



Office of Inspector General

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

Middle East Regional Office

DynCorp Operations and Maintenance
Support at Camp Falcon in
Kabul, Afghanistan

Report Number MERO/I-11-12, August 2011

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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 the 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", written in a cursive style.

Harold W. Geisel
Deputy Inspector General

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Acronyms and Abbreviations

AQM	Office of Acquisition Management
ICOR	in-country contracting officer's representative
INL	Bureau of International Narcotics and Law Enforcement Affairs
Department	Department of State
DOD	Department of Defense
DynCorp	DynCorp International
FAH	<i>Foreign Affairs Handbook</i>
FAR	<i>Federal Acquisition Regulation</i>
MCTF	Major Crimes Task Force
MERO	Middle East Regional Office
OIG	Office of Inspector General
TOEFL	Test of English as a Foreign Language

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Key Findings

- From November 2009 through January 2010, the time period reviewed by the Office of Inspector General (OIG), the Bureau of International Narcotics and Law Enforcement Affairs (INL) overpaid DynCorp International (DynCorp) approximately \$157,000 for meals at Camp Falcon. If the calculated costs for meals are extrapolated through April 2011, INL could have been billed an additional \$785,000.
- DynCorp cannot verify that Camp Falcon is receiving the correct amount of diesel fuel for its electric generators or determine how much fuel is used at the camp. The contractor does not maintain records for the amount of fuel consumed.
- DynCorp's static guard force has been generally effective in ensuring the safety of personnel under chief of mission authority and Afghan personnel at Camp Falcon. However, guards do not have the English language proficiency required by the task order. In addition, guards have worked every day of 2-week pay periods without a break for many as 24 consecutive pay periods, which is not in compliance with the task order.
- DynCorp has adequately operated and maintained Camp Falcon by providing sewage systems and waste water treatment, a potable water supply, electric power, and pest control. DynCorp also has adequate control over U.S. Government-furnished property.
- INL's two in-country contracting officer's representatives (ICOR) have had difficulty fulfilling their contract oversight responsibilities, including maintenance of adequate contract files.
- OIG found no evidence that DynCorp has engaged in trafficking in persons by recruiting or maintaining labor through the use of force, fraud, or coercion.

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Introduction

The Major Crimes Task Force (MCTF), located at Camp Falcon in Kabul, Afghanistan, was established in the fall of 2009, as part of Afghan Government's efforts to fight serious crime. Through a task order under the INL civilian police training contract, DynCorp provides operations and maintenance support for Camp Falcon. Between 2009 and 2010, the Department of Defense (DOD), in support of the MCTF, authorized up to \$12 million to fund DynCorp's task order for operations and maintenance support. Of this amount, DOD initially provided INL with \$6.2 million, and INL has been overseeing the contractor since the fall of 2009. INL is expecting an additional \$5.2 million from DOD to support Camp Falcon.

The Middle East Regional Office (MERO) of OIG initiated this evaluation under the authority of the Inspector General Act of 1978, as amended, because of concerns about the Department of State's (Department) oversight of contractor performance. Specifically, the objectives of this evaluation were to determine: (1) the requirements and provisions of the contract and task orders; (2) the amount of funding the Department has obligated and expended to provide operations and maintenance support at Camp Falcon; (3) DynCorp's contract performance in providing facility operations and maintenance to the MCTF at Camp Falcon; (4) DynCorp's controls for inventorying, recording, and safeguarding U.S. Government-furnished equipment and property at Camp Falcon, whether the equipment has been properly accounted for, and the challenges to maintaining accountability; (5) how the Department ensures that costs are properly allocated and supported; and (6) whether the Department contract includes *Federal Acquisition Regulation* (FAR) clause 52.222-50, which provides administrative remedies if, during the term of the contract, the contractor or subcontractor engages in severe forms of trafficking in persons. This report is the third in a series of evaluations of Department oversight and contractor performance of operations and maintenance support contracts in Afghanistan.¹

In developing this evaluation, OIG met with Department officials from the Office of Acquisition Management (AQM) and INL, and with DynCorp management and service technicians. The OIG team reviewed contract and program documents, financial reporting data, invoices, and quality assurance and maintenance service reporting documents in both Washington, DC and Kabul. The team evaluated the quality of the services provided by DynCorp to determine whether the contractor fulfilled contract requirements for electric power generation, sanitation and sewage systems, pest control, and a static guard force. The team also inventoried U.S. Government-furnished property. OIG conducted this performance evaluation in accordance with the *Quality Standards for Inspection and Evaluation* issued in January 2011 by the Council of the Inspectors General on Integrity and Efficiency.

