

UNCLASSIFIED

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

Middle East Regional Office

The Bureau of Diplomatic
Security Baghdad Embassy
Security Force

Performance Audit

Report Number MERO-A-10-05, March 2010

~~IMPORTANT NOTICE~~

~~This report is intended solely for the official use of the Department of State or the Broadcasting Board of Governors, or any agency or organization receiving a copy directly from the Office of Inspector General. No secondary distribution may be made, in whole or in part, outside the Department of State or the Broadcasting Board of Governors, by them or by other agencies or organizations, without prior authorization by the Inspector General. Public availability of the document will be determined by the Inspector General under the U.S. Code, 5 U.S.C. 552. Improper disclosure of this report may result in criminal, civil, or administrative penalties.~~

UNCLASSIFIED



**United States Department of State
and the Broadcasting Board of Governors**

Office of Inspector General

PREFACE

This report was prepared by the Office of Inspector General (OIG) pursuant to the Inspector General Act of 1978, as amended, and Section 209 of the Foreign Service Act of 1980, as amended. It is one of a series of audit, inspection, investigative, and special reports prepared by OIG periodically as part of its responsibility to promote effective management, accountability and positive change in the Department of State and the Broadcasting Board of Governors.

This report is the result of an assessment of the strengths and weaknesses of the office, post, or function under review. It is based on interviews with employees and officials of relevant agencies and institutions, direct observation, and a review of applicable documents.

The recommendations therein have been developed on the basis of the best knowledge available to OIG and, as appropriate, have been discussed in draft with those responsible for implementation. It is my hope that these recommendations will result in more effective, efficient, and/or economical operations.

I express my appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in black ink, appearing to read "H. W. Geisel".

Harold W. Geisel
Deputy Inspector General

TABLE OF CONTENTS

KEY FINDINGS	1
INTRODUCTION	3
EXECUTIVE SUMMARY	5
Results	5
RECOMMENDATIONS	7
Management Comments and OIG Response	8
BACKGROUND	11
Protection Area of Responsibility	13
TRIPLE CANOPY PERFORMANCE	15
Overall Performance	15
Training Records	16
Explosive Detection Canines	18
Property Management	19
BUREAU OF DIPLOMATIC SECURITY MANAGEMENT	21
Managing Triple Canopy	21
Monitoring Triple Canopy Personnel Attendance	22
Monitoring Triple Canopy Personnel English Language Proficiency	22
Monitoring Guard Alertness and Relief	24
GUARD HOUSING AT CAMP OLYMPIA	27
Initial OIG Visit to Camp Olympia	27
Planning for Joint Inspection of Camp Olympia	28
Results of Joint Inspection of Camp Olympia	28
Oversight of Camp Olympia	31
FUTURE OF THE BAGHDAD EMBASSY SECURITY FORCE	33
Reduction of Services	33
Isolated Location of U.S. Agency for International Development	
Compound	35
Integration of Iraqis into Security Guard Forces	35

TRAFFICKING IN PERSONS. 37

ABBREVIATIONS 39

APPENDIX I – PURPOSE, SCOPE, AND METHODOLOGY 41

APPENDIX II – OIG REDUCTION ANALYSIS OF BAGHDAD EMBASSY SECURITY FORCE. . 45

APPENDIX III – TRAFFICKING IN PERSONS SURVEY 49

APPENDIX IV – COMMENTS FROM THE BUREAU OF DIPLOMATIC SECURITY **51**

KEY FINDINGS

- The Baghdad Embassy Security Force (BESF) provided through a contract with the private security company, Triple Canopy, has been effective in ensuring the safety of chief of mission personnel in Baghdad's volatile security environment.
- The Bureau of Diplomatic Security (DS) generally manages the Triple Canopy contract well, although it could improve its oversight of personnel attendance and language qualification. The contracting officer's representative in Baghdad does not verify either the guards' attendance at their posts or the accuracy of personnel rosters (muster sheets) before they are submitted, to ensure contractor charges for labor are accurate. In addition, DS does not ensure that personnel have required English language proficiency.
- DS lacks standards for maintaining training records. As a result, Triple Canopy's training records are incomplete and in disparate locations making it difficult for the Bureau to verify whether all personnel have received required training.
- There are several weaknesses in the canine explosive test procedures carried out by Triple Canopy's subcontractor, RONCO Consulting Corporation. RONCO could not confirm whether it is testing for all scents required by the contract. In addition, possibly expired and contaminated materials are used to train and test the canines, although fresh testing materials are required. Finally, the way in which these materials are stored may lead to cross-contamination.
- Triple Canopy effectively controls U.S. Government-furnished property.
- DS representatives at Embassy Baghdad do not have criteria for the number of consecutive days guards can work without a day off. The Office of Inspector General found that some guards had worked as many as 39 days without a break.
- Triple Canopy BESF guard housing is unsafe and in violation of the contract, several safety codes, and Department of State (Department) regulations.
- Embassy Baghdad has not adequately planned for a reduced Department or Department of Defense (DoD) presence in Baghdad, resulting in a projected unnecessary cost of approximately \$20 million to the U.S. Government for site security over the next two years. Of this sum, the Department would incur approximately \$12 million and DoD would incur more than \$8 million in unnecessary costs.

UNCLASSIFIED

- From October 2010 to September 2011, the U.S. Agency for International Development (USAID) compound in Baghdad will be isolated, and will thus create a security risk for BESF guards traveling to and from the compound.

INTRODUCTION

In July 2005, Triple Canopy, a private security company, was awarded the Department of State's Baghdad Embassy Security Force (BESF) contract. From the start of the contract in July 2005 until September 2009, DS has obligated to Triple Canopy a total of \$438 million. Currently, Triple Canopy has more than 1,800 employees dedicated to the contract in Baghdad. Approximately 1,600 of these employees are guards from Peru and Uganda.

The Middle East Regional Office (MERO) of the Office of Inspector General (OIG) initiated this work under the authority of the Inspector General Act of 1978, as amended,¹ due to concerns about the Department's exercise of control over the performance of security contractors. In particular, DS was concerned that Triple Canopy's training records were not sufficient to determine whether its personnel were properly trained. Overall, the objectives of this review were to determine: (1) the requirements and provisions of the contract; (2) whether contract performance measures have been established and are being achieved; (3) how well the Department has administered the contract to provide proper oversight of Triple Canopy's performance in Baghdad, Iraq; (4) whether the contract is being effectively managed; (5) the sufficiency of Triple Canopy's training, qualification, and personnel records for security guards, supervisors, and managers supporting the contract in Baghdad, Iraq; and (6) whether Department contracts include FAR clause 52.222-50, which provides for termination of a contract if the contractor engages in severe forms of trafficking in persons.

In developing this assessment, OIG met with officials from DS and Embassy Baghdad, and with Triple Canopy management. OIG traveled to Baghdad, Iraq where Triple Canopy provides guard force protection for various U.S. Government sites. In Baghdad, the OIG team visited 20 guard force sites and conducted random interviews with guards and guard supervisors. OIG also inventoried U.S. Government-furnished equipment and conducted an inspection of Camp Olympia, where Triple Canopy guards are housed.

¹ 5 USC App. 3

UNCLASSIFIED

UNCLASSIFIED

EXECUTIVE SUMMARY

RESULTS

The security environment in Baghdad requires a highly trained security force to allow the U.S. mission there to function properly. The Department's contract for BESF is generally well-managed by DS. Additionally, Triple Canopy's provision of the guard force has met the security goals of the contract. OIG found that in those areas in which DS has the most oversight, Triple Canopy performs well. However, in areas over which DS has little oversight, Triple Canopy's performance needs improvement.

Triple Canopy has successfully provided a guard force that deters unauthorized, illegal, or potentially life-threatening activities directed toward chief of mission personnel in a volatile and rapidly changing security environment. Additionally, Triple Canopy has effective control over U.S. Government-furnished property. However, Triple Canopy has incomplete training records in various locations, making it difficult to verify whether guards have received required training. There are also weaknesses in Triple Canopy's training of explosive detection canines and its storage of testing materials.

Despite overall satisfactory contract management, DS could improve its performance in three areas. First, the contracting officer's representative (COR) does not sufficiently check attendance or verify personnel rosters (muster sheets) before they are sent to Triple Canopy and onto DS in Washington, DC. Second, the COR does not enforce contractually required standards for guards' English language proficiency. Due to their low levels of proficiency, some guard supervisors are unable to adequately communicate with their subordinates, which could lead to serious problems during an emergency. Finally, DS lacks criteria for the number of consecutive days guards can work. Guards reported working an average of 10-11 consecutive days, and OIG found some had worked as many as 39 days in a row. This practice diminishes guard alertness and undermines site security.

Triple Canopy houses guards in unsafe conditions. Guards live in crowded barracks and shipping containers that exceed occupancy limits by more than 400 percent. Barracks lack required sprinkler systems, fire extinguishers, and two exit points.

UNCLASSIFIED

Barracks' exits also exceed the minimum safe distance, and are sometimes blocked by objects. The barracks and containers do not have required fire alarms, smoke detectors, emergency lighting, or exit signs. Currently, no entity is overseeing housing safety, although both Triple Canopy and the Department are required to do so.

The Department could better plan for the future of the security force in Baghdad. The Department's plans to reduce the size of the guard force do not take into account all site closures, costing the U.S. Government approximately \$20 million over the next two years. Of this amount, the Department and DoD would save approximately \$12 million and \$8 million, respectively. During these closures, the isolated USAID compound in Baghdad will create a security risk for guards traveling to and from the site. Furthermore, the Department has no plan for integrating Iraqi nationals into the embassy guard force, which would significantly reduce security force costs.

