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CONSTRUCTION COSTS AND DELAYS IN THE U.S. EMBASSY IN KABUL

HEARING

BEFORE THE

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM HOUSE OF REPRESENTATIVES

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CONSTRUCTION COSTS AND DELAYS IN THE U.S. EMBASSY IN KABUL

Thursday, July 9, 2015

HOUSE OF REPRESENTATIVES,
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
Washington, D.C.

The committee met, pursuant to call, at 9:03 a.m., in Room 2154, Rayburn House Office Building, Hon. Jason Chaffetz [chairman of the committee] presiding.

Present: Representatives Chaffetz, Mica, Duncan, Jordan, Walberg, Amash, Gosar, DesJarlais, Gowdy, Farenthold, Meadows, DeSantis, Buck, Walker, Blum, Russell, Carter, Grothman, Palmer, Cummings, Maloney, Lynch, Connolly, Duckworth, Kelly, Lawrence, Watson Coleman, Plaskett, Welch, and Lujan Grisham.

Chairman CHAFFETZ. Committee on Oversight and Government Reform will come to order. I appreciate you being here as we have a hearing today regarding the construction costs and delays at the United States Embassy in Kabul, Afghanistan.

Without objection, the chair is authorized to declare a recess at any time.

Appreciate being here. This is an important topic. We have so many Americans who have given their lives in Afghanistan, who have sacrificed away from their families to serve the United States of America and our interests there. We have a duty and an obligation to make sure that they are well housed, that they are safe, that they are secure, that they are able to do their jobs and their duty, and yet after more than a decade of fighting and great work by our United States military, we are deeply concerned about what the State Department is doing or hasn't done in Kabul to make sure that our Embassy facility there is in proper order.

The State Department has invested or plans to invest more than $2.17 billion in facilities. It probably makes it the single most expensive facility that we have around the globe; and if not the most expensive, certainly one of the most expensive.

Is there a threat? Yes, there is a threat there. It is a very dangerous place. Is it safe? No, it is not safe there. Did we hire the right contractors to put in place to make this happen? Evidently not. We've had to readjust contracts, we've had to dismiss some people along the way. The budget that was projected has now gone up more than 27 percent. Is this project and this buildout in Kabul on time? No, it's not. It was supposed to be open last year. Now it looks like it might be 2017, some 3 years behind schedule. Is there a strategic plan? No. According to the GAO, there is not. Are there standards in place? No, there are not, according to the GAO.

Is there a security plan for temporary facilities in place? No, there is not.

And so after more than a decade, this seems to be a fiasco. It is a mess. And one of the core questions is did we learn what we were supposed to learn when we were in Iraq? Evidently not.

Keeping Americans safe who work in the Foreign Service in Kabul, Afghanistan, is a constant challenge. Just last week, Taliban militants attacked a NATO convoy just 500 yards from the United States Embassy in Kabul. There is an article in the Washington Post dated July 7 saying a suicide bomber rammed a car and an armored vehicle that was part of a NATO convoy here in the Afghan capital on Tuesday, the second such attack against coalition troops in a week. The attacks come a week after militants targeted a coalition convoy near the United States Embassy, killing 2 Afghan civilians and wounding nearly 30. The week before, militants stormed the Afghan parliament in Kabul in broad daylight in what appears to be a coordinated attack.

These incidents make clear we have to ensure our brave men and women serving in these hostile environments are safe, and one of the best ways to ensure their safety is to provide secure facilities for them to perform their diplomatic missions, but after an investigation by the GAO, are they safe? No, they're not, and that's not acceptable.

Due to the mismanagement by the State Department, however, it's not happening in Kabul, and as a result, American diplomatic staff in Afghanistan are being exposed to unnecessary danger.

Last July, the Government Accountability Office reviewed the construction of the Kabul Embassy facility and found the State Department failed to properly acknowledge known risks. These risks include the award of a contract for work before the contract site was even acquired, an unrealistic schedule for work to be completed under, changes in the number of staff at the complex, and changes in the design of the building and security requirements.

Again, temporary facilities don't even have a security plan at this point. And as a result of these failures, construction would take more time, cost more money, leaving Embassy staff less secure in temporary facilities. We would lay these out in even greater specificity, but we would not want to give the enemy an attack plan, but there are vulnerabilities, and we have to address those.

In May, the GAO once again reviewed the construction of the new Embassy complex in Kabul, and once again, the review identified a number of significant but preventable problems. The lack of planning by the State Department resulted in cost overruns and delays. Construction is now projected to come in at least 27 percent over budget and more than 3 years behind schedule. Part of the project was originally expected to cost $625 million. It is now estimated to cost at least $792 million. Because the State Department failed to properly plan for the project, it's continuing to negotiate with its contractor, so the current cost overruns could become even larger.

One of the factors causing these delays and cost overruns is the Department's failure to follow its own directive to have a strategic facilities plan. As its name implies, a strategic facilities plan outlines how a particular facility will be developed and used. The need

for a strategic facilities plan is especially critical for facilities like Kabul, where there is a high turnover in personnel.

One the things highlighted in the GAO report is that there are constantly turnovers in personnel. And if you don't have a plan, a new person coming in has a large and long learning curve.

The State Department recently rescinded the requirements for the development of a strategic plan for any facility, which was a requirement that had been in place since 1990. So because the State Department's poor planning and the use of temporary facilities where Americans must live and work, they will continue indefinitely in Kabul. In fact, amazingly, the State Department recently requested an additional $124 million for temporary facilities. It is unclear why State didn't do a better job planning for permanent and secure buildings, which resulted in the wasting of taxpayer dollars on temporary facilities. It appears, at least to me, that the effort to move towards temporary facilities is a way to get around some of the requirements that need to go into good and better planning.

Not only does State not properly plan for permanent facilities, it also has no standards for temporary facilities. The State Department's own actions in Kabul make it clear how critical such standards are. In its fiscal year 2008 budget request, State expressed to Congress concerns about the threat to the Kabul facility posed by incoming weapons fire. However, as the GAO pointed out, quote, "The only secure protection measures specified in the 2009 contract for temporary housing was shatter-resistant window film," end quote. That's it, a little film on the windows. I'm no expert, but I don't think shatter-resistant windows can stop a bullet, grenade, an RPG and whatnot, and yet we ask our Americans to live there in this high-threat environment.

In contrast, State contracted for the temporary offices to have a higher standard level of security and ballistic protection on the temporary housing that it built. This means that employees were safer working 24 hours a day rather than returning to their housing, where they should be able to rest, relax, and be safe.

The lesson here is clear. When there are no standards or guidance, the results are inconsistent and Americans are unsafe. We have to do a better job of getting our folks into safer, new facilities as soon as possible without incurring additional costs: $2 billion, and you're still requesting temporary facilities with no standards, no protection. We did not learn the lessons in Iraq, and that is a crying shame.

We look forward to having this hearing and hearing the answers and responses to that, but now I'd like to recognize the ranking member, Mr. Cummings, for 5 minutes.

Mr. CUMMINGS. Thank you very much, Mr. Chairman.

As I listened to your statement, I just sat here and said to myself: We're better than that. We're better than this.

And listening to your answers to the questions that you presented, I think there's a lot to be discussed here this morning, so I'm glad that you're holding this very important hearing on the U.S. Embassy in Afghanistan.

I'd like to make three main points that I think we all can agree on. First and foremost, the safety of United States personnel serv-

ing overseas is a top national security priority, and it's critical to our country's interests throughout the entire world.

Second, we recognize that the urgency of rapidly securing U.S. facilities abroad may cost more for faster results. However, cutting corners may have the opposite effect, and careful, very careful stewardship of taxpayer funds is critical to maximizing the protection of U.S. personnel because any dollar wasted is a dollar that cannot be used to protect our personnel abroad.

Kabul is one of the most dangerous places on the face of the Earth. The State Department ranks it as one of the most high-threat, high-risk locations for United States personnel. The men and women who serve our country in Afghanistan recognize these risks, and it is our job to honor their service by taking all appropriate steps to provide secure facilities for their work.

In 2008 and 2009, the United States rapidly increased the number of personnel in Afghanistan to meet our Nation's military and foreign policy goals, first under the Bush administration and then under the Obama administration. This, and I quote, "surge," end of the quote, as it was called, required facilities for United States troops and civilian personnel, including those working side by side in provincial reconstruction, the government—governance and stability efforts.

Both Republicans and Democrats supported the surge. For example, Senate Armed Services Committee Chairman John McCain argued that a surge was, and I quote, "vitally needed," end of quote, in Afghanistan and that delays would put American lives at risk.

This dramatic increase in personnel created a difficult challenge for State Department officials planning for facility and security requirements. On one hand, they had to increase the United States footprint on the ground in a safe and secure way. On the other hand, they did not want to repeat the same mistakes that were made in Iraq, where the United States compound became a massive, expensive fortress, even as U.S. presence subsided.

According to the Government Accountability Office, which has an official testifying here today, and I quote, "The dynamic and unpredictable operating environment of Afghanistan has produced changing facility needs that have continually outpaced existing capabilities at the post," end of quote. GAO also cited a senior State Department management official who explained the effects of this rush to accommodate the surge. State did not fully follow its cost and risk policies in part of the urgency of the Embassy's facility needs, the security environment, and challenges supporting the surge and Embassy staffing that was occurring. Despite this urgency, however, GAO also found that the State Department could have and should have planned better. Could have and should have, but didn't.

According to GAO, the State Department contributed to construction delays and cost increases by failing to follow its own risk assessment and planning policies. There's something awfully wrong with that picture.

The GAO also found that the Department's original contracts did not include adequate security measures for temporary facilities. This led to inconsistent security measures, more contract modifications, increased costs, and further delays, according to GAO.