¹ *PAE Operations and Maintenance Support at Embassy Kabul, Afghanistan, Performance Evaluation*, MERO-I-11-05, December 2010 and *Performance Evaluation of PAE Operations and Maintenance Support for the Bureau of International Narcotics and Law Enforcement Affairs' Counternarcotics Compounds in Afghanistan*, MERO-I-11-02, February 2011.

Executive Summary

Results

In general, DynCorp adequately operated and maintained Camp Falcon systems, including water filtration and distribution, electric power generators, heating and cooling, and sanitation and sewage treatment; and controlled pests (insects and rodents). The contractor also appropriately controlled and inventoried U.S. Government-furnished property. However, OIG found weaknesses in DynCorp's invoicing for food service, fuel operations, and the static guard force. In addition, ICOR contract files were incomplete.

DynCorp submitted and INL approved DynCorp invoices that included overcharges for meals provided by its subcontractor. Although DynCorp's cost proposal to INL established a daily rate of \$6.75 per person for meals, the subcontractor charged DynCorp per meal, rather than per person, and DynCorp, in turn, invoiced INL at the subcontractor's per meal rate. When OIG recalculated the meal costs at the rate in DynCorp's cost proposal, the cost for 3 months totaled \$397,322; this total was \$157,000 less than DynCorp had invoiced INL for those 3 months. If these overcharges are extrapolated from February 2010 to April 2011,² INL could have risked overpaying DynCorp an additional \$785,000.

DynCorp adequately provided diesel fuel to Camp Falcon. However, rather than using its own meter, the contractor relied on the fuel vendor's measurement of the amount of fuel pumped into the fuel tanks, but it could not be determined whether the vendor's meters are properly calibrated. In addition, the fuel tanks do not have meters to measure the amount of fuel in the tanks or its outflow to generators, so DynCorp cannot determine how much fuel is normally consumed at the camp. DynCorp does not maintain records of the amount of fuel in the tanks or the amount used by the generators. These issues increase the risk of wasting Department funds and could potentially lead to fraud. Further, because there are no records or fuel tank gauges, the generators could unexpectedly run out of fuel.

The static guard force provided by DynCorp has ensured the safety of approximately 1,000 tenants of Camp Falcon. However, DynCorp has not verified the guards' English language proficiency, and guards are working without days off, neither of which complies with the task order. INL has not confirmed that the guards, most of whom are Nepalese and all of whom are third-country nationals, have met the required minimum score on the Test of English as a Foreign Language (TOEFL). OIG could not find any TOEFL results in the guards' files. The guards' inability to communicate in English could put security at risk in an emergency situation, and guards may not be able to understand security materials written in English. Although guards are supposed to work 6 days per week, OIG found DynCorp vouchers indicating guards were paid for working 14 days in a row for as many as 24 consecutive pay periods. Without proper rest, guards may not be able to adequately protect Camp Falcon.

² These dates were chosen because the DynCorp period of performance began in February 2010, and OIG's evaluation extended to April 2011.

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OIG found that two INL ICORs were responsible for approximately 14 programs including the administration of Camp Falcon. Because they could not focus entirely on operations and maintenance support at Camp Falcon, the ICORs had difficulty carrying out all their responsibilities or did not fully understand the task order requirements. Further, OIG determined that the ICOR contract files were incomplete. Having the required documentation in the ICOR contract file would help incoming ICORs understand their responsibilities.

Recommendations

Recommendation 1: OIG recommends that the Bureau of Administration seek reimbursement of \$157,000 from DynCorp for Camp Falcon food service overcharges from November 2009 through January 2010. In addition, OIG recommends that the bureau review all invoices for food service submitted between February 2010 and April 2011, and if overcharges are found, seek reimbursement from DynCorp of the overcharged amount. (Action: Bureau of Administration)

Recommendation 2: OIG recommends that the Bureau of Administration ensure that future DynCorp vouchers for meals served to Afghan nationals at Camp Falcon reflect costs based on a daily meal rate rather than costs per meal. (Action: Bureau of Administration)

Recommendation 3: OIG recommends that the Bureau of International Narcotics and Law Enforcement Affairs ensure adequate records are maintained of receipt, distribution, and usage of diesel fuel for electric generators at Camp Falcon. (Action: INL)

Recommendation 4: OIG recommends that the Bureau of International Narcotics and Law Enforcement Affairs ensure that operations and maintenance support contractors at Camp Falcon only purchase diesel fuel from vendors with properly calibrated meters to measure fuel, or alternatively, ensure that contractors are able to independently measure the amount of diesel fuel provided. (Action: INL)

Recommendation 5: OIG recommends that the Bureau of International Narcotics and Law Enforcement Affairs assess the English language proficiency levels of all guards in the static force. Guards without the required level of proficiency should be removed, or alternatively DynCorp should accept a payment reduction until it can prove guards have achieved the required level of proficiency. (Action: INL)

Recommendation 6: OIG recommends that the Bureau of International Narcotics and Law Enforcement Affairs ensure that DynCorp adheres to the static guard force work schedule included in the task order requirements (that is, a 6-day work week). (Action: INL)

Management Comments and OIG Response

Embassy Kabul and the Bureau of Administration provided formal comments on a draft of this report, which are included verbatim in appendices C and D, respectively. INL and the Special Representative for Afghanistan and Pakistan had no comments. The embassy agreed

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with all recommendations directed to INL. The Bureau of Administration agreed with the two recommendations directed to it and noted that it will begin working with INL on compliance.