RECOMMENDATIONS

Recommendation 1: The Bureau of Diplomatic Security should ensure that Embassy Baghdad's regional security office reviews and verifies the accuracy of muster sheets prepared by Triple Canopy before they are submitted to Triple Canopy program management, and subsequently to the Bureau of Diplomatic Security in the United States. (Action: Bureau of Diplomatic Security)

Recommendation 2: The Bureau of Administration in consultation with the Bureau of Diplomatic Security should modify the Baghdad Embassy Security Force contract to include standard operating procedures for maintaining contractor training records. These procedures should include details on required records, tests, verification, and the physical location of the records. (Action: Bureau of Administration in consultation with the Bureau of Diplomatic Security)

Recommendation 3: The Bureau of Diplomatic Security should employ an independent canine expert to verify, annually, the detection capabilities of the contractor's canines, and determine whether the contractor is complying with the U.S. Department of the Treasury's Odor Recognition Proficiency Standard for Explosives Detection Canines. (Action: Bureau of Diplomatic Security)

Recommendation 4: The Bureau of Diplomatic Security should ensure that contracting officer's representatives implement random, thorough, and unannounced monthly checks of contractor performance. The Bureau of Diplomatic Security should link completion of these checks with contracting officer's representative performance appraisals. (Action: Bureau of Diplomatic Security)

Recommendation 5: The Bureau of Diplomatic Security should assess the English proficiency levels of all guards and guard supervisors. Guards and supervisors without the required level of proficiency should be removed, or alternatively, Triple Canopy should accept a payment reduction until it can prove guards and guard supervisors have achieved the required level of proficiency. (Action: Bureau of Diplomatic Security)

Recommendation 6: The Bureau of Diplomatic Security should develop criteria for the amount of rest and number of days off guards should receive. These criteria should include environmental considerations. (Action: Bureau of Diplomatic Security)

UNCLASSIFIED

Recommendation 7: The Bureau of Diplomatic Security contracting officer's representative and the Embassy Baghdad facilities section should regularly inspect Camp Olympia to ensure Triple Canopy is meeting all health and safety standards. The Bureau of Diplomatic Security should make payments to Triple Canopy contingent upon Triple Canopy maintaining acceptable standards for its guard force. (Action: Bureau of Diplomatic Security and Embassy Baghdad)

Recommendation 8: The Bureau of Diplomatic Security should conduct an analysis of current and future site protection needs in Baghdad to determine the appropriate number and allocation of guards under its contract with Triple Canopy. This analysis should include a feasibility study on integrating Iraqi nationals into the Baghdad Embassy Security Force. (Action: Bureau of Diplomatic Security)

Recommendation 9: Embassy Baghdad's management section should conduct an analysis of the U.S. Agency for International Development's integration into the new embassy compound to determine if it can move up the Agency's planned relocation from September of 2011 to October of 2010. (Action: Embassy Baghdad)

MANAGEMENT COMMENTS AND OIG RESPONSE

OIG received formal written comments from DS in response to the *Key Findings* in this report. These comments are included verbatim in Appendix IV. DS noted it had requested that OIG conduct an independent audit of Triple Canopy's training, qualification, and personnel records, was pleased OIG chose to incorporate these issues into its audit of the BESF contract, and would welcome the opportunity to meet with MERO to discuss the audit results in greater detail. The Bureau of Administration and Embassy Baghdad did not provide comments.

DS stated that its program office travels to Iraq quarterly to conduct Program Management Reviews of the BESF contract and the results of their English proficiency level reviews of the guards differ from those cited in this report. The methodology used by the DS program office to determine language proficiency is not clear, but OIG's detailed review of the supervisors' training files indicated that not all of the supervisors possessed Level 2 English language proficiency for their position as required by the contract. Numerous supervisor files included signed letters from Triple Canopy management requiring them to attend Level 0 or Level 1 English classes. Also, in discussions with Triple Canopy's training instructors, OIG learned that Triple Canopy was aware that not all of the guards who were promoted to supervisory positions possessed the required Level 2 English proficiency. OIG maintains

UNCLASSIFIED

that if guard supervisors are unable to communicate effectively with English-speaking Ugandan guards to provide daily briefs and guidance in times of emergency, the security of the Embassy and its personnel is at risk.

In regard to unsafe guard housing conditions, DS stated that it is committed to moving all BESF personnel out of Camp Olympia as quickly as possible. DS noted that, since OIG raised concerns over camp conditions in October 2009, nearly 400 guards have been relocated to other Department and DoD venues, and the regional security office is working to relocate the remaining guards by April 2010.

Concerning the future of the BESF in Iraq, DS stated that the \$20 million in unnecessary guard costs projected by OIG has not been incurred by the U.S. Government, and the Department does not pay for guard services it does not receive. DS also stated that long-term planning is difficult due to the fluid nature of the security requirement and real estate negotiations with the Government of Iraq. Accordingly, estimates for future guard services change as adjustments are made in the Embassy's future presence in Baghdad, giving rise to the type of disparity OIG cited between DS projections and the status of embassy planning at the time of the audit.

OIG fully understands the fluid nature of present-day Iraq and the difficulty of planning for future programs and contingencies. As OIG stated in its report, *Performance Audit of Transition Planning for a Reduced United States Military Presence in Iraq* (MERO-A-09-10, August 2009), a concurrent audit of embassy planning efforts in a fast-changing environment such as Iraq presents reporting challenges. Nonetheless, as of November 2009, OIG found that the DS guard force reduction plans underestimated the number of sites to be closed and the number of guard positions to be eliminated. OIG also found that the embassy's management office and the regional security office were not aware of the requirement to move USAID staff to the embassy compound by September 2011. Although DS comments did not expressly address the appropriateness of Recommendation 8, OIG continues to believe the Department would benefit from DS conducting an analysis of current and future protection needs in Baghdad to determine the appropriate number and allocation of guards.

UNCLASSIFIED

UNCLASSIFIED

BACKGROUND

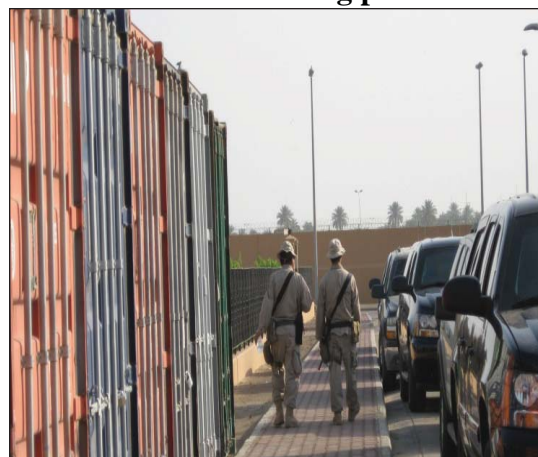
On July 19, 2005, the Department of State awarded the BESF contract to the private security company, Triple Canopy. Under this contract, Triple Canopy operates and manages a 24-hour armed guard service to deter unauthorized, illegal, or potentially life-threatening activities directed toward chief of mission employees, visitors, sensitive information, and properties. Specifically, the BESF provides entry control to sites and perimeter security, maintains checkpoints, conducts patrols, and inspects entering vehicles. Guards protect Embassy Baghdad and more than a dozen other sites including office buildings, training areas, U.S. Government personnel and contractor housing, a recreation center, helicopter landing zones, warehouses, construction sites, military bases, and a hotel. The guard service has nearly 1,600 guards, who are primarily nationals from Peru and Uganda.

Figure 1:

Guard inspecting entering vehicle



Guards conducting patrol



Source: Office of Inspector General

The contract's original value for a base year and four option years was \$356 million. The contract allows for labor hours to vary, and the Department has increased the quantity of labor hours and, in turn, the value of the contract. As of September 2009, the Department had obligated \$438 million and expended \$355 million for the BESF. Table 1 shows funding for the contract by contract year.

UNCLASSIFIED

Table 1: BESF Funding (in millions)*

	Base Year (7/19/05- 7/20/06)	Option Year 1 (7/21/06- 7/19/07)	Option Year 2 (7/20/07- 7/18/08)	Option Year 3 (7/19/08- 7/20/09)	Option Year 4** (7/21/09-7/18/10)	Total
Total Obligated	\$73.3	\$79.9	\$78.0	\$125.3	\$81.1	\$437.6
Total Expended	\$48.2	\$69.5	\$107.3	\$116.7	\$13.3	\$355.0

*Until Option Year 4, the BESF also protected one site outside of the International Zone.

**Option Year 4 total obligated and total expended as of September 16, 2009

Source: OIG analysis of Office of Acquisition Management data

Under the BESF contract, the Department pays Triple Canopy for direct costs, an hourly rate for armed guard services while at post. The hourly rates for the armed guard services include Triple Canopy's indirect labors costs, overhead, and administrative expenses. Table 2 shows services directly paid for by the Department.

Table 2: BESF Direct Labor Costs

Position	Nationalities*	Number of Posts	Hours per Year
Guard	Peru, Uganda	561	4,522,447
Guard Supervisor	Peru	65	535,820
Site Manager	US	53	258,420
Dog Handler	US, South Africa	34	219,730
Screener	Iraq	44	213,160
Logistics Manager	US	4	17,520
Emergency Medical Technician	US	2	8,760
Physician Assistant	US	2	8,760
Communications Specialist	US	2	8,760
Operational Security Specialist	US	1	8,760
Senior Armorer	US	1	4,380
Armorer	US	1	4,380
IT Systems Engineer	US	1	4,380
Medical Officer	US	1	4,380
Logistics Assistant	Peru, Nicaragua	1	3,120

*Figure includes nationalities that exceed three percent of total staff in each position. A small number of nationals from Chile, Honduras, and Nicaragua are employed as guards and guard supervisors. A small number of nationals from Canada and the United Kingdom are employed as dog handlers.

