

Questions for the Record Submitted to
Ambassador Eric Boswell by
Senator Claire McCaskill (#1)
Homeland Security and Governmental Affairs
December 9, 2009

Question:

The State Department decision not to renew its private security service contract with Armor Group North America (AGNA) when it expires in June of next year was long overdue. What concerns me is the length of time it took for the Department to take action against continued performance problems, some so severe the security at U.S. Embassy Kabul may have been placed at risk as far back as June 2007. At the hearing I chaired this June, before the Subcommittee on Contracting Oversight, Deputy Assistant Secretary for Logistics Management William Moser, in reference to the AGNA contract, stated it was not a close call to exercise the second option year. Yet just a few months later, the Department changed its position. I recognize that contracting in a war zone is a difficult balance, but despite continued warnings of mismanagement, why was the Department so slow to move?

Answer:

The decision to exercise the second option year of AGNA's contract was carefully weighed prior to the commencement of the current option year on July 1, 2009. AGNA's operational performance and progress in addressing administrative deficiencies identified in its corrective action plan were important considerations in the decision. As Deputy Assistant Secretary Moser noted during the hearing, AGNA's administrative deficiencies had not prevented it from providing adequate security services to the U.S. Embassy in Kabul. Since AGNA's deficiencies were correctible and due to the required timeline, expense, and disruption to Post

operations that would have occurred in transitioning to a new service provider on such short notice, the Department elected to exercise the option at that time. AGNA's performance did not compromise the security of the Embassy or its personnel, and, overall, AGNA has responded well to the heightened threat environment in Kabul.

When evidence surfaced in September 2009 of unprofessional and inappropriate off-duty conduct by AGNA guards employed on the Kabul Embassy Security Force contract, the Department took swift action to investigate. The Bureau of Diplomatic Security (DS) and the Office of Inspector General conducted over 200 interviews of AGNA, subcontractor employees, and other personnel who may have witnessed the reported behavior. AGNA and Embassy records were also reviewed. The results of a senior-level Department review of the circumstances and investigative findings, combined with AGNA's history of contract compliance deficiencies, led the Office of Acquisition Management (AQM), DS, and U.S. Embassy Kabul to conclude that it was in the best interest of the Government to compete a new contract.

Questions for the Record Submitted to
Ambassador Eric Boswell by
Senator Claire McCaskill (#2)
Homeland Security and Governmental Affairs
December 9, 2009

Question:

In testimony you mentioned your office is evaluating options for improved oversight of private security contractors and contracts. As the State Department prepares to solicit new bids, what control measures are you taking to ensure similar waste and fraud does not occur? More specifically, how is the Bureau of Diplomatic Security working with procurement officials to make certain this does not happen again?

Answer:

The allegations of waste and fraud are the subject of an ongoing investigation by the Office of the Inspector General and Department of Justice. Accordingly, until the investigation is complete and the Department can review the findings, we are unable to assess what preventive measures should be taken beyond those already discussed with staff members from the Subcommittee on Contracting Oversight and in documents provided to the Subcommittee. Specifically, the Department will continue to maintain a schedule of quarterly program management reviews, meet weekly with AGNA management in Kabul and in Washington, and carefully document and require corrective action for all contract compliance deficiencies. As a result of the Diplomatic Security (DS) investigation into the allegations of misconduct, DS temporarily assigned a DS Special Agent to reside at

Camp Sullivan, where the AGNA guards reside, to augment the Regional Security Officer's (RSO's) contract oversight efforts in Kabul. As part of the long term solution, DS has conducted interviews and is now in the selection and hiring process for a personal service contractor (i.e., an employee engaged directly by the government rather than a third-party contractor) who will reside at Camp Sullivan and further augment the RSO's contract oversight responsibilities. Should the OIG's investigation produce evidence of waste or fraud, DS and procurement officials from the Office of Acquisitions Management will conduct a thorough review to determine how they can further enhance their contract oversight regime to ensure similar activity does not take place.

Questions for the Record Submitted to
Ambassador Eric Boswell by
Senator Claire McCaskill (#3)
Homeland Security and Governmental Affairs
December 9, 2009

Question:

What is the value of the 6-month bridge contract extended to AGNA to provide for the contractor transition?

Answer:

The Department does not plan to award a bridge contract to AGNA. However, due to the complexity of the requirements, it will be necessary to exercise the Department's unilateral right under Federal Acquisition Regulation (FAR) 52.217-8 to extend AGNA's performance for up to six months to allow for an orderly transition between contractors. The Department estimates the cost of the extension will be approximately \$3.7 million per month. There will be no change in contract price under the extension.