Background

To support the Afghan Government in its efforts to confront serious crimes, the Department partnered with the international community to develop and train Afghan nationals by establishing the MCTF in Kabul in the fall of 2009. Since that time, DOD has provided funding for operations and maintenance support of Camp Falcon where the MCTF resides. The contractor, DynCorp, provides this support through a task order under an INL civilian police training contract. DynCorp supports approximately 1,000 tenants including U.S. and British advisors, Afghan MCTF personnel, and transitioning Afghan national police who either live at or visit the camp. Camp Falcon includes housing for Afghan MCTF staff and DynCorp personnel, a dining facility, warehouse, gym, office space, an armory, classrooms, various utility facilities, and guard posts and towers.

DynCorp operates and maintains Camp Falcon 24 hours a day, by providing food service, medical services, housing, recreation facilities, laundry facilities, electrical power, plumbing, heating and cooling, water supply purification and distribution, sewage and waste water distribution, and minor maintenance, as well as security, information technology support, and communications. To date, INL has received \$6.2 million from DOD for support of Camp Falcon, and is awaiting receipt of an additional \$5.2 million from DOD as reimbursement for continued support of the camp.

DynCorp invoiced INL \$5.1 million for services rendered from October 2009 through January 2011, including about \$2.6 million in labor costs. Tables 1 and 2 in Appendix B show the breakdown of expenditures for operations and maintenance support.

In December 2010, DOD awarded a new contract to DynCorp to transition two INL programs, Afghan Civilian Advisor Support and Embedded Police Training, to a new DOD police training contract; the new contract with DynCorp does not include operations and maintenance support for the MCTF at Camp Falcon. INL informed OIG that it is developing a separate plan to continue operations and maintenance support for Camp Falcon.

DynCorp Performance

Overall, DynCorp provided adequate facilities support for Camp Falcon systems including water filtration and distribution, electric power generators, heating and cooling, and sanitation and sewage treatment; and controlled pests (insects and rodents). DynCorp also appropriately inventoried and controlled U.S. Government-furnished property. Camp Falcon depends on Camp Gibson for its potable water through a water distribution system that pumps water to Camp Falcon. DynCorp has maintained this system to ensure the water supply to Camp Falcon is not interrupted. In addition, DynCorp has consistently provided electricity through regular maintenance schedules of two generators that produce electricity for the entire camp. According to the DynCorp facilities coordinator, there have been no electrical outages at Camp Falcon since 2006.

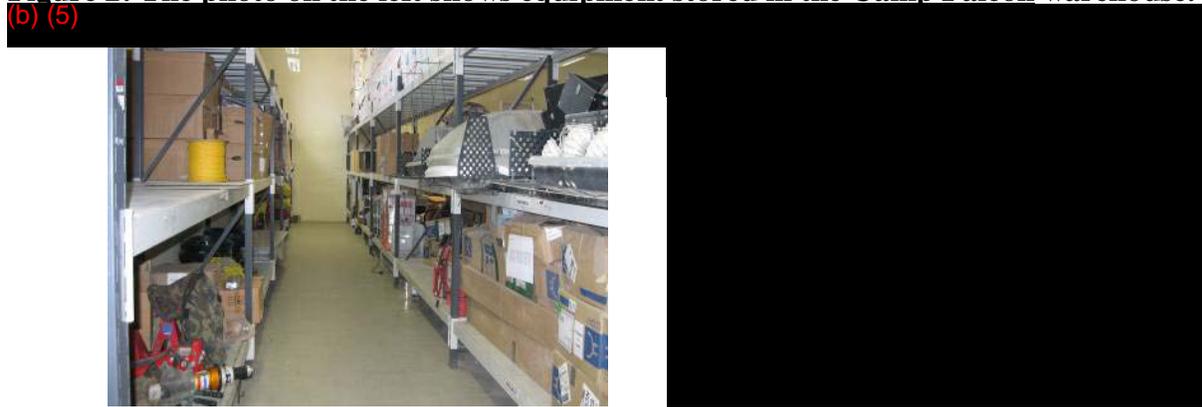
Figure 1: The photo on the left shows water storage tanks at Camp Falcon, and the photo on the right shows a waste water removal tanker truck at Camp Falcon.