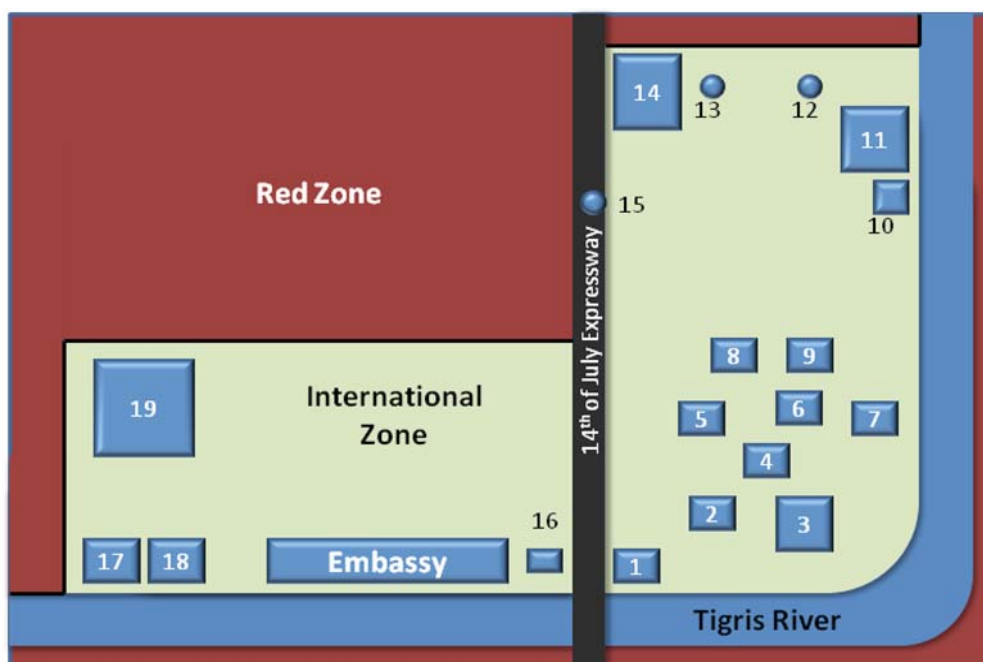
Source: OIG analysis of DS and Triple Canopy data

Most guard, guard supervisor, and site manager posts are staffed 24 hours a day and require two 12-hour shifts. Additionally, these positions have mandated breaks. As a result, Triple Canopy hires and has in country more employees than posts. For instance, on September 2, 2009, Triple Canopy personnel staffing records showed 1,564 guards and guard supervisors in country for 626 guard and guard supervisor posts.

PROTECTION AREA OF RESPONSIBILITY

The BESF protection area of responsibility is composed of sites within Baghdad's International Zone, an area roughly three miles by two miles divided by the July 14th Expressway. The BESF protects sites and has checkpoints on both sides of this expressway. Protection of some sites is funded by the Department while DoD funds other sites' protection. Figure 2 shows location of sites.

Figure 2: Baghdad Site Locations*



- | | |
|------------------------------------------------|---------------------------------------|
| 1. Forward Operating Base Freedom | 11. USAID and Watertower Project |
| 2. Office of Regional Affairs | 12. Checkpoint 1A |
| 3. KBR Site 1 (Camp Hope) | 13. Checkpoint 2A |
| 4. Landing Zone Washington | 14. Al Rasheed Hotel |
| 5. KBR Site 2 | 15. Checkpoint 17 |
| 6. Worldwide Personal Protective Services Camp | 16. Regional Security Office Range |
| 7. Area 51 | 17. Camp Olympia |
| 8. KBR Site 3 | 18. Landing Zone Fernandez |
| 9. Forward Operating Base Blackhawk | 19. Forward Operating Base Prosperity |
| 10. USAID Liberty Pool | |

*Not to scale

Source: OIG analysis of DS data

UNCLASSIFIED

While there has been significant improvement in Iraq's security situation over the past year, the country remains dangerous and unpredictable. Attacks continue against military and civilian targets throughout Iraq, including in the International Zone. Methods of attack have included mortars, rockets, and improvised explosive devices (roadside, human, and vehicle-borne).

TRIPLE CANOPY PERFORMANCE

Triple Canopy's BESF has prevented unauthorized, illegal, or potentially life-threatening actions directed toward chief of mission officials and visitors, as well as sensitive information and property within Baghdad's International Zone. Additionally, Triple Canopy properly inventories and controls U.S. Government-furnished property. However, OIG found weaknesses in the contractor's maintenance of training records and its management of the subcontractor handling the explosive detective canines, RONCO Consulting Corporation. Triple Canopy has incomplete training records in disparate locations, making it difficult to verify whether personnel have received required training. Finally, the canines' ability to detect explosives is unproven because the testing materials are improperly maintained and stored.

OVERALL PERFORMANCE

OIG found that Triple Canopy has met each of the following general work requirements of the contract: (1) operate and manage an armed guard service to prevent unauthorized access, protect life, maintain order, deter criminal attacks against employees, dependents, and property; (2) recruit, train, and manage the guard force and the managerial and technical personnel listed in the contract; (3) conduct security screening of both personnel and vehicles to prevent unauthorized weapons, devices, or explosive material from entering embassy facilities or residences; and (4) coordinate with local law enforcement.

Triple Canopy incident reports reveal that during the contract performance period, no one under chief of mission authority has been injured or killed due to unauthorized entry or perimeter breaches. There have been two intentional weapons discharge incidents related to BESF guards, but neither incident resulted in a reported injury or death. According to Triple Canopy records, in the past year, Triple Canopy ensured its posts were always protected by guards, and were supervised by guard supervisors and site managers.² Canines have performed more than 1.3 million

² However, local visitor screeners were not at their posts an average of 13.3 hours out of 17,763 hours per month, and emergency medical technician posts were left unattended an average of 10 out of 730 hours per month. The contracting officer's representative gave prior approval of these screener and emergency medical technician absences, and the U.S. Government was not charged for labor.

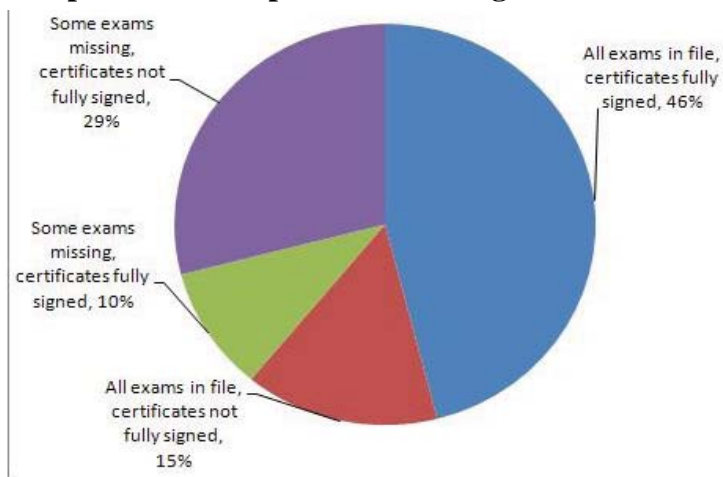
searches, and there are no reports of any unauthorized weapons, devices, or explosive material entering embassy facilities or residences. At several sites throughout the International Zone, security is provided by multiple guard forces, and the BESF effectively coordinates with local authorities, local police, DoD, and other contractors.

TRAINING RECORDS

The BESF contract requires Triple Canopy to maintain employee training records that may be reviewed by the contracting officer's representative (COR). OIG found that Triple Canopy does not adequately maintain training records for all employees. Specifically, through an examination of records, OIG was unable to determine whether all guard supervisors had taken and passed the required supervisory training course. Additionally, training records are not consistently formatted or housed in a central location, making it difficult for the COR to review them. Lastly, OIG determined that the Triple Canopy training department in Baghdad does not follow any standard operating procedures for training data collection and storage.

Among the supervisory course records, OIG found 39 percent of the files were missing at least one of the five course exams. Additionally, 44 percent of files had course certificates that were not fully signed, meaning they were missing the Triple Canopy deputy project manager's signature. A fully signed certificate denotes a successfully completed course. Also, logbooks did not include daily attendance signatures, although Triple Canopy was able to provide unsigned daily roll call sheets. Triple Canopy reported that some records were lost when they were moved from the Embassy Baghdad Annex I building to Camp Condor, where the training records are now maintained.

Figure 3: Completeness of Supervisor Training Course Records



Source: OIG analysis of Triple Canopy data

UNCLASSIFIED

OIG reviewed 79 guard supervisor training records chosen at random and checked for transparency and adequacy in documentation of weapons requalification, annual refresher training, and supervisory training. OIG found weapons requalification and annual refresher training documentation to be complete, although in varying formats. Triple Canopy provided documentation for all 79 guard supervisors showing attendance for weapons requalification and refresher training. Triple Canopy maintains training information in logbooks with daily attendance signatures from instructors and students. This information is also maintained in an intranet database that can be accessed from various Triple Canopy locations around the world. OIG verified that information in the electronic database matched that in the logbooks. However, data in weapons logbooks was not collected in a consistent manner. Certain weapons certifications were included in the wrong logbooks. Some records were listed by employee number, others were in alphabetical order, and some were in no particular order. While the contract is silent on a training record format, this practice makes it difficult for the COR to review the accuracy of records.