Finally, Mr. Chairman, I want to thank you for agreeing to my request to invite Aegis here today. The people we hire and train to protect our facilities are just as important to our security as the walls we build. This company provides security at our facilities in Afghanistan under a contract that is scheduled to run through 2017 at a projected cost of $723 million.

In October 2014, the State Department's Office of Inspector General issued a report with some very troubling findings. The IG found that Aegis lacked required documentation showing that its personnel underwent mandated security investigations and training. That's the same company getting $723 million. The IG also found that Aegis billed the government for more than $8 million in questionable costs, including through the use of prohibited invoices. I am curious to learn what has Aegis learned about billing and what personnel they have in place, considering they're getting $723 million of hard-earned taxpayer dollars.

The IG also found that Aegis held the passports—and this is particularly troubling—of third-country nationals longer than necessary, raising concerns about the company's compliance with regulations about trafficking in persons. That is of great concern to me.

In the past, our committee has investigated the actions of private security contractors in Iraq, where we witnessed shocking fraud and abuse. The current IG report does not include findings of nearly the same magnitude, but these are important areas that we would like Aegis to explain and explain thoroughly. We understand that some of these issues may have been addressed, and we thank Mr. Gulino for being here today.

Our goal is to make sure we carry forward our past oversight to ensure that those lessons have in fact been learned and anything that needed to be corrected was corrected or is being corrected.

And, with that, Mr. Chairman, I thank you again for this hearing, and I yield back.

Chairman CHAFFETZ. I thank the gentleman.

I'll hold the record open for 5 legislative days for any member who would like to submit a written statement.

We'll now recognize our panel of witnesses. We're pleased to welcome Mr. Michael Courts, Director of International Affairs and Trade at the United States Government Accountability Office. Appreciate the work that you and your staff do and appreciate your participation here.

We're also pleased to have Ms. Lydia Muniz, is the Director of Bureau of Overseas Building Operation at the United States Department of State. We appreciate you coming before our committee again.

The Honorable Gregory Starr, Assistant Secretary of the Bureau of Diplomatic Security at the United States Department of State, a long-time servant at the State Department, and we appreciate your participation here today.

Mr. Jarrett Blanc, Principal Deputy Special Representative for Afghan and Pakistan at the United States Department of State.

The Honorable Donald Hays, senior inspector at the Office of the Inspector General at the United States Department of State.

And Mr. Michael Gulino, president and chief executive officer of Aegis, LLC. Again, welcome all.

Pursuant to committee rules, witnesses are to be sworn before they testify, so if you will please rise and raise your right hands.

Do you solemnly swear or affirm that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth?

Thank you. Please be seated.

And let the record reflect that all witnesses answered in the affirmative.

In order to allow time for discussion, we would appreciate it if you would limit your testimony to 5 minutes. Your entire written record will be made part of the record.

With that, we would like to begin with Mr. Courts.

You're now recognized for 5 minutes.

WITNESS STATEMENTS

STATEMENT OF MICHAEL J. COURTS

Mr. COURTS. Good morning, Mr. Chairman, Ranking Member Cummings, and members of the committee. I'm pleased to be here this morning to discuss a number of challenges related to the State Department's construction efforts at the U.S. Embassy in Kabul, Afghanistan. This testimony is based on a GAO report dealing with the subject that we issued in May of this year. This work is part of a series of GAO engagements to review State's efforts to manage construction and the efficiency and effectiveness of other aspects of its operations overseas.

GAO was asked to testify this morning on the extent to which construction costs and schedules have changed, State's use of temporary facilities on the Kabul Embassy compound, and State's planning for projected embassy facility needs in the future.

The primary message of my testimony this morning is that costs have risen and schedules have been extended significantly for two construction contracts that State awarded in 2009 and 2010, and further cost increases are likely. State has also built numerous temporary facilities in Kabul and will continue to use them for the foreseeable future, but it lacks specific security standards for them. Further, State's lack of strategic facilities planning has led to coordination challenges and could lead to further problems as State makes additional investments to meet its future facility needs in Kabul.

My first point is that costs for the two construction contracts have increased by about 27 percent from about $625 million to almost $793 million. The projected completion of these projects has been delayed by over 3 years and is now slated for the fall of 2017. State didn't follow its own cost containment and risk assessment policies for those contracts, resulting in lost opportunities to mitigate risks. When these risks, such as delays in the sequencing of the two contracts, eventually materialized, they led to increased costs and extended schedules. As of March 2015, State and one of its contractors were still negotiating the value of several potential contract changes that will likely result in further increased costs.

My second point is that State has billed over $100 million in temporary buildings to meet space needs in the Kabul Embassy compound, but it has no security standards that are specifically tai-

lored to these types of facilities. Lacking specific standards or other guidance to guide such construction, State inconsistently applied alternative security measures that resulted in insufficient and differing levels of security for temporary offices and housing. State subsequently took corrective action that increased cost and extended schedules. State likely paid more than it would have had the security requirements been included in the original contract.

My final point is that State plans additional capital construction investments to address interim and future facility needs in Kabul, and it needs to improve its planning for these efforts. The post's current facility needs stem primarily from changing circumstances inherent to the operating environment in Kabul, including changes in the security situation and new capabilities that will be required as a result of the drawdown of the U.S. military there.

While stakeholders within State are working to identify, prioritize, and address the post facility needs, their efforts lack a strategic facilities planning approach. This has inhibited coordination and undermined the continuity necessary to address the Embassy's emergent needs.

In summary, pursuing multiyear construction on an operational embassy compound in a dynamic and dangerous environment such as Afghanistan presents distinct challenges and considerable risk. With construction investments in Kabul currently projected to exceed $2 billion and likely to increase further, addressing the challenges GAO has identified should be a high priority.

Mr. Chairman and Ranking Member Cummings, this concludes my prepared remarks. I'd be happy to address any questions that you may have.

[Prepared statement of Mr. Courts follows:]

For complete submitted testimony, please see the following website: *https://oversight.house.gov/hearing/construction-costs-and-delays-at-the-u-s-embassy-in-kabul/*

Chairman CHAFFETZ. Thank you, Mr. Courts.

Ms. Muniz, you're now recognized for—am I pronouncing your name right?

Ms. MUNIZ. Yes.

Chairman CHAFFETZ. Close enough?

Ms. MUNIZ. Yes. Close enough.

Chairman CHAFFETZ. You're now recognized for 5 minutes. Tell me exactly how I should say it.

Ms. MUNIZ. Muniz.

Chairman CHAFFETZ. Muniz. I will improve. Thank you. You're now recognized for 5 minutes.

STATEMENT OF LYDIA MUNIZ

Ms. MUNIZ. Chairman Chaffetz, Ranking Member Cummings, and members of the committee, I appreciate the opportunity to appear before you today to discuss the U.S. Department of State's construction projects in Kabul, Afghanistan.

From the beginning, the goal has been and continues to be to deliver permanent, safe, and secure facilities to support those serving in Afghanistan. The United States reopened its Embassy in Afghanistan in December of 2001 using the existing 1971 chancery building.

In 2005, OBO completed a new office building, three new residential buildings, and support facilities to sustain the growing needs of the Embassy.

In fiscal year 2009 and 2010, OBO awarded two contracts to provide additional capacity. The projects included additional classified and unclassified office buildings; residential and support facilities; as well as security and infrastructure upgrades. They also provided nonpermanent facilities to meet mission needs during construction and to provide capacity for surge requirements. The total project budget was $881 million.

In spite of fluid conditions and the logistical challenges of managing an ongoing construction project on an occupied compound and in a war zone, I am pleased to report that the unclassified annex with a capacity of 917 desks will be completed this month. This November, the first residential facility will be delivered with 226 residential units. In October 2016, the classified annex, with a capacity of 320 desks, will be completed, and the following October will see the delivery of the final two residential facilities, with 432 units.

When completed, the Embassy compound will have the capacity for nearly 1,500 desks and over 800 residential units and additional capacity if compressed.

These accomplishments have been and will continue to be achieved in the face of significant challenges and modifications. These include the termination of the fiscal year 2009 contract and modifications to the scope of the fiscal year 2010 contract; an increase in scope from 545 permanent desks to 1,237; additional security requirements as the security situation in Afghanistan deteriorated; a delay in vacating space needed by the contractor to build the unclassified annex; modifications to the old chancery building to make it more functional for post in the short term; the elimination of scope planned for property adjacent to the Embassy compound occupied by the Afghanistan Ministry of Public Health; and the closure of the Pakistani border from November 2011 to July 2012, temporarily eliminating the project's most direct ground shipping route.

The cumulative impact of these changes is the addition of over 2 years to the project's schedule and over $250 million.

The GAO report on Afghanistan suggested that the costs and schedule to project increased due to incomplete cost and risk assessments. And while these are important tools, I reject the notion that more thorough assessments would have had a material impact on the Kabul Embassy project. Instead, I would argue that they would have risked further delaying delivery of permanent facilities. The material changes and challenges to the projects were not known and could not have been anticipated at the time of development and award of the projects. Cost increases and delays were unavoidable.

The GAO report also suggests that the Kabul project was not appropriately planned for the mission's needs. I also reject this notion. The Kabul project was planned, designed, and awarded to provide the full complement of office and residential facilities as well as all necessary support and infrastructure required at that time.

Afghanistan is a fluid environment and differs markedly from normal operations. It is unrealistic to expect the development of a static master plan capturing all requirements at the beginning of an 8-year project, as GAO advised. Periodic reviews during and after the project are essential to ensure that the mission's evolving needs are addressed.

Afghanistan construction is critical to the State Department's mission. With every day and with every decision, we do our best to deliver a platform that enables staff to perform their duties safely and securely, and we will continue this effort in cooperation with the Bureau of Diplomatic Security, post, other stakeholders, and Congress, until our work in Kabul is complete.