Source: OIG

DynCorp has generally maintained effective control over U.S. Government-furnished property and uses an inventory system to maintain property records. OIG inventoried equipment that included vehicles, generators, boiler equipment, storage containers, physical fitness equipment, computers and related accessories, communications equipment, and furniture. Other inventoried items such as night vision goggles, weapons, and other defensive equipment, are considered sensitive. DynCorp accounted for 100 percent of all sensitive items and all other equipment except for one laptop computer.

Figure 2: The photo on the left shows equipment stored in the Camp Falcon warehouse.



Source: OIG

Oversight of Contractor Performance

OIG found weaknesses in INL's oversight of DynCorp's food service invoicing, fuel operations, and the static guard force; and ICOR contract files were incomplete. DynCorp was overpaid for meal costs which over the performance period could be estimated as approximately 8 percent of operations and maintenance expenditures. DynCorp cannot verify that the camp is receiving the correct amount of diesel fuel for generators and does not measure or record the amount of fuel consumed. Further, OIG determined that the guards are not properly tested to ensure they have the required English language proficiency. Guards have also worked 7 days a week instead of 6 days, which does not comply with the task order. Finally, INL ICORs have had difficulty carrying out all their responsibilities, and contract files are not adequately maintained.

Food Service

In its review of INL-approved DynCorp invoices for 3 months of food service, OIG found that DynCorp was calculating meal costs differently than it had proposed under the task order. These differing calculations resulted in overpayment by INL of \$157,000 for meals from November 2009 through January 2010. By extrapolating these calculations, OIG estimates that INL may have risked overpaying an additional \$785,000 through April 2011.

DynCorp contracted with a company to provide meals to Afghan nationals at Camp Falcon. DynCorp's cost proposal established a cost reimbursable daily meal rate of \$6.75 per person. However, OIG's review of the subcontractor's meal invoices revealed that the subcontractor charged DynCorp per meal, rather than per person. The DynCorp contracts manager confirmed OIG's determination that, although DynCorp proposed a daily meal cost of \$6.75 per person for an estimated 840 individuals, DynCorp invoiced INL at the subcontractor's per meal rate. The subcontractor calculated all meals during a billing period, divided the total number in half (assuming not all 840 individuals ate three meals a day), and multiplied this number by \$6.75 per meal, charging DynCorp \$554,266 for three months (November 2009 to January 2010).

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OIG recalculated the meal costs by multiplying the highest number of meals served per day, according to the subcontractor's invoices, for breakfast, lunch, and dinner by \$6.75. The resulting cost, using a daily meal rate, totaled \$397,332, an overcharge of \$157,000 for this 3-month period. If this billing period is representative of the monthly invoicing from February 2010 to April 2011, INL could have potentially overpaid DynCorp an additional \$785,000, based on an average payment of \$52,333 per month.

Fuel Operations

DynCorp adequately provided electric generator diesel fuel at Camp Falcon. However, the contractor does not use a meter to measure the amount of fuel pumped into the fuel storage tanks, but relies instead on the fuel vendor's measurements. In addition, DynCorp cannot determine the amount of diesel fuel normally consumed, since the fuel tanks do not have meters to measure outflow. As a result, DynCorp does not maintain records of either the amount of fuel in the tanks or the amount used by the generators. The lack of records and meters on the tanks, as well as a lack of knowledge about the amount of fuel consumed, could potentially lead to fraud.

DynCorp relies on observation of the vendor's meter to measure and account for the amount of fuel delivered to Camp Falcon. Three individuals monitor refueling of the tanks. A fuel sample is taken and visually inspected to ensure there is no water or sediment in the fuel to contaminate the diesel fuel tanks or generators. These individuals also ensure that fuel is pumped only into the fuel storage tanks and that the vendor's meter is not tampered with during the process. Once refueling is complete, a DynCorp representative locks the tank, photographs the vendor's meter, signs a fuel voucher attesting to the amount of fuel delivered, and retains a copy of the voucher for the records. Because it does not have its own fuel meter, DynCorp cannot make its own measurement of fuel pumped into the tanks, but relies solely on its reading of the fuel vendor's meter, which may not be calibrated. An uncalibrated meter could be inaccurately measuring the amount of fuel, increasing the risk of overpayment and possible waste of Department funds. OIG found no calibration process used in Afghanistan, which DynCorp confirmed. The contractor noted that it does not plan to change the current fuel delivery process.

The diesel fuel storage tanks do not have gauges to measure how much fuel is in the tanks or outflow meters to record the amount of fuel used by the generators, nor are any records kept to track the amount of fuel used by the generators. Each week, DynCorp estimates the amount of fuel to order. Not knowing the amount of stored fuel could put camp operations at risk. If fuel did not arrive in a timely manner, there would be no way to determine the amount of fuel in reserve or how long it would last. If the tanks ran out of fuel, the generators would shut down, resulting in an electric power loss.