OIG found that physical training records for the guards, supervisors, and site managers are maintained in different locations around the world — Iraq, Peru, Uganda, and the United States. Much of Triple Canopy’s training information is in a database only accessible via the company’s intranet. However, this database does not contain instructor or attendee signatures, nor does it include supervisory training tests. While the contract is silent on the location of training records, the disparate locations of records make it difficult for the COR to review them for accuracy. Table 3 shows the physical location of training records by course.

Table 3: Location of Training Records

Training Course	Participants	Training Documents	Part of Internet Database	Physical Location of Training Records
Basic Firearm	Guards	Firing scores	Yes	Lima, Peru ; Kampala, Uganda
		Certificate	Yes	Lima, Peru ; Kampala, Uganda
	Guard Supervisors	Firing scores	Yes	Lima, Peru ; Kampala, Uganda
		Certificate	Yes	Lima, Peru ; Kampala, Uganda
	Site Managers	Firing scores	Yes	Herndon, VA, US
		Certificate	Yes	Herndon, VA, US
Supervisory	Guard Supervisors	Five exams	No	Baghdad, Iraq
		Certificate	Yes	Baghdad, Iraq
	Site Managers	Five exams	Partial	Herndon, VA, US
		Certificate	Yes	Herndon, VA, US
Weapon Requalification	Guards	Firing scores	Yes	Baghdad, Iraq
	Guard Supervisors	Firing scores	Yes	Baghdad, Iraq
	Site Managers	Firing scores	Yes	Baghdad, Iraq
Refresher	Guards	Attendance record	Yes	Baghdad, Iraq
	Guard Supervisors	Attendance record	Yes	Baghdad, Iraq
	Site Managers	Attendance record	Yes	Baghdad, Iraq
English Proficiency	Guards	Initial Assessment	Yes	Lima, Peru
		English class tests	No	Baghdad, Iraq
	Guard Supervisors	Initial Assessment	Yes	Lima, Peru
		English class tests	No	Baghdad, Iraq

Source: OIG analysis of Triple Canopy data

EXPLOSIVE DETECTION CANINES

Triple Canopy provides explosive detection canine services through the subcontractor RONCO Consulting Corporation, a subsidiary of Wackenhut Services, Inc. OIG found weaknesses in canine test procedures that call into question the ability of the canines to effectively detect explosives. RONCO could not confirm it is testing for all contractually mandated scents. In addition, the subcontractor uses old materials to train and test the canines, although fresh materials are required. Finally, the improper method of storing these materials may be leading to cross-contamination. Since award of the contract, no independent expert has validated the detection abilities of the canines or determined whether the subcontractor complies with the U.S. Department of the Treasury's Odor Recognition Proficiency Standard for Explosives Detection Canines.

Figure 4:
Canine searching a vehicle for test material



Canine after finding test material



Source: Office of Inspector General

The Department of the Treasury's standard requires that fresh explosives be used for each testing session and that testing be done annually. RONCO could not verify the age of the test materials. Representatives reported that DoD's Explosive Ordnance Disposal Unit provides the testing explosives, many of which are found in the field and are of indeterminate age.

To assess a canine's ability to recognize odors of explosives, canines undergo regular odor recognition testing. Canines must possess certification of training equal to that of the U.S. Department of the Treasury's Odor Recognition Proficiency Standard for Explosives Detection Canines, under which they must be able to recognize six mandatory scents. The selection of these odors is based on statistical use and availability data. RONCO officials reported they test for all required scents, but could

UNCLASSIFIED

not verify to the OIG team that materials were actually the required testing substances. RONCO relies on the Explosive Ordnance Disposal Unit's identification of the substances it provides, but the subcontractor had no documentation verifying the receipt or composition of materials from DoD.

Under the U.S. Department of the Treasury standard, certain explosive testing materials must be stored separately as they tend to readily cross-contaminate with other explosives. However, the OIG team observed that RONCO stored these particular materials with other explosives, which may result in contaminated testing materials.

During discussions with DS and Triple Canopy personnel, OIG did not encounter any individuals with expertise in explosive detection canines. Instead, these staff members depended upon the knowledge and expertise of RONCO personnel to ensure all contractual requirements and other standards were met. RONCO management reported to OIG that no outside organization with expertise in explosive detection canines has ever reviewed its operations in Baghdad.

PROPERTY MANAGEMENT

OIG found that Triple Canopy has effective control over U.S. Government-furnished weaponry and met the inventory control requirements outlined in the BESF contract. To verify the serial numbers on the handguns and automatic weapons, OIG conducted a visual inspection and confirmation of all 1,433 weapons. The team also verified the serial numbers of all binoculars and medical equipment. No discrepancies were found in any of these inventories. OIG observed that Triple Canopy inventories U.S. Government-furnished property by sighting, marking, describing, recording, reporting, and reconciling it with written records.

When not in use for duty or training, all weapons are stored in a locked armory on the Embassy premises as required by the contract. OIG's review of records revealed that monthly inventories of weapons and radios and quarterly inventories of all other U.S. Government-issued equipment are being conducted by both Triple Canopy and the COR.

Figure 5: BESF Armory



Source: Office of Inspector General

UNCLASSIFIED

UNCLASSIFIED

BUREAU OF DIPLOMATIC SECURITY MANAGEMENT

Overall DS effectively administers the BESF contract and coordinates well with the contractor. However, DS could improve its oversight of Triple Canopy personnel attendance, language qualification, and relief from assigned posts. DS does not randomly check attendance or verify the accuracy of personnel rosters (muster sheets) prepared by Triple Canopy before they are submitted to make certain contractor charges for labor are accurate. Additionally, DS does not adequately ensure that guards have required English proficiency. Finally, DS does not confirm guards are not overworked.

MANAGING TRIPLE CANOPY

DS and Triple Canopy program management work together in the United States to screen and train guards before deployment. Triple Canopy submits to DS qualification documentation on each guard that DS reviews prior to deployment. DS and Triple Canopy hold bi-weekly meetings in the United States to discuss the security environment in Baghdad and resolve guard force issues as they arise. DS representatives from Washington, DC travel to Baghdad to conduct program management reviews of Triple Canopy guard camp construction, canine operations, and incident reports.

In Baghdad, DS is represented by a COR, two assistant CORs, and a BESF coordinator. The BESF coordinator is responsible for BESF guard position allocations and transition issues. The COR and the assistant CORs implement a COR checklist, a tool required by DS to ensure the contractor is adhering to the contract. The checklist includes spot verification of BESF weapons and radio inventories, observation of refresher training, and conversation with random guard supervisors to test the supervisors' English language proficiency. There are routine visits between the COR and Triple Canopy as well as a weekly joint briefing.

MONITORING TRIPLE CANOPY PERSONNEL ATTENDANCE

Triple Canopy's administrative staff members complete daily muster sheets to support labor invoices. These sheets are the basis for the Department's payment to Triple Canopy. It is the COR's duty to review invoices and their supporting documents, but OIG observed that muster sheets were not reviewed or certified by the COR prior to submission each month to Triple Canopy in the United States. Instead, Triple Canopy only briefs the COR about the invoice prior to submission.

Additionally, it would be difficult to verify the accuracy of muster sheets because, although it is a COR checklist requirement, the COR does not randomly confirm attendance. OIG analysis of completed COR checklists found attendance reviews were combined with other visits and often took place on the same day. Some Triple Canopy site managers stated that the COR never visited or checked attendance. Furthermore, if checks are all done the same day, guards can potentially radio ahead and forewarn other sites of the COR's visit. Without random and unannounced checks of attendance, the COR can neither confirm that posts are actually staffed nor verify the accuracy of invoices.

MONITORING TRIPLE CANOPY PERSONNEL ENGLISH LANGUAGE PROFICIENCY

DS does not effectively ensure that guards and guard supervisors meet contractually required English language proficiency levels when they are hired. The contract requires that guards possess Level 1 English proficiency; guard supervisors must possess Level 2 proficiency prior to assuming the responsibilities of a supervisor. In numerous cases, both guards and guard supervisors had Level 0 English proficiency in violation of the contract. Table 4 describes English language proficiency Levels 0, 1, and 2 as defined in the BESF contract.

Table 4: Description of English Language Proficiency Requirements for Levels 0, 1, and 2

Speaking Level 0 (No Proficiency)	Unable to function in the spoken language. <ul style="list-style-type: none">• Oral production is limited to occasional isolated words.• Has essentially no communicative ability.
Speaking Level 1 (Elementary Proficiency)	Able to satisfy minimum courtesy requirements and maintain very simple face-to-face conversations on familiar topics. <ul style="list-style-type: none">• This speaker has a functional, but limited proficiency.• Misunderstandings are frequent, but the individual is able to ask for help and to verify comprehension of native speech in face-to-face interaction.• The individual is unable to produce continuous discourse except with rehearsed material.
Speaking Level 2 (Limited Working Proficiency)	Able to satisfy routine social demands and limited work requirements. <ul style="list-style-type: none">• Can handle routine work-related interactions that are limited in scope.• In more complex and sophisticated work-related tasks, usage generally disturbs the native speaker.• The individual can comprehend most everyday conversations, but has some difficulty understanding native speakers in situations that require specialized or sophisticated knowledge.• Vocabulary use is appropriate for high-frequency utterances, but unusual or imprecise

Source: OIG analysis of BESF contract

The COR checklist requires random verification of guard supervisors' English language proficiency. However, OIG analysis of completed COR checklists found no random language proficiency checks were carried out. Additionally, the COR had incorrectly given satisfactory performance grades to guards without English proficiency. As a result, Triple Canopy has been able to hire and employ guards and guard supervisors with insufficient language ability. OIG found that several supervisors the COR identified as Level 2 on the COR checklist had not passed the Level 2 exam, and were actually classified as Level 1 or 0. OIG's review of supervisor training records and discussions with training personnel revealed that only 6 percent of guard supervisors had proven proficiency in English. Further, a review of 79 guard supervisor training records found only five supervisors had passed Triple Canopy's Level 2 English course, nine had passed the Level 1 course, and 12 passed the Level 0 course. The English proficiency level of the remaining 53 supervisors was unknown; these staff members had not taken exams and were not taking courses. Of the 79 supervisors, Triple Canopy deemed 22 to have no English language proficiency and instructed them to take the Level 0 course.