I look forward to answering your questions.

[Prepared statement of Ms. Muniz follows:]

For complete submitted testimony, please see the following website: *https://oversight.house.gov/hearing/construction-costs-and-delays-at-the-u-s-embassy-in-kabul/*

Chairman CHAFFETZ. Mr. Starr, you're now recognized for 5 minutes.

STATEMENT OF THE HONORABLE GREGORY B. STARR

Mr. STARR. Chairman Chaffetz, Ranking Member Cummings, and distinguished committee members, good morning. Thank you for your invitation to appear today to discuss security and construction developments at the U.S. Embassy in Kabul, Afghanistan.

Our efforts in Afghanistan and our determination to support the Afghan Government are among our highest—are the highest importance to the Department and to the administration. I, along with my colleagues in the Department of State, look forward to working with you to examine the issues and illustrate how we are collectively supporting the courageous men and women who serve at this mission with safer and more secure facilities.

Our national interests sometimes require us to operate in very dangerous places. We identify the risks. We take deliberate and prudent steps to mitigate them. The Department has made important strides in that regard. I personally discuss, plan, and strategize with my counterpart, Director Lydia Muniz, in the Bureau of Overseas Buildings Operations on at least a weekly basis, usually more than that. We plan with a wide array of Department interlocutors, interagency partners, and directly with the people managing security and the construction projects at the mission in Kabul. However, we can never foresee or mitigate all the potential pitfalls in an unpredictable environment like Afghanistan.

In Kabul's high-threat environment, hostile actors routinely target the U.S. and other foreign nationals. Insurgents have employed a wide variety and range of attacks, including suicide operations, small arms fires, improvised explosive devices, assassination attempts, mortars, insider threats, kidnappings, and complex attacks. Just last week, as you mentioned, sir, there was an attack near our compound, and like past attacks, our facilities and security measures performed as they should, and continue to protect our people.

In addition to operating in a challenging security environment and geographic location, we have had our primary shipping and resupply route impeded and closed for extended period of times with-

out notice. The closure invariably slowed our ability to get materials to the site, but we ultimately found alternate routes, and our mission never ceased.

Embassy Kabul is not just a construction site. It's one of the largest functioning embassies in the world with a large number of direct hire and contractor personnel, which requires significant support, including housing, office space, and vehicles. Although we've experienced periods of elevated and targeted violence, which has halted all movements by the Embassy personnel at times, we have resumed movements and we continue to build.

When my colleague—when my colleague at the Office of the Inspector General has brought issues and deficiencies to our attention, we've made changes in short order to ensure mistakes are not prolonged or duplicated. We have learned lessons and greatly improved operational efficiencies due to the thorough inspection of the GAO and the OIG reports, and we thank them for their contributions in helping us improve our operations in Kabul and many places around the world.

Our facilities have proven time and time again that they can withstand the most complex of attacks. Simply put, our physical security countermeasures work. Building facilities in this environment is not easy and it is certainly not without risks, delays and unforeseen circumstances and costs. Due to a fluid and evolving security environment, we must evolve and adapt to the conditions and circumstances that are presented to us. We work constantly to improve our practices and protect our people. We continue to reevaluate. And at times, despite the inherent setbacks it may cause, we must chart new courses in order to advance the bigger picture of completing the mission to secure our people.

As I close, I will say, and I am both confident and pleased that, despite the many unforeseen challenges and setbacks, Department personnel in Kabul are better protected, prepared, and secured today. We look forward to working with Congress to ensure that our people serving abroad, particularly in these high-threat environments, have a safe platform for carrying out the conduct of diplomacy.

I want to thank Congress for the resources that you have provided over the years to strengthen and reinforce this vitally important diplomatic platform. As the Assistant Secretary for Diplomatic Security, I work every day with my colleagues in the Department of State to ensure a safe environment for our people, and with your continuous support, we are doing that.

Thank you. And I will be glad to answer any questions that you may have.

[Prepared statement of Mr. Starr follows:]

For complete submitted testimony, please see the following website: *https://oversight.house.gov/hearing/construction-costs-and-delays-at-the-u-s-embassy-in-kabul/*

Chairman CHAFFETZ. Thank you.

Mr. Blanc, you're now recognized for 5 minutes.

STATEMENT OF JARRETT BLANC

Mr. BLANC. Thank you. Chairman Chaffetz, Ranking Member Cummings, members of the committee, thank you for the oppor-

tunity to appear before you today to discuss the future of mission Afghanistan with my colleagues, Lydia Muniz from the Office of Building—Overseas Building Operations, and Greg Starr from Diplomatic Security.

Please allow me to begin once again by thanking the members of the committee for your continued support for our mission. The American people have been generous, steadfast, and brave in supporting Afghanistan. I would particularly like to honor again the dedication of thousands of American military personnel, diplomats, and assistance professionals who have served and continue to serve in Afghanistan.

We began our mission in Afghanistan in late 2001 to ensure that the country would never again be used by Al Qaeda and other extremists as a haven from which to launch attacks against U.S. territory, citizens, or interests overseas. History has taught us the terrible consequences of inattention and disregard, and we must not repeat our past mistakes.

Since 2001, our goal has been to foster the development of an Afghanistan that is sovereign, unified, democratic, and increasingly self-sufficient, both economically and militarily; in short, the development of Afghanistan as a partner in efforts to combat Al Qaeda and other extremists who threat then the United States and our allies. We cannot achieve this without smart diplomacy and, by necessity, the presence in Afghanistan of U.S. diplomats and development personnel.

Afghanistan is undeniably a dangerous place for U.S. diplomats, and we understand the risks associated with our working there. When we ask our people, our friends and colleagues, to go into harm's way, we do so because their work is vital to our national security, and we are all of us obligated to provide them with the resources they need to do their jobs safely and well.

Understanding this, the Department of State with support from Congress has made significant investments to make Embassy Kabul the safest, most effective platform possible to carry out our roles, and we will continue to make improvements to adapt to a variable political, security, and planning environment.

Ongoing construction and security upgrades based on our best estimate of longer term political and security challenges will create an embassy compound that is designed to minimize threats and sustain U.S. diplomacy. Before the end of 2017, we expect to complete construction on several projects that will provide new hardened office space and living quarters to accommodate permanent staff.

In keeping with President Obama's plan for a phased drawdown of U.S. Military Forces and a normalization of the U.S. diplomatic footprint to an embassy-based presence, we are executing an options-based contract for life support services that will reduce our dependence on the Department of Defense support and increase our flexibility and self-sufficiency. We are building satellite locations that house and support the Kabul Embassy security force closer to the main compound, installing advanced early-warning technologies, and enlarging our facilities for threat prevention and response teams. We continue to work with our Afghan partners to assess emerging threats and develop effective prevention strategies.

Of course, none of these measures is perfect. While we constantly examine our security methods to adapt to an evolving threat environment, I want to be clear that no amount of setback, no amount of security program will ever entirely eliminate the risk our personnel face while serving in Afghanistan.

We will continue to scrutinize the environment in Afghanistan and our security footing to seize opportunities to improve security where possible. We have demonstrated an ability to be flexible as diplomats, surging our civilian staff to support the military footprint, and now drawing down to a smaller and more sustainable level, including by closing our presences outside of Kabul.

To be effective, the business of diplomacy must be conducted in person. The men and women of Mission Afghanistan engage closely and continuously with Afghan institutions and actors at all levels. The reporting they provide is vital to informing an extensive interagency process that determines long-term U.S. strategy. They build relationship with Afghanistan with current and future leaders, making certain that U.S. policymakers remain well informed and our positions are heard. They oversee one of the United States' largest assistance relationships, safeguarding billions of taxpayer dollars. This work is critical to our efforts to fight Al Qaeda, assist the Afghan Government against their insurgency, and bolster legitimacy and durability of the Afghan State.

Since September 11, 2001, we have made significant progress in degrading Al Qaeda's operational capacity in Afghanistan and Pakistan. U.S. diplomacy has helped the Afghan Government build a national army, a police force, and professional institutions to provide improved security, education, and opportunity for millions of Afghans. We have seen the country make great strides in expanding its democratic institutions, culminating recently in the first democratic transition in power in Afghan's history. But many challenges remain.

Institutions must be further strengthened to give the fledgling government further legitimacy. A once booming economy has slowed and must be reinvigorated through innovation and investment. And Afghanistan's ability to provide a self-sufficient security apparatus must be bolstered in the face of persistent threats in order to remain a capable partner at counterterrorism operations and a responsible regional actor.

Fostering Afghanistan's development is the only way, sustainable way, to address U.S. security concerns in the region. And addressing these remaining challenges will require continuing assistance and intensive day-to-day diplomatic engagement. At the same time, we will continue to find ways to address the real risks our team in Afghanistan faces.

Thank you very much, and I'm happy to answer questions.

[Prepared statement of Blanc follows:]

For complete submitted testimony, please see the following website: *https://oversight.house.gov/hearing/construction-costs-and-delays-at-the-u-s-embassy-in-kabul/*

Chairman CHAFFETZ. Thank you.

Mr. Hays, you're now recognized for 5 minutes.

STATEMENT OF THE HONORABLE DONALD S. HAYS

Mr. HAYS. Chairman Chaffetz, Ranking Member Cummings, members of the committee, thank you for inviting me to testify on behalf of the Office of the Inspector General for the Department of State. My testimony will focus on the construction projects and related security issues of the Embassy in Kabul.

The Embassy is a fortified compound composed of two adjacent campuses located near the center of the city. These two campuses total 36 acres and are a mix of completed structures, temporary offices, temporary office housing facilities, and a construction site. The Department leases several residences outside the Embassy walls to provide adequate setback for enhanced security of those sections of the wall.

