENCY	Notes	US		Locally Eng. Staff		US On Board	NSDD-38 Status	
		desk	non-desk	desk	non-desk		NSDD-38 Proposal	Detailed Data Sheet (9)
<b>State</b>	(1)						NA	NA
Consular		3				3 of 3		
Econ		7				6 of 7		
Executive Office		9				9 of 9		
Executive Secretariat		10				9 of 10		
Management		36				30 of 36		
Political Section		18				15 of 18		
Pol-Mil		6				6 of 6		
INL		3				2 of 3		
Public Affairs	(2)	7				6 of 7		
Security		42				29 of 42		
<b>State Subtotal</b>		<b>141</b>		<b>155</b>		<b>116 of 141</b>		
<b>Temporary/Other State Units</b>	(3)						NA	NA
Public Affairs (PAO)	(2)	26		30		17 of 26		
Iraq Reconstruction Mgt Office (IRMO)	(4)	55	0	0	0	30 of 55		
Ministry Liaison Officers	(11)	146	0	0	0	96 of 146		
Com for Public Integrity (Justice)	(5)	11	0	0	0	11 of 11		
Redirected Scientists Program		2	0	0	0	1 of 2		
Legal Office		2	0	3	0	1 of 2		
ORA		120				120 of 120		
State OIG		6				0 of 6		
<b>Temp/Other State Unit Subtotal</b>		<b>368</b>	<b>0</b>	<b>33</b>	<b>0</b>	<b>276 of 368</b>		
<b>Agriculture/FAS</b>		<b>2</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>2 of 2</b>	<b>Green</b>	<b>Green</b>
<b>Commerce/FCS</b>		<b>2</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>1 of 2</b>	<b>Green</b>	<b>Green</b>
<b>Defense</b>	(6)							
PCO/PMO		114	0	0	0	92 of 114	Green	Yellow
PCO/JCC-I		2	67	0	0	30 of 69	Green	Yellow
Def. Contract Audit Agency (DCAA)		18	0	0	0	18 of 18	Green	Green
SIGIR		45	0	2	0	25 of 45	Yellow	Yellow
MSG Det		5	9				NA	NA
DCMA		68	0			46 of 68	Yellow	Yellow
<b>DoD Subtotal</b>		<b>252</b>	<b>76</b>	<b>2</b>	<b>0</b>	<b>211 of 328</b>		
<b>DHS</b>								
DHS Headquarters		2		1		1 of 2	Green	Yellow
TSA		1		1		1 of 1	Green	Green
CBP		6	12	2	4		Green	Yellow
ICE							Green	Green
<b>DHS Subtotal</b>		<b>9</b>	<b>12</b>	<b>4</b>	<b>4</b>			
<b>HHS</b>		<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 of 2</b>	<b>Green</b>	<b>Yellow</b>
<b>Justice</b>								
Justice		2				1 of 2	Green	Yellow
Alcohol, Tobacco, & Firearms (ATF)		4	0	0	0		Green	Yellow
CRIM/OPDAT		2	0	0	0	2 of 2	Green	Green
FBI		7	0	0	0	6 of 7	Green	Yellow
Int. Criminal Invest Training Asst Pgm. (ICITAP)		2	0	0	0	2 of 2	Green	Green
Regime Crimes Liaison Office		41	0	0	0	35 of 41	Yellow	Yellow
US Marshals		4	0	0	0	4 of 4	Yellow	Green
<b>Justice Subtotal</b>		<b>62</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>Labor</b>	(7)	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0 of 1</b>	<b>Green</b>	<b>Yellow</b>
<b>Transportation</b>		<b>3</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>2 of 3</b>	<b>Green</b>	<b>Green</b>
<b>Treasury</b>								
Treasury		3	0	0	0	3 of 3	Green	Green
Treasury/IRS-CID		1		0		1 of 1	Green	Green
<b>USAID</b>	(8)							
USAID		63	30	66	80	51 of 93	Yellow	Yellow
Army Corps of Engineers		23	0	14	0	20 of 23	Yellow	Yellow
RIG		8	0	2	0	8 of 8	Green	Green
<b>USAID Subtotal</b>		<b>94</b>	<b>30</b>	<b>82</b>	<b>80</b>	<b>79 of 124</b>		
<b>TOTAL</b>		<b>940</b>	<b>118</b>	<b>288</b>	<b>85</b>			
<b>Total US:</b>		<b>1,058</b>						
<b>Total LES:</b>				<b>373</b>				
<b>Grand Total:</b>					<b>1,431</b>			

Status Indicators (Proposal/Detailed Data Sheet):  
 Green: NSDD38 Complete/Detailed data received  
 Yellow: NSDD-38 proposal received and in processing/spreadsheet received but not complete  
 Red: Formal NSDD 38 proposal not received/Detailed spreadsheet not received.

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Notes Page

Not under COM authority but in Embassy	US		Locally Eng. Staff	
	desk	non-desk	desk	non-desk
<b>Defense</b>				
MNF-I in Embassy	859	115		
MNF-I Area Support Group	130			
MNF-I Legal Office	3			
MNSTC-I	15	0	4	2
<b>Special Tribunal (Contract)</b>	<b>50-70</b>			

The following agencies recommended no permanent Iraq presence

- Energy
- Interior
- NASA
- Peace Corps
- Secret Service
- Social Security
- Veterans Affairs (as of 4/27)

**Notes**

NOTE 1: State phasing FSN: up to 155 in FY06.

NOTE 2: Public Affairs includes: 7 DOS (counted in 141 State positions); 23 3161 employees; 3 military.

NOTE 3: Other State units - all numbers are estimates, except for Ministry Advisors; phase in and out depending on need, normally 3161 or TDYers. This category includes all functions previously performed by CPA.

NOTE 4: IRMO staffing estimated; structure not finalized.

NOTE 5: 10 of 11 are 3161s; 1 military.

NOTE 6: DIA under Commander at this time.

NOTE 7: Labor falls under Political Section.

NOTE 8: USAID plans to have 24 USDH and 69 PSCs. 23 TDYers are also currently occupying approved positions. USAID FSN numbers include 7 TCNs.

NOTE 9: P issued request for Agency data (detailed data sheet) April 23, 2004