Static Guard Force

DynCorp provides the static guard force at Camp Falcon and has ensured the safety of approximately 1,000 tenants including Afghan nationals, Afghan MCTF mentors, U.S. Government staff, DynCorp personnel, and visitors. OIG found the guard contingent to be a professional force. Guards maintain proficiency through regular weapons qualification, as well

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as conduct of emergency readiness drills and training exercises. However, DynCorp is not complying with the task order in two areas, English language proficiency and work schedules.

The static guard force at Camp Falcon, which is mostly composed of individuals from Nepal, has guarded the compound since November 2009. The guards work in the guard towers and posts, perform roving relief duty, and conduct searches of vehicles and individuals at the camp entry point and the control door.

Figure 3: The photo below shows a guard tower at Camp Falcon.



Source: OIG

INL has not verified that the guards, all of whom are third-country nationals, meet the contractually required minimum score of 400 on the TOEFL. The TOEFL is used to evaluate non-native English speakers in English reading, writing, and listening proficiency. Although the contract requires that the exam be administered to the guards prior to hiring, OIG could not locate any TOEFL results in the guards' permanent files maintained at DynCorp's human resources office at Camp Gibson. According to DynCorp human resources management at Camp Gibson, the TOEFL was never administered to the guards. OIG did not receive a response from DynCorp to its request for TOEFL scores for specific guards. Inadequate English language comprehension could impact security during emergencies if, for example, guards were receiving commands from English speakers such as DynCorp security personnel or the regional security officer, rather than from Nepalese static guard force supervisors. Further, without written English comprehension, the guards will be unable to understand security materials written in English.

According to the task order requirements, to maintain alertness, the guards are to work only a 12-hour shift and a 6-day work week. OIG determined that the guards were not receiving appropriate numbers of days off. The rosters showed that guards were assigned to a day or night shift, acting as escorts, at the firing range, or assigned to a quick reaction force 7 days a week with no days off. A review of DynCorp vouchers indicated that the guards were paid for 14 days straight per pay period for as many as 24 consecutive pay periods, unless they were on leave. In 2009, the regional security officer in Kabul stated that guards should not work more than 6 days consecutively so as not to diminish their effectiveness and compromise security.³ Without

³ OIG interviewed Embassy Kabul regional security office staff members during its evaluation of the Baghdad Embassy Security Force. See *The Bureau of Diplomatic Security Baghdad Embassy Security Force*, MERO-A-10-05, March 2010.

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sufficient rest, the guards for Camp Falcon may not be able to adequately protect the compound against unauthorized, illegal, or potentially life-threatening actions directed toward personnel or actions directed at sensitive information and property.

In-Country Contracting Officer's Representatives

INL's oversight of DynCorp's operations and maintenance of Camp Falcon was limited because only two INL ICORs were responsible for approximately 14 programs including the administration of Camp Falcon.⁴ The two ICORs had difficulty fully carrying out their responsibilities or completely understanding the task order requirements because they were spread too thinly to focus entirely on a single program. The ICORs informed OIG that they spent approximately 20 percent of their time on management and oversight of operations and maintenance at Camp Falcon. The ICORs also reported that they did not review all vouchers. As a result, invoices stemming from these vouchers were not properly reviewed and approved, which likely resulted in INL's overpayment for meals.

OIG evaluated the ICORs' contract files in Kabul and determined that the ICORs did not maintain complete contract files. The electronic folder for the Afghan Civilian Advisor Support program was in disarray and not organized. The ICOR file was missing required documentation as outlined in the *Foreign Affairs Handbook* (FAH),⁵ which would have aided the transition for incoming ICORs. For example, the file contained only three quality assurance reports for the camp and did not include any communications between the ICORs and the contractor. The file for the Afghan Civilian Advisor Support task order, which is related to Camp Falcon operations and maintenance support, was also disorganized, and it was difficult to discern which records were current or relevant. OIG inquired as to whether the ICORs were using the new INL Web-based system for ICORs to post their program files.⁶ The ICORs indicated that they had not seen the system and were putting their documentation on the Embassy Kabul server.

Trafficking in Persons

The FAR requires that clause 52.222-50, Combating Trafficking in Persons, be inserted into all contracts. The DynCorp contract for Afghan National Police contains this clause as required. The OIG team developed a questionnaire to determine if DynCorp was complying with the terms of the clause. In structured interviews with 34 third-country national employees (from the Philippines and Nepal) serving as guards and three other third-country nationals employed by

⁴ OIG noted similar limits in oversight because of the lack of a sufficient number of ICORs and recommended assigning an adequate number of ICORs in a joint DOD Inspector General/Department OIG report, *DOD Obligations and Expenditures of Funds Provided to the Department of State for the Training and Mentoring of the Afghan National Police*, D-2010-042/MERO-A-10-06, February 9, 2010 and in *Performance Evaluation of PAE Operations and Maintenance Support for the Bureau of International Narcotics and Law Enforcement Affairs' Counternarcotics Compounds in Afghanistan*, MERO-I-11-02, February 2011.