Questions for the Record Submitted to
Ambassador Eric Boswell by
Senator Claire McCaskill (#4)
Homeland Security and Governmental Affairs
December 9, 2009

Question:

Diplomatic Security's staff in Kabul will soon double to protect the surge in officers at the U.S. mission. GAO has reported that approximately 90 percent of all State Department Diplomatic Security personnel are contractors. Approximately what percent of this staff increase will be private security contractors? Will these guards be acquired in the new contract which will replace AGNA?

Answer:

The increase in civilian staff will add over 400 direct-hire government personnel throughout the country in support of the President's strategy for Afghanistan. The Department currently plans to assign approximately 180 of this total to Kabul to work at the U.S. Mission. In order to protect this increase in staff and manage the mission's security programs and inclusive in this total of 180, DS is adding 24 Special Agents to the Regional Security Office.

The Department currently plans to add 56 new guard positions under the AGNA contract that can be attributable to the increase in civilian personnel in Kabul. These positions consist of both U.S. and third-country national guards and

primarily support the U.S. Mission's acquisition of off-compound housing and construction projects designed to accommodate the additional government staff.

The Department is incorporating these guard positions into the scope of work for the new Kabul Embassy Security Force contract.

Questions for the Record Submitted to
Ambassador Eric Boswell by
Senator Claire McCaskill (#5)
Homeland Security and Governmental Affairs
December 9, 2009

Question:

In your written testimony, you indicated that:

[t]o meet the challenge of securing U.S. diplomatic operations under wartime conditions in Iraq, Afghanistan, and other high threat zones, DS relies on the Worldwide Personal Protective Services (WPPS) contract to provide protective security, aviation support, and fixed guard services [and that in] recognition of the early challenges DS experienced in contract oversight specifically in Iraq, we have improved contract officers representative training for all security officer personnel and increased agent staffing in Iraq and Afghanistan to directly supervise the personal security contractors.

Does the State Department plan to rewrite the terms and requirements of its contracts to guard Kabul and other embassies? What changes, if any, will be made for language sufficiency, training, and guard post and hours requirements in these contracts? What permanent changes to direct supervision of personal security contractors by agents have been made in Iraq, Afghanistan, and elsewhere, in addition to the temporary measures put in place on the Kabul Embassy contract this past September?

Answer:

Diplomatic Security and the Office of Acquisitions Management (AQM) have concluded a review of the terms and requirements of the contract to guard Embassy Kabul and made recommendations for changes that are under review by the

Department's senior management. Once these recommendations are approved and we prepare to re-solicit these requirements, the Department will notify the Committee on Foreign Affairs in the House, Committee on Foreign Relations in the Senate, House and Senate Appropriations Committees as required by the Consolidated Appropriations Act of 2010. We will ensure that the Senate Subcommittee on Contracting Oversight is similarly notified.

DS and AQM are in the process of reviewing language, training, and guard post and duty-hour requirements for the aforementioned IDIQ contract. Also, similar to existing requirements in the WPPS II contract, the BESF and KESF contracts are currently being modified to include mandatory cultural awareness training for all guard force personnel. All course material, which is country specific, for the cultural awareness training have been provided to Triple Canopy (BESF - Iraq) and AGNA (KESF - Afghanistan) so that the contractors can begin planning implementation pending finalization of the respective contract modifications.

DS has conducted interviews and is now in the selection and hiring process for personal service contractors (i.e., employees engaged directly by the government rather than a third-party contractor) who will reside at guard camps in Iraq and Afghanistan and assist the RSO with contract oversight responsibilities. This initiative is being implemented at all posts with expatriate/third country

national security contractors living in camps. The personnel must have experience in managing overseas protective security programs; experience in high threat locations (preferably); and experience in contractual issues related to security operations and regulations governing the use of private security contractors. Additional contract oversight training will be provided. Until the personal service contractor for Kabul is hired and in place, a DS Agent will remain assigned to the U.S. Embassy's guard camp 24 hours/7 days a week.

Additionally, a thorough review of the standards of conduct clauses of the WPPS II, BESF, and KESF contracts was recently completed. The review resulted in the development of a revised set of standards that includes: a prohibition of alcohol consumption in all places where expatriate/third country national security contractors live in camps; a section regarding the trafficking in of persons; an update of drug testing requirements; and a more comprehensive set of reporting requirements to address incidents of misconduct.

The DS Program Office will also continue its practice of performing quarterly program management reviews and maintain close coordination with AQM to ensure that contract compliance deficiencies are immediately addressed and properly documented.