Nine English-speaking Ugandan guards told the OIG team they could not communicate with their Spanish-speaking Peruvian supervisors. When the Ugandan guards need to speak to their supervisors, they must find a bilingual guard to inter-

pret. According to the regional security office, during an emergency or threat, guard supervisors are expected to lead, take charge, and issue orders to subordinates. Without English language proficiency, they would be unable to adequately function during an emergency. OIG believes the Peruvian supervisors' low level of English language proficiency undermines guard force effectiveness.

MONITORING GUARD ALERTNESS AND RELIEF

To maintain alertness in the guard force, the BESF contract requires that guards take a 30-minute meal break and a 15-minute break every four hours for comfort, personal needs, and stress relief. However, the contract does not include guidelines on the number of consecutive days a guard can work. Guards reported they sometimes work up to one month without a day off, and sometimes do not receive their required breaks. The regional security office does not monitor guards' relief and lacks a standard guideline for the number of hours per week or consecutive days a guard can work.

During interviews, 84 randomly selected BESF guards commonly complained they were required to work too many days in a row without a day off. On average, the guards stated they worked 12-hour shifts for 10-11 consecutive days before receiving a day off. They also noted that when other guards are in training, they work longer periods without a day off – sometimes a full month. OIG reviewed Triple Canopy attendance records for July and August 2009 and found instances of guards working up to 39 consecutive days.

Several guards complained they become ill from working consecutive days in the Baghdad heat with daytime temperatures averaging over 110 degrees Fahrenheit and sand storms that can last for days. The extreme desert temperatures can cause heat exhaustion and degrade performance. Additionally, poor visibility, dehydration, heat, and physical overwork increase combat stress. The Army field manual states that rest reverses these physical stressors, and in harsh conditions, periods of rest and sleep are essential for personnel to more readily accept the environmental extremes.

The OIG team was unable to identify a U.S. Government guard standard or other criteria to determine an acceptable number of consecutive work days for a guard force. Federal Acquisition Regulations require that contractors comply with all applicable U.S. and host country laws, as well as applicable U.S. regulations, directives,

UNCLASSIFIED

instructions, policies, and procedures.³ Government of Iraq law requires that workers receive one day of rest per week. The Department's Human Rights Report states that all persons have the right to a full 24-hour day of rest per week.

Embassy Baghdad's regional security office has not restricted the number of consecutive work days for the BESF guards. The regional security officer estimated that working between eight and ten days consecutive days would require a day off when possible. During the hottest periods, the regional security office provides chillers (a type of air conditioner) and other conveniences to maintain the guards' effectiveness at post.

At other U.S. Embassies in the region, guards are given one rest day each week. In Egypt, Syria, Jordan, and Afghanistan, regional security offices reported that working more than six days in a row would decrease the guards' effectiveness and compromise security. During extreme temperatures, they try to make the work week fewer than six days. In Egypt and Syria, the regional security officers reported that they are required to comply with laws in those countries mandating a minimum of one day of rest per week.

While nearly all guards stated they receive their required 15-minute break every four hours and a 30-minute meal break, two guards and two site managers noted that sometimes guards are not given breaks. The regional security office does not monitor guard breaks. Additionally, the COR is only required to check the attendance of guards in post and not the relief guards.⁴

³ FAR 52.225-19

⁴ Prior to OIG's visit, the Triple Canopy program manager, deputy program manager, and guard force commander emailed to site managers a document entitled "Pre-Inspection Guidance." This document included instructions to site managers on responses to potential questions regarding breaks and drilling guards on these potential questions. The following is a verbatim portion of the email (emphasis original):

"Answer to break question for guards is 15 minutes morning, 30 minutes lunch, and 15 minutes afternoon. **DO NOT SAY:** "I do not have a relief supervisor today." Instead, and **only if asked**, I am sharing a relief supervisor with (name other venue). Do not elaborate on answers to inspectors questions. Answer only the questions. What you say can and will be used against you."

UNCLASSIFIED

UNCLASSIFIED

GUARD HOUSING AT CAMP OLYMPIA

The Department pays Triple Canopy to house nearly half of the BESF guards at Camp Olympia, an unleased property adjacent to the embassy compound (the Embassy is pursuing a lease with the Government of Iraq). The Department pays Triple Canopy for 774 beds, whether occupied or not, at a rate of \$51.06 per bed per day.⁵ After Triple Canopy guards reported safety concerns at Camp Olympia, the OIG team coordinated an inspection. The inspection, conducted jointly with embassy personnel, revealed violations of safety codes⁶ and generally inadequate living conditions for the guard force. OIG also found the Embassy is not properly overseeing the camp.

INITIAL OIG VISIT TO CAMP OLYMPIA

Triple Canopy employees have numerous complaints about Camp Olympia. Of the 84 guards OIG interviewed, 21 stated they resided at Camp Olympia and felt the living conditions were generally poor. Guards noted crowded rooms, unhygienic bathrooms, and construction noises that prevented sleep. Some guards sent anonymous emails to OIG team members stating that Camp Olympia lacked fire alarms, proper ventilation, and a sufficient number of working air conditioners. The emails also noted the poor quality of food and a foul smell near the dining facility. OIG interviewed eight Triple Canopy site managers chosen at random; four managers said that conditions at Camp Olympia were very poor. Most seriously, OIG learned from a site manager that there had been an electrocution death at Camp Olympia in September 2009.

On October 6, 2009, the OIG team made an initial unannounced visit to Camp Olympia to observe the general conditions of the camp. Noting that the camp is not normally subject to unannounced visits or inspections, the Triple Canopy camp manager showed the team the guards' living quarters, dining facilities, and bathrooms. OIG observed that two-thirds of the guards live in barracks, while approximately

⁵ This cost includes only the housing element of life support (beds and bathroom facilities). The U.S. Government is charged additionally for meals and laundry services at Camp Olympia. Total cost to the U.S. Government for guard housing at Camp Olympia is approximately \$1.2 million per month.

⁶ OIG used the Department's Office of Building Operations' Fire Protection Guide, which is largely based on the National Fire Protection Association's Life Safety Code.

one-third are housed in shipping containers. Neither the barracks nor the containers had fire alarms or fire extinguishers. The camp also lacked duck and cover bunkers and medical facilities. A foul smell was detected near the dining facilities. The OIG team could not confirm the presence of unhygienic bathrooms, loud construction noises, poor quality food, improper ventilation in rooms, or unsafe electrical systems.

PLANNING FOR JOINT INSPECTION OF CAMP OLYMPIA

For a more thorough safety inspection of Camp Olympia, the OIG team consulted Embassy Amman's facilities manager, who recommended an immediate inspection of the camp using the Department's Residential Safety, Health, and Fire Prevention Awareness Checklist and the Bureau of Overseas Buildings Operations' Fire Protection Guide as criteria. Using the checklist, OIG identified which fire and electrical safety items to inspect.

OIG coordinated an inspection with Embassy Baghdad's facilities section, health unit, and regional security office to cover the identified items on the Residential Safety, Health, and Fire Prevention Awareness Checklist. The facilities manager stated that a DoD safety task force was already performing electrical inspections of Camp Olympia because an American Triple Canopy employee under a DoD contract had been electrocuted to death while showering in September 2009. The OIG team decided that the electrical portion of the review would be redundant and instead obtained the DoD safety task force's inspection results.⁷

RESULTS OF JOINT INSPECTION OF CAMP OLYMPIA

On November 3, 2009, OIG and Embassy Baghdad's facilities section, health unit, and regional security office jointly inspected Camp Olympia. The inspection revealed that guards' housing exceeded occupancy limits with over four times the acceptable number of guards residing in a room. The barracks and containers did not have required emergency lighting or exit signs. Barracks lacked the required two exit points, emergency egress exceeded the minimum distance of 100 feet, and in some cases, paths to exits were blocked by objects. Rooms lacked required fire alarms,

⁷ The DoD safety task force reported that the guards' housing had unsafe open electrical splices, exposed conductors, and ungrounded conductors.

UNCLASSIFIED

smoke detectors, sprinkler systems, and fire extinguishers. The rooms also had live, frayed electrical wires in high traffic areas. The inspection revealed combustible material near air conditioners. After the inspection, the embassy deputy facilities manager stated that Camp Olympia was unsafe and “if there was a fire in the dorms, some people will not get out.”

Figure 6: Camp Olympia

In the top photo, an arrow points to a live wire lying across the floor of a high traffic area in the barracks. The area lacks sufficient exits, fire alarms, smoke detectors, and fire extinguishers. The middle left photo shows live wires hanging across a high traffic area. The middle right photo shows shipping containers where guards reside. The bottom left photo shows a shipping container interior lacking fire alarms, smoke detectors, and fire extinguishers. The bottom right photo shows combustible material near an air conditioner.



Source: Office of Inspector General

OVERSIGHT OF CAMP OLYMPIA

Presently, no entity — Embassy Baghdad, Triple Canopy, or DS — is overseeing safety conditions at Camp Olympia, although all three parties are required to do so. The embassy's facilities section is responsible for ensuring compliance with all policies and procedures governing properties leased by the U.S. Government. Currently, Camp Olympia is not leased by the Department; Triple Canopy is simply using the land. As a result, the facilities section has not and does not plan to inspect the camp. Although, as a courtesy, embassy facilities sections routinely inspect non-embassy property.