⁵ 14 FAH-2 H-517 Standard Contracting Officer's Representative Working File.

⁶ In a response to *DOD Obligations and Expenditures of Funds Provided to the Department of State for the Training and Mentoring of the Afghan National Police*, D-2010-042/MERO-A-10-06, February 9, 2010, INL indicated it was instituting a new ICOR filing system using SharePoint.

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DynCorp, the OIG team found no evidence that DynCorp was recruiting or maintaining labor through the use of force, fraud, or coercion.

Purpose, Scope, and Methodology

MERO initiated this work under the authority of the Inspector General Act of 1978, as amended, because of concerns about the Department's exercise of control over the performance of contractors. Overall, the objectives of this review were to determine: (1) the requirements and provisions of the contract and task orders; (2) the amount of funding the Department has obligated and expended to provide embassy facility operations and maintenance; (3) DynCorp's contract performance in providing facility operations and maintenance support at Camp Falcon; (4) DynCorp's controls for inventorying, recording, and safeguarding U.S. Government-furnished equipment and property at Camp Falcon, whether the equipment has been properly accounted for, and the challenges to maintaining accountability; (5) how the Department ensures that costs are properly allocated and supported; and (6) whether the Department contract includes FAR clause 52.222-50, which provides administrative remedies if, during the term of the contract, the contractor or subcontractor engages in severe forms of trafficking in persons.

To determine the requirements and provisions of the contract, OIG analyzed DynCorp's basic contract and the Afghan Civilian Advisor Support task order and modifications that included Camp Falcon operations and maintenance support. OIG also reviewed supporting documents including the FAR, the *Foreign Affairs Manual*, and Department regulations.

In examining whether contract performance measures were established, OIG reviewed the contract provisions, interviewed the contracting officer (Washington, DC) and embassy staff members, the contracting officer's representative (Washington, DC) and the ICORs (Kabul, Afghanistan). OIG focused on seven areas of contract performance: (1) invocation of the Prompt Payment clause when applicable; (2) overall maintenance of all the utility systems; (3) accuracy of fuel deliveries; (4) accuracy of meals provided; (5) accountability of U.S. Government-furnished property; (6) ownership of the information system that is used to manage the U.S. Government-furnished property; and (7) oversight of guards related to work hours and English language proficiency. To determine whether contract performance measures were achieved, OIG:

- Met with DynCorp personnel representing all positions supported by the contract;
- Reviewed DynCorp invoices; and
- Conducted a physical inventory of U.S. Government-furnished equipment, specifically all items valued at over \$2,000 and all sensitive items.

To examine the Department's administration and oversight of the contract, OIG reviewed the Department's oversight mechanisms for coordination, invoice review, and purchasing of diesel fuel and meals. OIG interviewed staff members from DynCorp in Fort Worth, Texas; and Kabul, Afghanistan; AQM; and INL offices in Washington, DC; and in Kabul, Afghanistan. OIG also reviewed program management documentation.

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OIG reviewed the guard duty rosters, invoices, and communicated with the DynCorp's billing manager as to whether guards were only paid for time worked. The manager indicated the guards are only paid for days they work unless on leave.

To determine whether DynCorp effectively controlled rodents and insects on the compound, OIG looked over the compound and found no rodent or insect infestations. OIG asked 34 guards as to their sightings of rodents and insects around the camp, since they were constantly outside in all areas of the compound. Unanimously, these guards indicated that they rarely or never saw any rodents and during the summer months the subcontractor sprayed to control the insects.

To establish if DynCorp accounted for U.S. Government-furnished property, OIG conducted a physical inventory of 283 pieces of equipment valued at \$2,000 or greater and sensitive items valued at \$2.02 million, which was 65 percent of the entire inventory value of \$3.1 million. The inventory was conducted inside buildings; outside various building locations; in the warehouse, armory, and guard towers; and at Camp Alvarado. The entire MCTF inventory comprised 5,616 items.

To ascertain whether the contract includes FAR clause 52.222-50, OIG examined the contract and modifications. Additionally, OIG developed a questionnaire and interviewed 34 third-country national guards and three third-country national staff members to determine whether DynCorp was complying with the clause. No issues were cited by staff interviewees.