At the time of our inspection, over 1,000 U.S. Government employees were stationed in Afghanistan, and approximately 4,500 contractors were working in support of the Embassy throughout the country. Due to the massive construction underway at the Embassy compound, employees were forced to weave their way between temporary housing offices, various constructions sites to get to work. A number of agencies were still in temporary facilities awaiting completion of their new offices.

The inspection took place between February 2 and March 11 of 2014. We had 21 inspectors conducting over 600 interviews and reviewing hundreds of documents and 70 oversight reviews.

When we arrived, the security situation was deteriorating in and around Kabul, necessitating additional security projects in Kabul and throughout the country. The team found the Bureau of Overseas Buildings Operation and the Bureau of Diplomatic Security were engaged in constructing a number of building projects both in and off Embassy compound.

During our inspection, we reported that it spent $1.35 billion between fiscal years 2002 and 2013, some of which had contributed by other bureaus for the Embassy-related construction and physical security projects. These projects include the expansion of warehouse Marine security guard quarters, building of two hardened office buildings, construction of new housing facilities, and other projects in Kabul outside the Embassy, including the completion of contract guards sleeping quarters and facilities for Embassy fire department and motor maintenance facilities, and other warehouse facilities.

The need for security enhancement to the exterior wall was first identified and funded by DS in 2009. DS considered these enhancements urgent, given the Embassy's location in the middle of Kabul, large buildings adjacent to the compound, a growing security threat. The team made classified recommendations in our classified annex with regard to security enhancements. Necessary security enhancements, temporary housing were similarly characterized as urgent and funded by DS in 2011.

Approximately 70 percent of the 800 U.S. Government employees and contract workers living on the U.S. compound were housed in temporary containerized housing units, called CHUs, at the time of the inspection. Most of these lacked adequate overhead and side cover protection. This issue was also the subject of recommendations in the classified annex of our report.

During the course of the onsite inspection, both Embassy senior management team and the OIG team expressed concern about OBO's lack of progress on security improvements to the exterior wall and temporary housing. Although DS designated funding for these enhancements, they were not initiated, despite serious implications of not completing them.

Based on interviews conducted by the OIG team, this issue caused considerable friction between DS and OBO at the time, specifically DS wishing that they expeditiously complete these projects, while OBO stated that it wanted to proceed with the projects only after design met international construction and safety standards.

During the inspection process, the team raised its concerns with OBO about the need for enhancements. In response, OBO's project manager explained that there was a lack of progress due to a number of factors, including the number of projects underway, the limited space available for construction material and equipment on the compound. As a result, the contractor stated that it was required to phase in projects in order to work efficiently and safely. The project manager stated that despite the desire to enhance security involving the compound wall and temporary housing, there was no way to carry out these enhancements until current construction projects were completed.

Upon our return to Washington, the inspection team raised its concerns about the apparent inability of DS and OBO to work together to find immediate solutions to these and other security issues in Kabul. The team met with the Director of OBO and the Assistant Secretary for DS on several occasions. They stated they would increase coordination, work together to address these situations. Subsequently, OBO Director established a senior OBO working group to work with DS to address urgent security-related projects. In a follow-on meeting between the OIG and the Undersecretary for Management, the Undersecretary assured the team that high level meetings would be conducted to eliminate outstanding issues and to proceed with the team's recommendations on security enhancements.

In our classified report under the section "Construction Projects Management", we recommend OBO coordinate with DS and Embassy to develop and execute a master plan of all ongoing and planned projects, including those funded by DS. To date, that recommendation remains open and serious.

Thank you.

Chairman CHAFFETZ. Thank you. Could you repeat that last? I just didn't hear the last two sentences there that you said.

Mr. HAYS. In our classified report under the section entitled, "Construction Project Management," we recommended that OBO coordinate with DS and the Embassy to develop and execute a master plan for all ongoing and planned projects, including those funded by DS, and to date, that recommendation remains open and is a serious concern.

[Prepared statement of Mr. Hays follows:]

For complete submitted testimony, please see the following website: *https://oversight.house.gov/hearing/construction-costs-and-delays-at-the-u-s-embassy-in-kabul/*

Chairman CHAFFETZ. Thank you. Okay. I didn't hear that last part, and I appreciate your repeating it.

Mr. Gulino, you're now recognized for 5 minutes.

STATEMENT OF MICHAEL L. GULINO

Mr. GULINO. Chairman Chaffetz, Ranking Member Cummings, and members of the committee, thank you for the invitation and opportunity to present testimony before this committee today. I am pleased to represent Aegis and all of our employees worldwide on this matter.

As a brief introduction, Aegis Defense Services is a U.S. company based in McLean, Virginia. We provide security and risk management, whose focus is to provide the support necessary for our clients so they can undertake their missions in complex and high-threat operational environments. We handle everything from protective security to the facilities that house, feed, and train our employees and canines. We employ some 1,400 people as well as 73 canines, most of whom are performing critical missions in Afghanistan.

Our team of dedicated professionals include employees from 47 of the 50 United States as well as foreign national employees from Nepal and Afghanistan.

Beginning in 2012, under Task Order 10 to our Worldwide Protective Services program, which I will refer to as WPS, Aegis worked in close concert with the Department of State to meet all operational and contractual requirements and to ensure the success of the WPS security program in Kabul.

As the committee well knows, the Department of State Office of Inspector General initiated an audit of the WPS program in 2012 and issued that report in October of 2014, and the audit covered the startup period of the contract.

Mr. Chairman, Ranking Member Cummings, we fully acknowledge that were there some administrative and logistics issues in the early part of that contract. Since that time and well before the issuance of the OIG report, Aegis has worked in concert with the Department of State to address and correct these administrative and logistical issues. This includes ensuring complete and reliable processes, thorough documentation for record-keeping, stringent employee vetting, as well as accurate timecard and billing administration.

The OIG report also raised concerns that Aegis retained third-country national passports during visa processing and did not post Trafficking in Persons, which we call TIPs, notices in native languages. I want to assure the committee that Aegis maintains vigilant human rights and TIPs compliance programs. We've refined our systems, and we publish a status of all passports being processed for visas to ensure that employees are aware at all times as to where their a passport is and the status of it. And Aegis has also ensured that TIPs posters are displayed in English and Nepali at prominent locations throughout the Embassy site where they work.

Also, over the past 5 years, Aegis has worked closely with the Department of State and the DOD and the international private security community to establish PSC.1, private security contractor standard. This is what I call a supercharged quality management

ISO 9000-like system that will ensure compliance and professional management of security contractors, with an emphasis on vigilant protection of human rights. I'm proud to report that Aegis was the first U.S. security company to earn its PSC.1 certification. This is obtained through a vigorous external and completely independent audit of our system both in McLean as well as on the ground in Afghanistan.

Our employees and representatives abide by the Aegis code of conduct, which is based upon our cornerstone core value of integrity, further ensures our workforce culture and commitment to respect, responsibility, diversity, and inclusion.

We also maintain stringent anticorruption and whistleblowing policies as well as a policy of zero tolerance for retaliation.

In conclusion, I'd like to thank the committee for the opportunity to participate in the discussion and to thank the Department of State for the opportunity to support its critical operations in Afghanistan.

Mr. Chairman, I am proud of all the Aegis men and women for their continued bravery, professionalism, high standards, and exceptional work ethic.

I'd be pleased to answer any questions you may have.

[Prepared statement of Mr. Gulino follows:]

For complete submitted testimony, please see the following website: *https://oversight.house.gov/hearing/construction-costs-and-delays-at-the-u-s-embassy-in-kabul/*

Chairman CHAFFETZ. Thank you.

I'll now recognize myself for 5 minutes.

Ms. Muniz, you joined OBO in 2009, correct?

Ms. MUNIZ. Yes, that's right.

Chairman CHAFFETZ. And then you became the Director in 2011?

Ms. MUNIZ. I believe that's right.

Chairman CHAFFETZ. My understanding is you went to the ribbon cutting there in Kabul in 2010.

Ms. MUNIZ. I believe it was a groundbreaking——

Chairman CHAFFETZ. Groundbreaking.

Ms. MUNIZ. —in 2011.

Chairman CHAFFETZ. Since you've been the Director, have you been back to Afghanistan?

Ms. MUNIZ. No, not since I've been Director.

Chairman CHAFFETZ. This is our biggest project in the world, correct?

Ms. MUNIZ. One of our biggest.

Chairman CHAFFETZ. What's bigger than this costwise?

Ms. MUNIZ. I would say there are several that are on the scale, including Islamabad.

Chairman CHAFFETZ. Have you been to Islamabad?

Ms. MUNIZ. Yes. I was there with Assistant Secretary Starr in November.

Chairman CHAFFETZ. And you think that's going to be in excess of $2 billion?

Ms. MUNIZ. No, that won't be in excess of $2 billion.

Chairman CHAFFETZ. So is there any embassy complex that's going to be bigger than this? This is $2.17 billion.

Ms. MUNIZ. I guess I would look at it this way: We have a number of high-level and critical projects in the Department.

Chairman CHAFFETZ. All right. I——

Ms. MUNIZ. Kabul, Baghdad, Islamabad, the security improvements that we're making at our consulates in Peshawar, Lahore, Karachi. We cover the world. I have been to all of those places.

Chairman CHAFFETZ. And we're going to have you come back and talk about Mexico at some point because I would like you to spend some more time. I know you were recently in Mexico City, but some of those consulates in northern—in Tamaulipas, but we'll come back to that.

Is there a strategic facilities plan for the Kabul Embassy construction?