Triple Canopy is contractually required to provide physical safety for its personnel. Federal Acquisition Regulations also require that Triple Canopy comply with all applicable health and safety orders issued by the chief of mission.⁸ The COR is responsible for inspection of contractor services, but in this case, the COR stated he lacks the health and safety expertise needed to perform a camp inspection. Nonetheless, the contract gives the COR the right to appoint a government technical monitor with the necessary skills or knowledge to monitor the contractor's work to assist the COR.

⁸ FAR 52.225-19

UNCLASSIFIED

UNCLASSIFIED

FUTURE OF THE BAGHDAD EMBASSY SECURITY FORCE

Over the next two years, the Department and DoD will close a majority of International Zone sites currently protected by the BESF and transition them to the Government of Iraq. Additionally, the Department's new BESF contract that will take effect in July 2010 will not include DoD-funded sites. With fewer sites to protect, DS plans to reduce the size of the guard force under the next contract by 38 percent. OIG believes DS's guard force reduction plan underestimates the number of sites to be closed, and estimates a more appropriate decrease in the guard force of approximately 50 percent. Furthermore, if the Embassy accelerated the closure of the USAID compound from September 2011 to October 2010, the guard force could be cut an additional seven percent. By implementing all of these reductions, the U.S. Government would save \$24 million over the next two years. Finally, OIG estimates that for every nine 24-hour guard posts transitioned to Iraqi protection, the Department would save more than \$1 million per year.

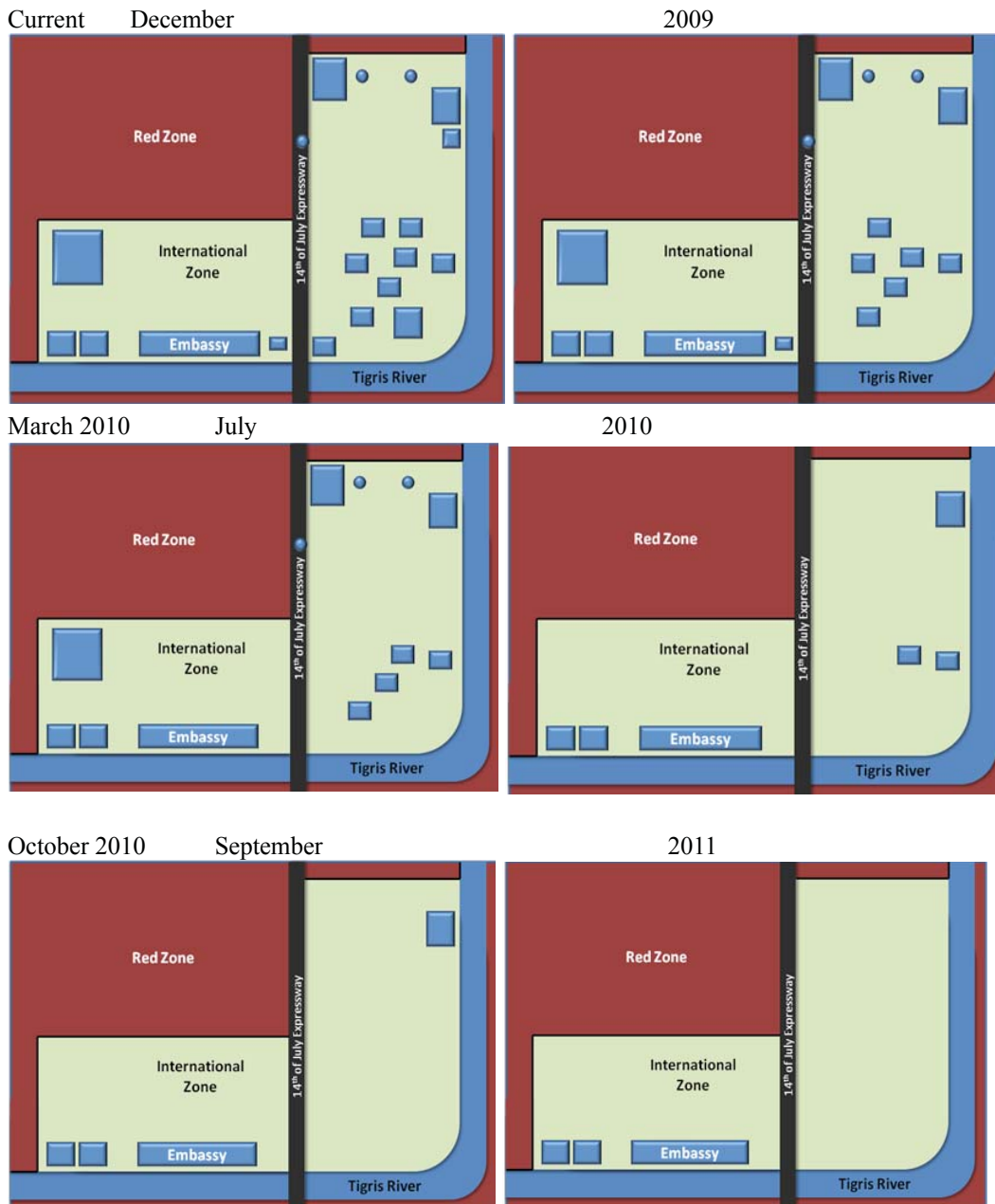
REDUCTION OF SERVICES

According to the Embassy Baghdad management office's transition coordinator, the Government of Iraq owns all buildings and property used by the Department and DoD (with the exception of the new embassy compound) and has been requesting the return of much of the land. Over the next two years, a majority of the BESF-protected sites will be closed and given back to the Government of Iraq. Given these closures, the Office of Acquisition Management (AQM) believes it will be possible to shrink the BESF, and that the July 2010 contract will include a guard force that is 38 percent smaller. According to AQM, since DoD will not be included in the new BESF contract, its sites will not require protection. The current contract supports 773 positions, including 294 for DoD sites; the new contract will support 479 positions. An additional 31 positions will be added for an emergency response team currently supplied by DoD. Thus, AQM is planning for a total of approximately 510 positions.

OIG finds this reduction plan insufficient as it does not take into account two important points. First, in addition to the DoD sites, the Department will be closing some of its own sites, which will allow for a further reduction in the BESF. Second, several Department and DoD sites are closing months ahead of the new contract date, meaning the reduction can be carried out earlier. Based on Depart-

ment and DoD site closing dates, the force could decrease by 11.5 percent (or 684 positions) by December 2009; 19.8 percent (or 620 positions) by March 2010; and 45.7 percent (or 420 positions) by July 2010. By October 2010, the contracted BESF could be trimmed by 49.6 percent and include as few as 390 positions. This reduction schedule would save the U.S. Government more than \$19.5 million over the next two years. Of this sum, the Department would save approximately \$11.5 million and DoD would save \$8 million. See Appendix II for a more detailed reduction analysis.

Figure 7: BESF Protection Area, Current – September 2011



Source: OIG analysis of Embassy Baghdad and the DoD Joint Area Support Group data

ISOLATED LOCATION OF U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT COMPOUND

Between October 2010 and September 2011, the BESF will protect only one site east of the July 14th Expressway, the USAID compound. Currently, checkpoints on the July 14th Expressway control entrance to the International Zone. According to the regional security office, after the March 2010 Iraqi elections, these checkpoints will be removed, thus increasing the threat to chief of mission personnel (including guards) traveling east of the Expressway. BESF guards are currently transported to sites in unarmored vans, but the BESF coordinator stated that using unarmored vans for transportation to the USAID compound after the checkpoints are removed will be a security risk. The regional security office is currently working to resolve this situation. One possible solution may be to construct new guard barracks at USAID. In light of these complications however, the BESF coordinator stated he would prefer if USAID were closed concurrently with other sites east of the July 14th Expressway. Moving up the closure of the USAID compound to October 2010 or sooner would eliminate the security risk of transporting guards. In addition to these security concerns, the USAID offices are currently unusable due to a collapsed roof. The embassy facilities manager reported that they will not be functional until at least March 2010.

Embassy Baghdad's FY 2011 mission strategic plan states that USAID staff will be moved to new embassy compound offices and housing by September 2011, but the embassy's management office and regional security office were not aware of this requirement. When OIG informed these offices of the requirement, both reported they would work to fulfill it. OIG concludes that accelerating USAID's move to the Embassy to October 2010 would mean an additional 7 percent reduction in the BESF and \$5 million in Department cost savings.

INTEGRATION OF IRAQIS INTO SECURITY GUARD FORCES

The integration of Iraqi nationals into security guard forces fits into Embassy Baghdad's plan for a normalized diplomatic presence. By September 2011, the FY 2011 mission strategic plan calls for transitioning more third-country national positions to Iraqis, to ensure a consistent, stable local workforce. Furthermore, employing Iraqi nationals would cost less than employing third-country nationals. However, the regional security office has neither a plan nor a timeline for transitioning security responsibilities to Iraqi nationals, either by allowing Triple Canopy to hire local Iraqis or by allowing the Government of Iraq to protect certain sites. Regional security office representatives believe allowing Triple Canopy to hire Iraqi nationals may be a

UNCLASSIFIED

security risk. The BESF coordinator provided OIG with a plan to supplement BESF forces with Iraqi police, but emphasized that Iraqi police would not be integrated into or replace BESF forces, but only be added to them. The plan to supplement BESF forces with Iraqi police was scheduled to begin in April 2009, but has not yet been initiated.