OIG conducted this performance evaluation from November 2010 to April 2011. OIG did not use computer-processed data to perform this evaluation. OIG conducted this performance evaluation in accordance with the *Quality Standards for Inspection and Evaluation* issued in January 2011 by the Council of the Inspectors General on Integrity and Efficiency.

This report was prepared under the direction of Richard "Nick" Arntson, Assistant Inspector General for MERO. The following staff members conducted evaluation and/or contributed to the report: Yvonne Athanasaw, Adriel Harari, Kelly Herberger, James Pollard, and Ray Reddy.

**Bureau of International Narcotics and Law Enforcement Affairs'
Expenditures for DynCorp Operations and Maintenance Support for Camp
Falcon, October 2009 – January 2011**

Table 1: Labor Costs, October 2009 – January 2011

Position	No. of Positions	Nationality	Type of Services Provided	Labor Total
Guards	47	Foreign National	Static Security	\$1,322,405
Logistics Supervisor	1	United States	Logistics	173,522
Medic	1	Foreign National	Life & Mission Support	163,353
Site Coordinator	1	United States	Logistics	145,668
Site Security Lead	1	United States	Static Security	138,274
Deputy Program Manager	1	United States	Life & Mission Support	108,167
PS Member (Tier II) Assistant	1	Foreign National	Static Security	98,264
Facilities Maintenance Specialist	1	Foreign National	Operations & Maintenance	92,187
Logistics Coordinator	1	Foreign National	Logistics	73,291
Lead Guard	2	Foreign National	Static Security	72,500
Interpreter	5	Local National	Static Security (3) Admin (2)	63,573
Human Resources Specialist	1	Foreign National	Life & Mission Support	50,947
Grounds Worker	4	Local National	Operations & Maintenance	34,828
Custodian	6	Local National	Custodial	31,545
Plumber/Handyman	2	Local National	Operations & Maintenance	7,326
Electrician	1	Local National	Operations & Maintenance	7,320
Carpenter	1	Local National	Operations & Maintenance	6,960
Logistics Warehouse Assistant	1	Local National	Logistics	6,255
TOTAL LABOR				\$2,596,385

Source: OIG analysis of DynCorp data

Table 2: Other Direct Costs, October 2009 – January 2011

Categories	Total Invoiced
DFAC Meals	\$632,319
Diesel Fuel	601,376
Waste Removal	207,120
Misc Supplies	186,353
Laundry	85,513
Minor Facility Repairs	79,614
Generator Maintenance	57,793
Office Supplies	35,302
AC Maintenance	24,685
Employee Relations	16,861
Cleaning Supplies	14,415
Phone Cards	11,569
Internet	10,016
Pest Control	9,987
Bottled Water	6,868
ANP Life Support	2,280
Cable TV	615
TOTAL OTHER DIRECT COSTS	\$1,982,686

Source: OIG analysis of DynCorp data

Comments from Embassy Kabul



Embassy of the United States of America
Kabul, Afghanistan

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MEMORANDUM

July 12, 2011

TO: Assistant Inspector General Richard G. Arnston

FROM: Ambassador Karl W. Eikenberry *Kul*

SUBJECT: Embassy Comments to OIG/MERO Final Audit Report, “Bureau of International Narcotics and Law Enforcement Affairs’ (INL’s) Major Crimes Task Force in Afghanistan” (MERO-I-11-12)

Embassy Kabul welcomes the opportunity to comment on this report. The Embassy strongly believes in the importance of the effectiveness and proper execution of the DynCorp International (DynCorp) task order to achieve maximum deliverables for the Major Crimes Task Force (MCTF) Camp Falcon facilities.

The Embassy’s comments on the specific recommendations cited in the report are outlined below. Because our offices in Washington will be providing additional comments, please consider our submission as solely reflecting the Embassy’s views as a supplement to the official response from INL Washington.

Recommendation 3:

“OIG recommends that INL ensure adequate records are maintained of receipt, distribution, and usage of diesel fuel for electric generators at Camp Falcon.”

- The Embassy INL section agrees with this recommendation. When a diesel fuel vendor arrives with a delivery, the driver presents a test certification slip to DynCorp. The driver receives the test certification slip at the fuel distribution center. This certification slip addresses several aspects of quality of fuel dispensed, including chemical make-up and cetane ratings. This fuel quality report is a contractual deliverable between DynCorp and the fuel vendor. Fuel reports are maintained on site in the Finance Department until the end of the contract, at which time they are sent to DynCorp, Fort Worth, Texas to be archived.