Ms. MUNIZ. So I'm very glad you asked about the strategic facilities plan. I think it's important to note that the policy that the GAO referred to, which had been suspended, applies not at all to the type of project that is Kabul effectively. And I'd like to quote from the policy that was revoked. I'd also like to highlight the fact that you mentioned that this was adopted in the 1990s and was just recently suspended. It was repealed because the process had been superceded by an improved process, but in the time in which it was in place, only 16 of these facilities master plans had been done. So let me go first to quote what they do and explain why Kabul was not an appropriate place in which to do this sort of a facilities plan, and then I can talk to you about the type of planning we did do: The long-range facilities program will be directed at those posts not covered in OBO's regular capital or security capital programs. The long-range facility program is intended to provide a clear definition to post requirements, such that stakeholders and decisionmakers have the relevant data prior to making decisions to fund and execute projects.

The decision based on the growth in staff and the growing needs of our platform in Kabul had already—we had already made the decision that we were going to invest in growth in Kabul. The long-range facilities plan was a tool that was developed to address those posts with nagging infrastructure and deferred maintenance needs that were never making it onto our program lists.

Now, back to the question of whether planning was conducted, which I think is a very valid question. At the time that we developed the scope for the Embassy Kabul compound, a comprehensive plan was done for that compound as a standalone facility, assuming a continued DOD presence until modifications or drawdowns were made to that presence. So it was master planned. That plan was designed and is currently being executed.

That said, things do get messy when you're working on an occupied compound around hundreds of temporary facilities where you're squeezing the construction project in amongst those.

But, yes, a master plan was conducted. It was developed. It was designed. It's being built. There are ongoing reviews of what needs to be done in that environment because in the 6 years since the award of that project, we have had to do continuous re-looks with post, with the Bureau, with DS about what are new needs, what are evolving needs in a situation that is continually evolving, but we started with a master plan and will continue to make modifica-

tions to that plan until we have the right combination of facilities and security features in place in Kabul.

Chairman CHAFFETZ. I appreciate that long answer. And I beg some indulgence here from my colleagues here as we now start to ask some questions.

Is that master plan something you can provide to this committee?

Ms. MUNIZ. Yes. I think—the reason I pause is that this master plan is really made up of many documents, which sort of look at all of the——

Chairman CHAFFETZ. No doubt—no doubt there are many documents. All I'm asking for is I'd like the original plan, and I'd like to see the updated plan because to hear you say it, there's no problems, but to hear Mr. Courts and Mr. Hays, you're spending hundreds of millions of dollars in addition to what was originally planned. You're 3 years behind schedule. We have people living in temporary facilities that aren't secure.

Let me read part of this page 16 of this GAO report: Between 2009 and 2010 contracts, State should have conducted four cost-containment studies and six risk assessments. However, for the 2009 contract, State confirmed it did not conduct either type of assessment.

You in your written statement wrote: I reject the notion that more thorough cost or risk assessments would have had a material impact on the cost or schedule of the Kabul Embassy project. Instead, I would argue that additional assessments would have risked further delaying the delivery of permanent facilities.

You went to say: The cost increases and project delays were not avoidable.

You also said: The GAO also suggested the Kabul project was not an appropriate plan to take into account the mission's needs in the maximum extent possible.

We're left begging, who should we believe? We have a very independent—they don't seem to have an agenda, GAO. You have an inspector general. They both come in and look at this and cite a host of problems. I mean, look at the way Mr. Hays concluded his assessment. We can't even get the DS people in the same room having the same conversation with the OBO folks. I'll go to page 17.

DS, Diplomatic Security, is cited in the policy as an interested office. This relates to the cost-containment studies. According to the attendee list, no one from Diplomatic Security participated in the meetings related to this study, and Diplomatic Security officials we spoke with indicated they were not aware of this study and its security recommendations. The fact that we can't even get Diplomatic Security to be part of the discussion in one of the most dangerous places on the face of the planet makes no sense to us.

So, in isolation, you're saying, we don't need to do better planning, we don't—we have a great facilities plan, but I've got two independent groups that have looked at this over the course of more than a year saying you're wrong, that there is a big problem. We in Congress are looking at funding this to the tune of more than $2 billion. You're coming in 3 years late. We've got people who

live there that aren't secure, and you still have hundreds of millions of dollars in front of you that you need to spend.

We've always known that Afghanistan is dangerous. That is not—there is no doubt that it has been dangerous and will continue to be dangerous. I have been there. It is a fortress of cement. It's a very difficult thing. We've got people that we love, that we care about, that are sacrificing their lives and their families and putting their—sacrificing for this country, and they're living in a hooch that is substandard and not secure.

So I have gone way past my time here, but I struggle to figure out, since you became the Director, even the Deputy Director, why do you think things are going better because every metric I'm looking at is worse in this particular case, every one.

Name one thing that is going better in Afghanistan since you became the Director.

Ms. MUNIZ. I guess what I would say is, the way you've constructed the sentence is complicated.

Let me be very clear about this. Kabul and Afghanistan are incredibly complex, continually evolving environments. The security situation has deteriorated. The numbers of desks have gone up. The movement and post needs in and around an ongoing construction project have continued to evolve.

Those projects were awarded since I have been there, and I have watched the team work tirelessly with their colleagues in Diplomatic Security to do the best that they can to accommodate all of the changes——

Chairman CHAFFETZ. But the report says that Diplomatic Security is not even in the meetings.

Ms. MUNIZ. If you could let me finish. And to keep the project moving forward.

With respect to your comments on the value engineering study, which I think is a valid point, Diplomatic Security was invited to that meeting. There were no Diplomatic Security items that were added to the value engineering list. Had there been, we would have gone back to our colleagues at Diplomatic Security——

Chairman CHAFFETZ. Well, they can't add them to the list if they're not even in the meeting. That's the point of having them in the meeting, is to get their perspective in a high-risk assessment. We have been there for more than a decade.

I have blown past my time. I want to give Mr. Courts and Mr. Hays an opportunity to offer some perspective, and then I need to allow other members to ask questions.

Mr. Courts.

Mr. COURTS. Sure. Well, I would just first acknowledge that Kabul is indeed a very challenging environment. And there is no way to completely eliminate all risk, especially in a place like Afghanistan, and that is precisely why adequate cost containment and risk assessment is so important in a place like that, where the impact of the cost and schedule is so much greater when problems are encountered.

And I think if State had followed its own policies earlier, for example, as part of the 2009 contract, it probably could have better managed risk. It may not have eliminated all of the risk, but it may have better managed some of it. And if they had done that

earlier, it would at least have given State a chance to develop mitigation strategies prior to soliciting the 2010 contract.

I would also note that when they did do a risk assessment and cost containment study for the 2010 contract, they did identify a number of risks, some of which did indeed come to pass. One of them was a potential problem with the sequencing of the two contracts. Another was the potential loss of the Afghan Ministry of Public Health site that my colleague mentioned.

So there were a number of things that were not unpredictable. State actually did predict those problems.

Chairman CHAFFETZ. Thank you.

Mr. Hays.

Mr. HAYS. Well, first of all, both the findings of our report and the GAO pretty much mirror each other. We were concerned about the lack of an overall plan that projected out into the future. We were concerned about the security of our people and the compound.

When we came back we raised these issues. There was tension in the field between DS and OBO and between the field and Washington. We addressed those both to Director Muniz and to Greg Starr. They had agreed at that meeting to improve coordination and collaboration. At a later date, in a meeting with Director Muniz, she even established a working group of her senior colleagues to work with senior colleagues in DS.

We believe that the coordination is improving, certainly in Washington. We are not able to speak to the relationship in the field anymore since we left.

Chairman CHAFFETZ. Thank you.

We now recognize Mr. Cummings for an exceptionally long period of time.

Mr. CUMMINGS. I just want to see if I can put all of this in context a little bit.

Ambassador Hays, I would like to ask you some questions from the view of the Inspector General's Office. I understand that the staffing for the U.S. Embassy at Kabul significantly increased since we reopened the Embassy in 2002. Is that right?

Mr. HAYS. That's correct.

Mr. CUMMINGS. In 2009, there was a bipartisan support for a drastic increase in the troops and civilian personnel in Afghanistan, and they commonly called that the surge. IG reports cite the surge as directly impacting planning for the Embassy compound and its construction contracts.

I would like to understand in greater detail just how these staffing fluctuations have impacted the Kabul Embassy and also how State plans to adapt to such changes. Last August, the Inspector General's Office issued a report explaining that the total number of American personnel working for the State Department in Afghanistan grew, and I quote, "from 340 Americans in fiscal year 2008 to a peak of more than 1,340 in fiscal year 2012," end of quote.

Is that all correct? Is that right?

Mr. HAYS. I believe that's correct.

Mr. CUMMINGS. Now, these numbers reflect an increase of almost four times in State Department personnel in Afghanistan within 4 years. Is that right?

Mr. HAYS. That's right.

Mr. CUMMINGS. Ambassador Hays, do you know approximately what percentage of those people worked in the Kabul Embassy.

Mr. HAYS. As of the time that we visited, about 800 Americans were housed on the compound.

Mr. CUMMINGS. All right.

Mr. HAYS. I can't talk about how many there are now, because they were talking about a downsizing over the next year.

Mr. CUMMINGS. Now, from what I understand, a number of non-Americans also work at the Embassy, as do employees from other agencies. For example, FBI, DEA, the Department of Homeland Security have employees there who conduct important work at the Embassy at Kabul.

Now, Mr. Blanc, from the Department's perspective, the United States Government work in Afghanistan requires a larger interagency presence at the Embassy that also fluctuates depending on a variety of factors. Is that correct?

Mr. BLANC. Yes, sir.

Mr. CUMMINGS. These fluctuating staff levels must have exacerbated the space challenges experienced by the Kabul Embassy. Is that correct?