OIG's analysis of BESF invoices found that employment of local Iraqis would be significantly less expensive than employing third-country nationals – Iraqi guards would be roughly one-sixth the cost of Triple Canopy guards. According to the World Bank, the average Iraqi military salary is \$434 per month. At this salary rate, assuming a 40-hour work week, employing Iraqis to guard a 24-hour post would cost \$1,823 per month. The Department pays Triple Canopy \$4,507 per month for labor for each 24-hour post. Additionally, the Department spends at least \$6,969 per month on housing and food for the 2.5 guards (two shift guards plus relief guards) needed for one 24-hour post. Hiring local Iraqis or allowing the Government of Iraq to staff posts would reduce the Department's operating costs. OIG estimates that for every nine guard posts transitioned, the Department would save more than \$1 million per year.

TRAFFICKING IN PERSONS

Federal Acquisition Regulations require that clause 52.222-50, *Combating Trafficking in Persons*, be inserted into all contracts.⁹ The BESF contract contains this clause as required. The OIG team developed a questionnaire to determine if Triple Canopy was complying with the terms of the clause (see Appendix III). In structured interviews with the BESF guards, the OIG team found no evidence that Triple Canopy was recruiting or maintaining labor through the use of force, fraud, or coercion.

⁹ FAR 22.1705 Contract clause.

(a) Insert the clause at 52.222-50, Combating Trafficking in Persons, in all solicitations and contracts.

(b) Use the basic clause with its Alternate I when the contract will be performed outside the United States (as defined at 25.003) and the contracting officer has been notified of specific U.S. directives or notices regarding combating trafficking in persons (such as general orders or military listings of “off-limits” local establishments) that apply to contractor employees at the contract place of performance.

UNCLASSIFIED

UNCLASSIFIED

ABBREVIATIONS

AQM	Office of Acquisition Management
BESF	Baghdad Embassy Security Force
COR	contracting officer's representative
Department	Department of State
DoD	Department of Defense
DS	Bureau of Diplomatic Security
OIG	Office of Inspector General
MERO	Middle East Regional Office
USAID	U. S. Agency for International Development

UNCLASSIFIED

UNCLASSIFIED

APPENDIX I – PURPOSE, SCOPE, AND METHODOLOGY

The Middle East Regional Office (MERO) of the Office of Inspector General (OIG) initiated this work under the authority of the Inspector General Act of 1978, as amended, due to concerns about the Department's exercise of control over the performance of security contractors. In particular, the Bureau of Diplomatic Security was concerned that Triple Canopy's training records were not sufficient to determine whether its personnel were properly trained. Overall, the objectives of this review were to determine: (1) the requirements and provisions of the contract; (2) whether contract performance measures have been established and are being achieved; (3) how well the Department has administered the contract to provide proper oversight of Triple Canopy's performance in Baghdad, Iraq; (4) whether the contract is being effectively managed; (5) the sufficiency of Triple Canopy's training, qualification, and personnel records for security guards, supervisors, and managers supporting the contract in Baghdad, Iraq; and (6) whether Department contracts include FAR clause 52.222-50, which provides for termination of a contract if the contractor engages in severe forms of trafficking in persons.

To determine the requirements and provisions of the contract, OIG analyzed the Baghdad Embassy Security Force contract and modifications. OIG also reviewed supporting documents including Federal Acquisition Regulations, Foreign Affairs Manual, Foreign Affairs Handbook, the U.S. Department of the Treasury's Odor Recognition Proficiency Standard for Explosives Detection Canines, the Bureau of Overseas Building Operation's Fire Protection Guide, the National Fire Prevention Association's Life Safety Code, and the Government of Iraq's Labor Code.

In examining whether contract performance measures were established, OIG reviewed the contract provisions, interviewed contracting officers, contracting officer's representatives, and staff members in the United States (Washington, DC) and Baghdad, Iraq. OIG focused on four areas of contract performance: (1) overall maintenance of a guard force; (2) sufficiency of training records; (3) provision of explosive detection canines; and (4) accountability of U.S. Government-furnished property. To determine whether contract performance measures were achieved, OIG:

- Visited all 20 sites protected by the BESF in Baghdad, Iraq;
- Met with Triple Canopy personnel representing all positions supported by the contract;

UNCLASSIFIED

- Reviewed all Triple Canopy incident reports, invoices, and canine search documentation;
- Reviewed 79 guard supervisor training records chosen at random for transparency and adequacy in documenting weapons requalification, annual refresher training, and supervisory training;
- Observed explosive detection canine training and visited testing material storage area; and
- Conducted a physical inventory of U.S. Government-furnished equipment, specifically all weapons, binoculars, and medical equipment.

To examine the Department's administration and oversight of the contract, OIG reviewed the Department's oversight mechanisms for coordination, invoice review, the monitoring of English proficiency, and assurance of guard alertness. OIG interviewed Triple Canopy and Bureau of Diplomatic Security staff members in Washington, DC, and Baghdad, and attended meetings between the regional security office and Triple Canopy in Iraq. OIG examined program management review documentation and completed contracting officer's representative checklists. The OIG team interviewed 84 guards and eight site managers chosen at random about Department oversight and reviewed English proficiency documentation for guard supervisors.

To determine whether the contract is being effectively managed, OIG examined the Department's plans for the future of the guard force. OIG interviewed officials from the Department's Office of Acquisition Management and the Bureau of Diplomatic Security, as well as officials from the embassy's management section and regional security office. OIG reviewed the cost of security from Triple Canopy invoices and reviewed site closure dates for the Departments of State and Defense. OIG also reviewed Embassy Baghdad's FY 2011 mission strategic plan.

To determine whether the contract includes FAR clause 52.222-50, OIG examined the contract and modifications. Additionally, OIG developed a questionnaire and interviewed 84 guards chosen at random to determine whether Triple Canopy was complying with the clause. After Triple Canopy guards reported safety concerns at Camp Olympia, the OIG team developed an additional review objective – to determine whether Triple Canopy housed guards in safe conditions and if the Department provided sufficient oversight. OIG met with staff from Embassy Baghdad's facilities section, reviewed appropriate safety criteria, and coordinated an inspection of the camp.

OIG conducted this evaluation from August 2009 to November 2009. OIG did not use computer-processed data to perform this evaluation. OIG conducted this performance audit in accordance with generally accepted government auditing

UNCLASSIFIED

standards. Those standards require that OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. OIG believes that the evidence obtained provides a reasonable basis for its findings and conclusions based on the audit objectives.

This report was prepared under the direction of Richard “Nick” Arntson, Assistant Inspector General for MERO. The following staff members conducted the evaluation and/or contributed to the report: Yvonne Athanasaw, Patrick Dickriede, Kelly Herberger, W. Preston Jacobs, and Ray Reddy.

UNCLASSIFIED

UNCLASSIFIED

APPENDIX II - OIG REDUCTION ANALYSIS OF THE BAGHDAD EMBASSY SECURITY FORCE

This analysis assumes that once a site is closed, guards who were protecting the site will no longer be needed and can be removed from the contract. Cost savings are determined by multiplying the monthly costs of maintaining a site by the number of months a site is closed and comparing the result with the Office of Acquisition Management plan, which calls for a 38 percent reduction in July 2010.

Approximate site closing dates were provided by Embassy Baghdad's management section and the DoD Joint Area Support Group and are subject to change. Percentage of BESF labor force is based on Triple Canopy invoices – the labor hours Triple Canopy charged for post divided by the total number of labor hours charged. Costs for labor, housing, laundry services, and meals are based on a Triple Canopy invoices.

This analysis divided site closings into five phases. For each phase, the monthly labor costs of guards are added to the monthly Camp Olympia housing, laundry, and meal costs. Monthly housing, laundry, and meal costs were determined by multiplying the percentage of BESF labor force by the approximate total guard force of 1,600 and the Camp Olympia housing, laundry, and meal monthly rate. Camp Olympia provides 774 beds, as well as laundry services and meals for 274 guards. Guards sleep, eat, and do laundry at other embassy locations at the expense of the U.S. Government, but these costs were not factored in.

Site closures are grouped into five phases. Phase costs are totaled and multiplied by months closed to determine potential savings. The Office of Acquisition Management plan's savings are subtracted from the potential savings to determine a total cost comparison savings of \$19.5 million. Savings for closing USAID early are also included and determined to be \$5 million.