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- Subsequent to the OIG visit, INL requested DynCorp to purchase two intake and two discharge meters to verify the quality and amount of fuel being used. These meters, which were received on May 3, 2011, have not been installed by DynCorp. DynCorp submitted a Purchase Request (PR) on July 11, 2011 for electrical materials to install the meters. They are scheduled to be installed as soon as the materials arrive. INL has established procedures for DynCorp to verify the quantity and amount of fuel being used. DynCorp will be required to follow this guidance by using the meter to determine the quality of fuel while on the truck, an intake flow meter to determine the quantity of fuel as it is being drawn from the truck into the holding tank, and a discharge meter to measure the amount of fuel being used by generator. Fuel quality and usage records are maintained on site in the Finance Department until the end of the contract, at which time they are sent to DynCorp, Fort Worth, Texas to be archived. In-Country Contracting Officer's Representatives (ICORs) will include the quarterly review of these reports in the Quality Assurance Surveillance Plan (QASP).

Recommendation 4:

“OIG recommends that INL ensure that operations and maintenance support contractors at Camp Falcon only purchase diesel fuel from vendors with properly calibrated meters to measure fuel, or alternatively, ensure that contractors are able to independently measure the amount of diesel fuel provided.”

- The Embassy INL section agrees with this recommendation. The fuel delivery trucks are equipped with calibrated gauges. DynCorp personnel are present to observe the entire transfer of fuel from truck to tank to document the process and verify receipt of the amount of fuel being delivered. The records are maintained on site in the Finance Department until the end of the contract, at which time they are sent to DynCorp, Fort Worth, Texas to be archived. In-Country Contracting Officer's Representatives (ICORs) will include the quarterly review of these reports in the Quality Assurance Surveillance Plan (QASP).

Recommendation 5:

“OIG recommends that INL assess the English language proficiency levels of all guards in the static force. Guards without the required level of proficiency should be removed, or alternatively DynCorp should accept a payment reduction until it can prove guards have achieved the required level of proficiency.”

- The Embassy INL section agrees with this recommendation. The Afghanistan Civilian Advisor Support (ACAS) Statement of Work (SOW) specifies: “Those U.S. citizens who are not native English speakers and all other employees (Third Country Nationals and Host Country National) shall be tested to ensure a minimum score of 400 on the paper based Test of English as a Foreign Language (TOEFL). The scoring results shall be maintained as part of the employee's permanent personnel file.” The English proficiency test is administered by DynCorp recruiters, and DynCorp personnel files maintained locally do not include the language test results. INL Kabul has requested that INL/RM/AIJS in Washington obtain a proficiency status report from DynCorp for

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all Kabul-based static guards. ICORs will review the reports for compliance, and notify INL/RM/AIJS of the discrepancies for further action.

Recommendation 6:

“OIG recommends that INL ensure that DynCorp adheres to the static guard force work schedule included in the task order requirements (that is, a 6-day work week).”

- The Embassy INL section agrees with this recommendation. INL does not approve of any person working seven days per week. Reportedly, static personnel continue to work seven days a week on 12-hour shifts, 313 days per year with 52 days of leave without pay. INL Kabul has requested INL/RM/AIJS in Washington to direct DynCorp compliance with static guard work force schedule. ICORs will review timesheets monthly.

Comments from the Bureau of Administration



United States Department of State

Washington, D.C. 20520

AUGUST 1, 2011

MEMORANDUM

TO: OIG/MERO - Richard Arntson

FROM: A/LM/AQM - Cathy J. Read *RSK*

SUBJECT: DynCorp Operations and Maintenance Support at Camp Falcon in Kabul, Afghanistan - Final Draft of OIG Review of INL's Major Crimes Task Force in Afghanistan, (MERO-I-11-12, 2011)

REF: OIG E-mail dated 6/28/11 to A/LM/AQM from Richard Arntson

Please find below the Bureau of Administration's response to the subject report regarding recommendations 1 and 2.

Recommendation 1: OIG recommends that the Bureau of Administration seek reimbursement of \$157,000 from DynCorp for Camp Falcon food service overcharges from November 2009 through January 2010. In addition, OIG recommends that the bureau review all invoices for food service submitted between February 2010 and April 2011, and if overcharges are found, seek reimbursement from DynCorp of the overcharged amount. (Action: Bureau of Administration)

A/LM Response: A/LM/AQM will coordinate with INL to ensure food service charges are reviewed for overcharges. Since INL has been delegated payment approval authority through the COR delegation memo, AQM will seek reimbursement after receiving INL's recommendations.

Recommendation 2: OIG recommends that the Bureau of Administration ensure that future DynCorp vouchers for meals served to Afghan nationals at Camp Falcon reflect costs.

A/LM Response: INL established the methods for tracking meal consumption and reviews all the invoices/vouchers for the number of meals served before they approve payment of the

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invoices. Therefore, A/LM/AQM will coordinate with INL to ensure that meals are being billed and paid in accordance with the contract terms and conditions.

Drafted: A/LM/AQM/WWD/INL – (b) (6)

8/1/11

Cleared: A/LM/AQM/WWD: (b) (6) - ok

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