Mr. BLANC. Sir, that's absolutely correct. And as we noted, the Department has tried to really be expeditionary and flexible to surge our number of both State and other agency colleagues when the military surge took place, and now to draw down to a more sustainable level. At each of those decision points we have been confronted with very variable political and security environments in Afghanistan that we have tried to find the best diplomatic ways to address.

Mr. CUMMINGS. Now, Director Muniz, what about your perspective from the Bureau of Overseas Building Operations. How did the surge impact planning for the building of the Kabul Embassy? And I have the same concerns, by the way, that the chairman has, and I'm just curious as to your answer on that.

Ms. MUNIZ. I would say that it impacted the project pretty dramatically.

Mr. CUMMINGS. Could you put your mic up because we can't hear you.

Ms. MUNIZ. Sorry. I would say that it impacted the project pretty dramatically. But that said, we knew that we were operating in an environment where we would be trying to adjust to these changes. And so given the constraints, given the time that we had, we moved forward with awarding the project as quickly as we could and incorporating those changes as quickly as you could.

In a perfect world, you know the final number of desks years before you develop a project. You develop a design and you award it and nothing changes. That's simply not the reality in Kabul. And I think it would have been a waste of time to wish that it was and to not continue to react to the changes in the best way we could.

Mr. CUMMINGS. So it's sort of like flying a plane and building it at the same time?

Ms. MUNIZ. A little bit.

Mr. CUMMINGS. This past May, GAO issued a report concluding, and I quote: "Since the Embassy reopened in 2002, the dynamic

and unpredictable operating environment of Afghanistan has produced changing facility needs that have continually outpaced existing capabilities at the post." Ms. Muniz, do you agree with that statement?

Ms. MUNIZ. I do agree with that statement.

Mr. CUMMINGS. And could you provide some examples?

Ms. MUNIZ. I mean, again, I think shifting numbers, I think the fact that those numbers would delay the removal of temporary facilities that are in the footprint or the path of building permanent facilities, all of these things can complicate the execution of those projects.

Mr. CUMMINGS. But you heard what Mr. Courts said. He said that he still thinks that you all could have figured all of that out. He realized that there were things that were unpredictable—am I right, Mr. Courts?—but there were certain things that you could have done to move things along more precisely.

Is that right, Mr. Courts?

Mr. COURTS. That's correct.

Mr. CUMMINGS. And do you agree with that, Ms. Muniz?

Ms. MUNIZ. I don't agree with that.

Mr. CUMMINGS. Why not?

Ms. MUNIZ. I simply don't.

Let me give you one example. So the recommendation, the risk assessment and the cost evaluation that were done to the 2010 projects that have been referred to, the cost savings generated from the value engineering study were a million dollars in a project well over a billion dollars.

The risks that were known at that time—so in an ideal situation you don't award a project to two different contractors, you award to one contractor and they go beginning to end. The decision was made that there was an opportunity to gain time and to get hardened facilities delivered or at least a portion of those delivered faster. And so we took the calculated risk and made the decision to move forward with that approach.

Is it an ideal approach in sort of an ideal scenario? Absolutely not. And I think that point is valid. But I think that we understood the risks. We understood the value of doing more assessment. But we also weighed it against the really primary need of moving the construction project forward as quickly as we possibly could.

Mr. CUMMINGS. Ambassador Hays, you are from the Inspector General's Office. In October, your office issued a report with some troubling findings about Aegis and its work in Afghanistan. I understand that you were not the individual who worked on the report. Is that right?

Mr. HAYS. That's right.

Mr. CUMMINGS. But you're familiar with it, are you not?

Mr. HAYS. I'm not familiar with the body of work that supports that report.

Mr. CUMMINGS. Okay. Well, let me direct the questions to the other witnesses.

Mr. Gulino, you are the CEO of Aegis. Is that right?

Mr. GULINO. Yes, sir.

Mr. CUMMINGS. When the IG issued its report in October, it raised serious questions about how Aegis handled passports from

third-country nationals that you hired to come to Afghanistan. Specifically the IG found that your company held these passports for much longer than would have been necessary for visa purposes, raising the prospects of violations of the standards against trafficking in persons. That's a very, very, very serious thing, would you agree, issue?

Mr. GULINO. I agree. That's a serious——

Mr. CUMMINGS. Trafficking in persons.

Mr. GULINO. Absolutely.

Mr. CUMMINGS. Yeah. And let me read what the IG found, and I quote: "Aegis held third-party nationals'"—TCNs—"passports for periods longer than necessary, had inadequate trafficking in persons awareness training for TCNs, and lacked posters in TCN native language requiring reporting of all TIP violations, all of which increased the risk of inappropriate practices that could lead to potential TIP violations."

I know I heard you say that now you have got the posters up. You should have had the posters up from the very beginning. You are getting $723 million. Seems like you could put a poster up. Would you agree? Hello.

Mr. GULINO. Yes.

Mr. CUMMINGS. Mr. Gulino, why did your company do that? Why didn't you have the posters up? And why were you holding people's passports?

Mr. GULINO. Well, let me address them separately.

Mr. CUMMINGS. Yeah, please do.

Mr. GULINO. The passports weren't held longer than they were required to be held. It's a difficult situation in Afghanistan submitting the passports and the documentation to the Ministry of Interior, and they don't turn them around as quickly as we would like.

Where we failed initially was to keep the employees up to date on the status of their passports. But I can assure you and the committee that we don't hold them any longer than we need to, and we do keep them advised of the status.

With regard to the posters, we didn't have posters published in Nepali, and we should have done that, and there is no excuse for it. It has been corrected.

Mr. CUMMINGS. We shouldn't be hearing about these kind of problems in the future. Is that right?

Mr. GULINO. Sir?

Mr. CUMMINGS. We should not be hearing about these problems in the future.

Mr. GULINO. That's correct.

Mr. CUMMINGS. That is, Aegis holding people's passports longer than it is supposed to, a company that we are paying $723 million, placing people in a possible indentured servant-type situation. We shouldn't be hearing about that, is that right, not in 2015?

Mr. GULINO. That's correct.

Mr. CUMMINGS. Now, in fact the Inspector General reported that many of these workers complained, and I quote, "that it took 3 to 4 months to obtain a new passport resulting in the contractor holding passports for approximately 4 months for every 6-month visa."

Mr. GULINO. Well, that's, again, it's a function of the Afghan Ministry of Interior. We weren't holding them longer than we need-

ed to. We work with the Ministry of Interior to try and turn those visas, multiple entries around as quickly as we can. It has improved. But I can assure you, we don't hold passports unnecessarily. It's just for the period of time that we need to obtain its work permits and multiple entry visas.

Mr. CUMMINGS. So now how do you—you said now you are able to—you are in a position where you are informing these people as to the status and what is happening with the passports. How does that work? I mean, do they come to you and say—do they have to come to you and say, "What's happening with my passport?" Or do you go to them? How does that work?

Mr. GULINO. Well, the way it works is that our program managers and all of the assistant managers work with the Nepali captains of the various groups, the Gurkha Guard forces, and they advise and they give them data, and it is published in the breakrooms also.

Mr. CUMMINGS. Well, it's interesting, and I want to make sure you correct this, which was also found by the IG. It says the IG found that your company had, and I quote, "an absence of detailed records in the contractor's passport control log." It's kind of hard to give them accurate information, give them the information, when you don't even have the appropriate detailed records. What's happening with that? Have you improved that?

Mr. GULINO. Yes, we have accurate records. We know exactly where everyone's passport is on the entire project.

Mr. CUMMINGS. Now, Mr. Gulino, our committee has conducted extensive investigations of security contractors operating in Iraq, including the horrendous way they treated third-country nationals they brought in under circumstances almost resembling, as I said a little bit earlier, indentured servants. I think we all agree that this goes against our most basic values as Americans. And a key part of our oversight responsibility is to ensure that lessons have been learned from past mistakes. In that vein, we must be diligent in reviewing the performance of the contractors that are hired to secure the Kabul Embassy.

Ambassador Hays, let me just circle back as I close. I know you were not the one who worked on the IG report, but we would like to follow up on these findings. Can we schedule a briefing for our staff to get an update on the inspector general's findings in October?

Mr. HAYS. I'm sure that we can find the appropriate time to do so.

Mr. CUMMINGS. Very well.

Thank you, Mr. Chairman.

Chairman CHAFFETZ. And, Mr. Hays, following up on Mr. Cummings questioning, can the State Department inspector general review the documentation that is going on with Aegis around the world?

Mr. HAYS. I will bring this back to the attention of the auditors who conducted this and see what they can do.

Chairman CHAFFETZ. If you could confirm with us that you are actually going to do that, we would appreciate it.

Mr. HAYS. Absolutely.

Chairman CHAFFETZ. Thank you.

We now recognize Mr. Mica, the gentleman from Florida, for 5 minutes.

Mr. MICA. Thank you, Mr. Chairman.

My first question is to the director of the Bureau of Overseas Buildings Operations. I think I heard you say that we were—that they are going to—you spoke about opening more desks or something being available. The chairman had asked about, like, what had you achieved. But in your testimony you said, like, in the next few days we're going to open a facility with more desks? What was that?

Ms. MUNIZ. This month and in the coming weeks——

Mr. MICA. I can't hear you.

Ms. MUNIZ. This month, in the coming weeks we are opening an unclassified facility with 917 desks.

Mr. MICA. Okay. Well, I was, you know, looking back at your testimony, and some of what you've told us today, it sounds like the desk report. We have gone from just hundreds of desks, you said you will have 900 desks? And then when complete, the project will have 1,237 desks. But we could actually grow to 17—well, we'll go to 1,487, and then the plan is to go to 1,771.