UNCLASSIFIED

Phase I - October to December 2009

Site	Approximate Closing Date	Percent of BESF Labor Force	Monthly Labor Cost of Protection
Forward Operating Base Blackhawk	October 2009	4.7%	\$214,200
Forward Operating Base Freedom	November 2009	1.5%	\$95,400
USAID Liberty Pool	December 2009	1.2%	\$36,700
KBR Site 1	December 2009	4.1%	\$201,400
Total Protection Costs		11.5%	\$547,700
	11.5% of 1600 guards = 184 guards		
Olympia Housing Costs	184 guards x \$51.04 x 30 days		\$281,700
Olympia Laundry Services and Meals*	184 guards x \$41.86 x 30 days		\$231,100
Total Phase I Monthly Costs			\$1,060,500

Phase II – January to March 2010

Site	Approximate Closing Date	Percent of BESF Labor Force	Monthly Labor Cost of Protection
Regional Security Office Range**	March 2010	.6%	\$18,000
KBR Site 2 (Not including Area 51)**	March 2010	6.0%	\$474,400
KBR Site 3	March 2010	1.7%	\$53,000
Total Protection Costs		8.3%	\$545,400
	8.3% of 1600 guards = 133 guards		
Olympia Housing Costs	133 guards x \$51.04 x 30 days		\$203,700
Olympia Laundry Services and Meals*	90 guards x \$41.86 x 30 days		\$113,000
Total Phase II Monthly Costs			\$862,100

Phase III –April to June 2010

Site	Approximate Closing Date	Percent of BESF Labor Force	Monthly Labor Cost of Protection
Landing Zone Washington	May 2010	2.6%	\$223,700
Office of Regional Affairs	June 2010	1.0%	84,000
Total Protection Costs		3.6%	\$307,700
	3.6% of 1600 guards = 58 guards		
Olympia Housing Costs	58 guards x \$51.04 x 30 days		\$91,800
Total Phase III Monthly Costs			\$399,500

UNCLASSIFIED

Phase IV - October to December 2009***

Site	Approximate Closing Date	Percent of BESF Labor Force	Monthly Labor Cost of Protection
Al Rasheed Hotel	July 2010	2.3%	\$212,000
Check Point 1A	July 2010	1.5%	\$94,400
Check Point 2A	July 2010	6.6%	\$464,100
Check Point 17	July 2010	5.1%	\$626,600
Forward Operating Base Prosperity	July 2010	6.8%	\$341,500
Total Phase IV Monthly Costs			\$1,738,600

Phase V - October to December 2010***

Site	Approximate Closing Date	Percent of BESF Labor Force	Monthly Labor Cost of Protection
Area 51**	October 2010	.8%	\$22,500
World Personal Protective Services	October 2010	3.1%	\$240,000
Total Phase V Monthly Costs			\$262,500

Percent Total 49.6%

Source: Approximate closing dates from embassy management section and DoD's Joint Area Support Group; Percent Labor Force of the BESF contract from Triple Canopy monthly invoices (a division of post hours by total hours); Monthly Cost of Protection from Triple Canopy monthly invoices.

* 274 Olympia Laundry Services and Meals are provided by Triple Canopy.

**Regional Security Office Range was broken out of East End; Area 51 is broken out of KBR Site 2.

***Phases IV and V assume that guards no longer reside at Camp Olympia.

Reduction Comparison

Savings before New Contract in July 2010

Phase I	\$1,060,500 x 7 months	\$7,423,500
Phase II	\$862,100 x 4 months	\$3,448,400
Phase III	\$399,500 x 1 month	\$399,500
Total		\$11,271,400

UNCLASSIFIED

Savings After New Contract to December 2011

Phase IV = 45.7% reduction – 38% (DS reduction) = 7.7% = \$350,000 x 3 months	\$1,050,000
Phase V = 49.6% reduction – 38% (DS reduction) = 11.6% = \$600,000 x 12 months	\$7,200,000
Total	\$8,250,000
Grand Total	\$19,521,400

USAID - September 2011

Site	Approximate Closing Date	Percent of BESF Labor Force	Monthly Labor Cost of Protection
USAID	September, 2011	6.3%	\$426,900
USAID Water Tower Construction Project	September, 2011	0.7%	\$21,800
Total		7.0%	\$448,700
Saving x 11 months			\$4,935,700

Department of State and Department of Defense Savings Breakdown

Phase I	6.7% State	93.3% Defense	
Phase II	90.2% State	9.8% Defense	
Phase III	27.3% State	72.7% Defense	
Phase IV	100% State		
Phase V	100% State		
Phase I = \$7,423,500 x 6.7% =			\$497,400
Phase II = \$3,448,400 x 90.2% =			\$3,110,500
Phase III = \$399,500 x 27.3% =			\$109,100
Phase IV = 1,050,000 x 100% =			\$1,050,000
Phase V = \$7,200,000 x 100% =			\$7,200,000
Total State Savings			\$11,469,600
Total Defense Savings =			
19,521,400 (Grand Total Savings) - 11,469,600 (State Savings)			\$8,051,800
GRAND TOTAL – U.S. Savings			\$19,521,400

APPENDIX III - TRAFFICKING IN PERSONS SURVEY

I. Recruitment	Guard Response
1a. How did you find out about this job? (friend, colleague, newspaper, recruiter)	1a.
1b. If there was a recruiter, was he honest about the job? (pay, hours, danger)	1b.
1c. Do you owe money to the recruiter such as a recruitment fee? (yes, no, I don't know). If yes, is it a large amount? Is it reasonable? Did you have to pay for anything like your plane ticket?	1c.
1d. Are there problems if you can't pay right away? (financially, legally, family)	1d.
1e. Did you have to sign an agreement or contract? What was in the agreement?	1e.
1f. Why did you take the job? Did you take long deciding? (good money, adventure, bad family situation)	1f.
1g. Did you feel pressured to take the job by the recruiter? If so, in what way? (financially, family)	1g.
2. Work	
2a. Is the job what you expected? What is different?	2a.
2b. Were there other benefits promised? Have you received the benefits yet?	2b.
2c. How many hours do you work? Are the pay and hours what you expected?	2c.
2d. Do you get breaks? How long? How many?	2d.
2e. Tell me what it is like to work with your supervisors?	2e.

UNCLASSIFIED

2f. Are you allowed to socialize with your co-workers?	2f.
2g. What kind of information about human rights and ethical conduct have you received?	2g.
3. Pay	
3a. How much are you paid?	3a.
3b. How are you paid? Are there additional fees for check cashing or wiring? How much?	3b.
4. Isolation	
4a. Do you get to keep money and identification on you? Where is your passport?	4a.
4b. If you have a problem, can you contact the Peruvian government? How would you do that?	4b.
4c. Can you end your contract early? What is the penalty?	4c.
4d. Would you like to renew your contract? If not, why? If so, why?	4d.

APPENDIX IV: COMMENTS FROM THE BUREAU OF
DIPLOMATIC SECURITY

Baghdad Embassy Security Force Performance Audit
Diplomatic Security Comments

The following Diplomatic Security (DS) comments are in response to the *Key Findings* in this report, found on page 3.

DS appreciates the opportunity to comment on the Office of Inspector General (OIG), Middle East Regional Office's (MERO's) Performance Audit of the Baghdad Embassy Security Force (BESF) contract. DS believes that the independent audits and analysis undertaken by the OIG, such as this MERO report, are valuable tools in improving the performance of our programs. As the OIG notes in the introduction of the audit, one of the audit's performance objectives, reviewing the adequacy of Triple Canopy's (TC's) training, qualification, and personnel records, was undertaken at the specific request of DS. DS had requested an independent audit of these records to augment our own contract oversight efforts. We are pleased that the OIG chose to incorporate this request into its audit of the BESF contract and would welcome the opportunity to meet with MERO to discuss the audit results in greater detail. DS comments to the audit's key findings are annotated below.

In addition, DS does not ensure that personnel have required English language proficiency (Recommendation 5, related content can be found on pages 3 and 18).

DS Comment: DS program office personnel travel to Iraq quarterly to conduct Program Management Reviews of the BESF contract. The results of the DS Language Proficiency Level reviews have differed from those cited in the MERO report, identifying only a small number of guard personnel who appeared to not meet the English level required by the contract. In each instance, the issue was brought to the attention of the Contracting Officer's Representative for the Regional Security Office (RSO/COR), as well as TC's Project Manager and Guard Force Commander. TC provides an English instructor at post and the guards in question received the necessary remedial language training. Since part of MERO's assessment was based on its review of the guard training records, we would welcome the opportunity discuss this issue with MERO in greater detail.

UNCLASSIFIED

Triple Canopy BESF guard housing is unsafe and in violation of the contract, several safety codes, and Department of State (Department) regulations (Recommendation 7, related content can be found on pages 3 and 21).

DS Comment: DS and Embassy Baghdad are committed to moving all BESF personnel out of Camp Olympia as quickly as possible. Since MERO's inspection, almost 400 of those guards have been relocated from Camp Olympia to other Department of State and Department of Defense venues. RSO Baghdad is working to relocate the remaining guards by April 2010. Initially, use of Camp Olympia was a temporary arrangement to house guards while the NEC East End Guard Housing Compound was under construction.

Embassy Baghdad has not adequately planned for a reduced Department or Department of Defense (DOD) presence in Baghdad, resulting in a projected unnecessary cost of approximately \$20 million to the U.S. Government for site security over the next two years. Of this sum, the Department would incur approximately \$12 million and DOD would incur more than \$8 million in unnecessary costs (Recommendation 8, related content can be found on pages 3 and 25).

DS Comment: DS notes that the \$20 million in unnecessary guard costs projected by MERO has not been incurred by the government and the Department does not pay for guard services it does not receive. As DOD or Embassy presence is reduced, guard posts and associated costs will be reduced by contract modification. Long term planning for Embassy Baghdad's future guard requirements is difficult due to the fluid nature of the requirement and real estate negotiations with the Government of Iraq. Accordingly, estimates for future guard services change as adjustments are made in the Embassy's future presence in Baghdad, giving rise to the type of disparity MERO cited between DS projections and the status of Embassy planning at the time of its audit. Additionally, while many venues in the International Zone (IZ) are expected to transition from BESF to Iraqi security forces over the next two years, new requirements projected for 2011, such as the Embassy's possible use of FOB Union III and possible increased requirements at isolated compounds throughout the Iraqi-controlled IZ may increase guard requirements beyond existing projections.

UNCLASSIFIED

UNCLASSIFIED

FRAUD, WASTE, ABUSE, OR MISMANAGEMENT
of Federal programs
and resources hurts everyone.

Call the Office of Inspector General
HOTLINE
202-647-3320
or 1-800-409-9926
or e-mail oighotline@state.gov
to report illegal or wasteful activities.

You may also write to
Office of Inspector General
U.S. Department of State
Post Office Box 9778
Arlington, VA 22219
Please visit our Web site at:
<http://oig.state.gov>

Cables to the Inspector General
should be slugged "OIG Channel"
to ensure confidentiality.