



United States Department of State

Washington, D.C. 20520

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September 21, 2008

Mr. Mark Carruthers  
Vice President  
ArmorGroup North America Inc.  
Tysons Dulles Plaza I  
1420 Spring Hill Road Suite 300  
McLean, VA 22102

Subject: Show Cause Notice for Continued Weaknesses and Deficiencies in Performance  
Under Contract No. SAQMPD-07-C0054

Refs: (a) Contract No. S-AQMPD-07-C0054 (Kabul Embassy  
Security Force)  
(b) Final Cure Notice of April 30, 2008  
(c) WSI Letter of May 16, 2008  
(d) AGNA CAP Submission of June 12, 2008  
(e) CAP Discussions June 27, 2008 through August 15, 2008  
(f) AGNA/DoS Meeting of September 3, 2008  
(g) AGNA Requests for Extended Hours of July 11, 2008, July 30, 2008

Dear Mr. Carruthers:

Since Armor Group North America (AGNA), Inc., has failed to cure the conditions endangering performance under Contract No SAQMPD-07-C0054, as described to you in the Government's letter of April 30, 2008, and ongoing discussions of your June 12, 2008 Corrective Action Plan submission, the Government is considering terminating contract SAQMPD-07C-0054 under the provisions for default of this contract. AGNA's inability to permanently correct personnel staffing shortages has negatively impacted the security posture of the Local Guard Program for the U.S. Mission to Kabul. Insufficient staffing of the guard force has also affected mission planning and capabilities for contingencies which may place both personnel and property at an unacceptable level of risk that would otherwise been avoided if full staffing levels were provided and continuously maintained in conformance with the terms and conditions of the contract. Over the past sixty days, the staffing situation has further deteriorated to a level that necessitates extended working hours for the existing guard force which gravely endangers performance of guard services in a high-threat environment such as Afghanistan.

Pending a final decision in this matter, it will be necessary to determine whether your failure to perform arose from causes beyond your control and without fault or negligence on your part. Accordingly, you are given the opportunity to present, in writing, any facts bearing on the

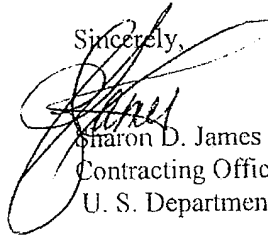
WSI-SEN000872

question to me within 10 business days after receipt of this notice. Your failure to present any excuses within this time may be considered as an admission that none exist.

Your attention is invited to the respective rights of the Contractor and the Government and the liabilities that may be invoked if a decision is made to terminate for default. Any assistance given to you on this contract or any acceptance by the Government of delinquent goods or services will be solely for the purpose of mitigating damages, and it is not the intention of the Government to condone any delinquency or to waive any rights the Government has under the contract.

Please acknowledge receipt of this notice in writing within 24-hours of receipt. If you have any questions regarding this notice please do not hesitate to contact me at (703) 875-7320 or [jamesrdl@state.gov](mailto:jamesrdl@state.gov).

Sincerely,



Sharon D. James  
Contracting Officer  
U. S. Department of State

Copy: Mr. James Lemarie, U.S. Department of State, Office of Overseas Protective Operations  
Ms. Heidi McMichael, U.S. Department of State, Office of Overseas Protective Operations  
Mr. Niall Meehan, Regional Security Office, U.S. Embassy Kabul, Afghanistan  
Mr. Douglas Brown, U.S. Department of State, Office of Overseas Protective Operations Regional Security Officer, Kabul Afghanistan  
Ms. Justine Sincavage, Department of State Office of Overseas Protective Operations  
Ms. Polly Donnelly, Department of State, Office of Procurement Executive  
Mr. Vincent Chaverini, Department of State, Office of Acquisition Management  
Mr. Jeff Morrow, G4S Wackenhut Services International  
Mr. Sam Brinkley, Wackenhut Services International