Ms. MUNIZ. So let me clarify. So what that does is it breaks out the scope provided in the current project, in the 2009 and 2010 projects, so that's the 1,200 and the 600. If you combine those with the existing facilities, when we started the project, there was a building that we completed in 2009——

Mr. MICA. Well, again, I appreciate the desk report. People don't understand that, I guess, the revenue in the entire country that they get in is about $2.5 billion, and their entire budget is $7.2 billion. Most of the rest is given money, isn't that correct, approximately, for Afghanistan?

Mr. BLANC. I don't have the exact——

Mr. MICA. Well, I do. Okay, that's the exact figures. The scope of this project is $2.2 billion and the emphasis seems to be on desks. Isn't, by the end of the year, isn't the administration supposed to have almost all the troops out? Mr. Blanc, do you know?

Mr. BLANC. Sir, yes, we have——

Mr. MICA. By the end of next year. So we will have probably one of the best arrays of desks that you have ever seen in any post. I mean, now, how many people could there be in the entire bureaucracy? I was over there, and I met with some of the Foreign Ministry folks. Are we going to be buddy, like, three to one. Does anyone know?

Mr. BLANC. If I may, and again this refers back to the point that I have made that we have tried to be very flexible and responsive in terms of our staffing in order to——

Mr. MICA. I know, but again a desk would suppose that a person is sitting at it.

Mr. BLANC. Yes, sir.

Mr. MICA. Of course, vacant desks would be another matter.

But we are building—this is a $2.2 billion project. It's probably the biggest infrastructure project in the history of Afghanistan in a country that has revenue of about $2.5 billion coming in, and we are supplying—we are going to have this massive complex of desks.

This is going to be the Taj Mahal of desks and the Taj Mahal complex that the taxpayers are getting ripped off for.

Mr. BLANC. If I may, sir, let me—I think there two parts to your question.

Mr. MICA. I don't have enough time.

I want to go to, again, your company, sir, Aegis, is British based?

Mr. GULINO. The parent is British and we have a U.S. subsidiary that's——

Mr. MICA. Okay. One of the things that disturbed me—now, who is your partner in Afghanistan, your major construction partner?

Mr. GULINO. We have a——

Mr. MICA. Afghani partner.

Mr. GULINO. No, sir, we don't have Afghani——

Mr. MICA. No one in Afghanistan?

Mr. GULINO. We have a subcontractor, Contrack International, they are also headquartered in McLean, that's doing work for us.

Mr. MICA. Are half your employees from Afghanistan and half from, where, the U.S. or other countries?

Mr. GULINO. Of the approximate——

Mr. MICA. Of the project.

Mr. GULINO. Of the 1,400, 300 are from Afghanistan.

Mr. MICA. The rest are brought in?

Mr. GULINO. Yes, sir. It is a little over 600 Nepalese and about 400 U.S.

Mr. MICA. The thing that bothers me is I was out in Helmand Province with some of our troops and they were looking at a school building they showed me. They said this is the joke of the province. He says, the Americans paid three or four times what it would cost for this. We appreciated that, the school. But it was the joke of the province.

What would you estimate the premium you are paying for building in Afghanistan to be, three, four times what it would normally cost?

Mr. GULINO. Well, there's a guide——

Mr. MICA. Again, I just give an anecdotal incident. But not only the troops, but the locals told me that we are getting—that the American taxpayer is getting ripped off on these projects.

Mr. GULINO. We are not doing that kind of work for the State Department.

Mr. MICA. Finally, I do have a letter, Mr. Chairman, I visited one of our posts recently, a major post in Western Europe. Mr. Issa and I had worked at the end of his tenure going on post-Benghazi visits to some of our complexes and trying to avoid another Benghazi. And one of the simple things we found—that's a huge project, it is a money pit—but one of the simple things we found was the lack of surveillance cameras and their ability to also have high definition and get those replaced.

When I visited within the last 2 weeks one of our major posts in Western Europe, I found that one of the facilities did not have those surveillance cameras. I said: Was the reason money? They said no. Was it supply or something? They said: No, it was the bureaucratic acquisition process.

I sent Secretary Kerry this letter. I would like this made part of the record. And I would like a response to why we can't acquire some of the small things that make a big difference in security.

Chairman CHAFFETZ. Without objection, so ordered.

Chairman CHAFFETZ. I thank the gentleman.

We now recognize the gentleman from Massachusetts.

Mr. STARR. Congressman, I will answer that question for you in writing if you would like.

Mr. MICA. I would like that.

Chairman CHAFFETZ. Thank you. I appreciate that. We look forward to seeing that.

We will now recognize the gentleman from Massachusetts, Mr. Lynch, who has traveled extensively to Afghanistan, spent quite a bit of time there. And I appreciate his efforts and sacrifice for being there. But he is now recognized for 5 minutes.

Mr. LYNCH. Thank you, Mr. Chairman. I know a lot of the members on this committee have been in and out of Kabul and Afghanistan on a bunch of occasions.

One of the most troubling aspects of our people working there is not so much the security of the Embassy, which is important, but from my experience going in and out has been the real challenge, going from Bagram or Kabul International Airport and then getting to the Embassy.

And Mr. Starr, and maybe Mr. Hays, or Mr. Courts, is there any plan to have a helipad or some way? We are going to have 1,500 or 1,700 desks. We are going to have a lot of people. We are going to have 4,500 contractors. We are going to have 1,000 employees. And I'm just concerned about something going sideways there where the Embassy might be overrun or something like that, and then we have got to get our people out.

We have had incidents from codels where, you know, going through Massoud Circle or there is another rotary coming in from the airport where my security staff had to get out of the car and push people away from the Suburban that I was in. They were upset about something. I couldn't figure that out.

But there's some real danger there going in and out of our Embassy, from the airport to the Embassy. We just had a convoy, a NATO convoy, you know, and a vehicle-borne IED recently. I have given up counting how many attacks on the Kabul Airport by the Taliban.

So they are focusing on that corridor. And I'm just wondering if we're taking any precautions at all about getting our people in and out of that area. And again, do we have an evacuation plan if things really get bad there and we have got to get our people out?

Mr. STARR. Congressman, thank you for the question.

Part of our job, and we do it everywhere in the world, is to make sure that we have adequate evacuation plans for our personnel, and not a single type of evacuation plan, but multiple different plans. We could do short drawdowns of certain personnel. We could lower our presence. Or they go all the way to evacuation——

Mr. LYNCH. Yeah, well, let's talk about Kabul.

Mr. STARR. We work closely with the Department of Defense.

Mr. LYNCH. Okay.

Mr. STARR. We are in the midst of upgrading because of the surge and the number of people that are going to be left behind and the military leaving in large part. We are in the midst of another revision of the evacuation plan, the NEO plan we call it. We will ensure that we have the ability to get our people out of that country. Given the size, it won't be overnight. This is not like evacuating a 200-person embassy. But we will work very closely with DOD.

Your other part of the question, sir, we are exceptionally aware of the danger of the route, particularly Route White that goes between the Embassy and the airport. We have been using a mixture of air movements and ground movements, as appropriate. The Embassy every single day reviews how they are going to move people back and forth and what's the safest way to do it.

We have, I think because of our efforts, not suffered the same types of attacks yet. I can't guarantee that we won't ever have them. But we absolutely do our best and we use a mix of air and ground movements.

Mr. LYNCH. Yeah. Well, I would say given the history here, we should expect, You know, further attacks on the Embassy, and on the airport as well. We are spread out here between, you know, Camp Alvarado and then Camp Sullivan, Kabul Airport. We have got some properties there where we're spread out.

And I think the distance, it's about 2.5 miles, I think, from—at least 2.5 miles, probably longer, from the U.S. Embassy to Kabul Airport. That's a pretty long ride and those roads aren't good. I'm just concerned about getting our people out of there. Just practical stuff.

I'm going to—I don't have enough time to go over the contract issue. I do think, Mr. Chairman, that we need to get back on the ground in Kabul and go over all these documents and figure out what the cost increase, what that delta is between what we expected to see and what we are seeing now in terms of cost.

And I'm not at all assured by the statements that the quality of the work is good and we're on schedule and we're under budget. And I think that's just bogus, you know. We heard the same thing from Ms. Muniz's, one of her predecessors, General Williams, about the Baghdad situation, that the quality of the work was good and we're under budget and we're on scheduled. And then when he was gone, the budget went from $500 million to close to a billion.

I was in Baghdad. I stayed at the Embassy last week. I mean, I'm happy it's done. But in the meantime, we lost some good Americans, electrocuted because of faulty code violations and electrical systems that weren't grounded, things like that. And I'm just concerned that we are having a repeat performance here.

And we did let the contractor know that this was in Afghanistan. So the added costs should have been baked in. Afghanistan has never been a peaceful, not in my lifetime, a peaceful place, and it was always a difficult environment to operate in. So we shouldn't be shocked that a war broke out. There has been a war going on there for 10 or 12 years, and beyond that with the Soviets.

So it's always been a tough environment. So I don't like hearing that over and over again, that that's the reason for the cost in-

crease. When we get a bid, we expect that to be baked into the cost, that this is a construction project in a difficult environment.

But I do appreciate you trying to help the committee with it's work.

And I'll yield back. Thank you.

Chairman CHAFFETZ. I thank the gentleman.

We now recognize the gentleman from Michigan, Mr. Walberg, for 5 minutes.

Mr. WALBERG. Thank you, Mr. Chairman, and thanks to the panel.

I have been in Afghanistan and Kabul several times, and I think the most recent one was late 2010 that I was there. At that time some of the temporary facilities used shipping containers. I remember staying in hooches, trailers, and then having meetings in shipping containers and temporary facilities.

I assume these are still at the Embassy and in use, Ms. Muniz. I'm correct?

Ms. MUNIZ. Yes, that is the case.

Mr. WALBERG. How secure are they? Mr. Starr?

Mr. STARR. Sir, I would tell you that they certainly don't come to the same level of security as a permanently built building, but we have taken steps to surround them with either concrete barriers to limit shrapnel, we have overhead cover in forms of sandbags on many of them—most of them. We have predetonation shields over the top of them so that a mortar or rocket coming in predetonates them and the sandbags catch the shrapnel. We have over 100 feet of setback from any of our perimeter walls. We have high perimeter walls around them, well-guarded and well-reinforced. We have bunkers on the compound.

To the extent that we have to use these temporary CHUs, we are very aware of the vulnerabilities that they come with and do everything we can to mitigate them until we can bring the buildings, the permanent buildings on line.

Mr. WALBERG. Mr. Courts, I understand that GAO recommended that State establish security standards for the temporary facilities and that they did not accept these recommendations. Is that correct?

Mr. COURTS. The State Department partially concurred with that recommendation. They didn't fully accept it.

Mr. WALBERG. What were the problems with fully accepting them?

Mr. COURTS. Well, the State Department would argue that there are office of Security Policy Board standards that apply to all facilities overseas, including permanent and temporary facilities, and that those are the standards that they hold themselves to. But in actual practice, I think they would tell you that the only buildings that actually meet those standards are permanent structures. And as we noted, when State contracted for the temporary buildings, they contracted for buildings that had differing levels of security and didn't have overhead cover.

I would also note that in 2008 the State Department notified the Congress that they needed additional funds because the threat in Kabul required overhead cover for their temporary facilities. But in

2009 they contracted for temporary buildings that did not specify the need for overhead cover.

Mr. WALBERG. Let me give an opportunity for Ms. Muniz or Mr. Starr to answer from your perspective on that question of not accepting all the standards and where you are at now.

Mr. STARR. Sir, the recommendation to have different standards for temporary structures has always struck us as very strange. We try——

Mr. WALBERG. But they are different facilities.

Mr. STARR. Well, the problem is that invariably, when I have seen standards for temporary structures or interim facilities, it's a lowering of the standard. What I'm afraid of is that we will, by virtue of the fact that a trailer is a trailer, we will have lower levels of security standards for them rather than striving to meet the real standard.

An example, sir, is that for many years all we had was construction trailers. Over the last several years, we have developed a heavily armored trailer that we can now ship into places, and we are using them in Adana and we are using them in Peshawar, that allows us to much more closely meet the actual real permanent standard. It is our goal to meet the permanent standards to the extent that we can and not water down the standards and have lower-level security standards for interim structures.

Mr. WALBERG. Ms. Muniz, did you have—I noticed you moved toward that, and I don't want to cut you off if the answer is there.

Well, I would assume that in 2009, I'm told that State acknowledged that personnel should be housed in permanent, hardened facilities. We are dealing with reality, I understand the process. Our concerns today are the basis of the questioning of how this has been a cost overrun, how it continues on, the length of the process. But we have a large number of American personnel using temporary facilities in Kabul. I appreciate the answers that you want to go and strive toward the permanent level, but these are not permanent, though they seem to be existing an awful long time. I guess I have heard your answer that you don't plan to develop standards for temporary housing.

So knowing that my time has expired here, Mr. Chairman, I would contend that the biggest question is, how do we finish this project, complete it, complete it on time, and make sure that it meets the standards necessary? I yield back.

Chairman CHAFFETZ. Do either of you want to respond to that? I mean, the overuse of temporary facilities is a deep concern.

Mr. STARR. Mr. Chairman, at the time that the Department and the administration made the decision that we needed to surge people in, we had no choice but to use temporary facilities.

At the particular start of that period in 2009 and 2010, some of the threats that we were facing were not the same types of threats that we are facing today. We had had other buildings built around us in the meantime that grew in height. That presented a different type of threat. Once we saw that, we started surrounding our buildings with cement walls and sandbags.

We had not been subject to incoming fire, either mortars or rockets, and even today it's a very, very infrequent type of attack. Infrequent or not, we have taken the countermeasures now by put-

ting overhead cover on our temporary facilities, building walls around them, putting bunkers in, making sure that we have a radar system that's a duck-and-cover warning system to give people the most amount of time.

I think it really goes to the point that we have to serve in certain places and we have to take certain risks. I understand that we had a surge. We had to go in with trailer type of housing units and in some cases offices. We modified those to the absolute best we can to actually try to mimic our permanent standards, give them setback, give them bullet resistance, give them shrapnel resistance. We make sure that we do everything that we can. But at a certain point we have no choice but to use temporary structures while we are awaiting the permanent structures to be completed.

Chairman CHAFFETZ. The only problem I have with what you said is it is just not true, and that was borne out in these reports. And I can go in great specificity, but probably not in this nonclassified setting. But for you to suggest that you have done all those things in Afghanistan, that ain't true. That is not true.

Mr. STARR. Sir, we try to do that as best we possibly can. There are certain times that we have not——

Chairman CHAFFETZ. But you didn't. You did not. No, I beg to differ, and believe me, if we can get these two, the GAO, the inspector general, myself, and you, and whoever else wants to be in that, that is not true. And I will show it to you. They have pictures in it. And that's the concern.

Mr. WALBERG. Mr. Chairman, may I just follow up and say I think this goes to a bigger policy, and that is our whole Afghan policy, that we are leaving State Department in a situation like this without a significant policy on how to win, keep, and secure Afghanistan.

Chairman CHAFFETZ. I thank the gentleman.

We now recognize the gentlewoman from New Jersey, Mrs. Watson Coleman, for 5 minutes.

Mrs. WATSON COLEMAN. Thank you, Mr. Chairman, and thank you for your indulgence in the time allotted to get through some of these interesting questions.

And thank you to the panel.

What is the condition of the wall, the wall that was the subject of the report that I read last night? Is it complete or is there a portion that's left?

Ms. MUNIZ. Let me take the first part of that question and then I will turn it to my colleague, Mr. Starr.

That wall is currently in design and will be executed in the context of the larger construction contract.

I appreciate the question because the issue of the request for modifications to the wall came up in the IG report, and the question about why this couldn't be done immediately. I think the committee and folks need to understand that we have an active construction project that included construction of a wall in the context of the larger project.

Mrs. WATSON COLEMAN. I understand that. I understand.

Ms. MUNIZ. So those modifications will be made in that context.

Mrs. WATSON COLEMAN. So the wall was considered very significant in keeping those within the walls safe and secure. So absent

having that wall, I'm new, I have not been there, what is keeping that facility and that compound safe?

Mr. STARR. There is a wall. There is our existing walls that are composed of things like HESCO barriers that are 11, 12, 13 feet high, cement walls, steel panels. There is no area around our facility that does not have a wall.

Mrs. WATSON COLEMAN. Of some sort.

Mr. STARR. They were interim types of security measures that were put in place.

Mrs. WATSON COLEMAN. Does that mean that they're easily compromised?

Mr. STARR. Not easily compromised at all, Congresswoman, but we believe that there are newer technologies and better types of technologies available today than those walls.

Mrs. WATSON COLEMAN. Thank you. I appreciate the two of you speaking to me first, because I have a question to both of you.

Ms. Muniz, what is exactly the role of the Overseas Building Operations in the Embassy construction projects?

Ms. MUNIZ. OBO is the real property manager for the U.S. Department of State for all of our facilities overseas. So we design, we build, we buy, we lease, we sell. And obviously construction is in our realm of responsibility.

We execute that construction based on, I would say, two important factors. One is the number of desks or beds, the number of people who are going to be in that facility. That is a departmental decision that is made outside of OBO. So we take those base requirements and turn them into buildings. And the second piece of it is that we work very closely with our colleagues in Diplomatic Security to understand the security situation and make sure that any building we develop meets all of the security standards that they require.

Mrs. WATSON COLEMAN. Thank you.

Mr. Starr, what is your overall, what is the overall responsibility?

Mr. STARR. I am the assistant secretary for diplomatic security. I advise the Secretary of State and others in the Department on the levels of security that we must have and maintain. And under me, I have an organization that is a security organization and a law enforcement organization responsible for passport/visa fraud violations, other types of violations, and the security of our personnel domestically and abroad.

Mrs. WATSON COLEMAN. So with regard to security issues, who has the final say? Who has the final say in do this because this is going to secure these facilities that are being built? Is it OBO or is it you? Who breaks that tie if there's a disagreement?

Mr. STARR. If there's a disagreement, I would say I win.

Mrs. WATSON COLEMAN. You win, okay.

So my understanding is from the IG's report that there has been this sort of tension between OBO and your entity. Where are we on that? I understand that there has been a senior-level study group or senior-level whatever, task force, put in place to address some of these. What does that mean? How does it work? And how is it working?

Ms. MUNIZ. I think we'll divide that question up.

The tension you describe and the IG described is a natural tension. The OBO project directors on the ground are trying to execute a project that has already been agreed to with all of the parties and which has already been confirmed by DS to meet all of the current security requirements.

To the degree that in the execution of the billion-dollar project changes are recommended throughout, the teams have to work very closely together to understand the impact of those changes, the impact that those changes will have on the execution, the costs, and the schedule of the long-term project.

So I would say at the working level there is tension because on the DS side they are thinking: This is what we need, just do it now. And on the OBO side we are thinking: Okay, we have a big project to execute, let's figure out how we make this work in the larger project, and let's make sure we have the prioritization agreed to.

The working groups that you referred to and this sort of higher-level percolation is that those things are really worked out and decided at the higher level. So if we see things not moving forward, or obviously urgent security requirements that need resolution but there isn't perfect clarity about which we should do, which we shouldn't do, and when, that's when I sit down with Assistant Secretary Starr, where one of my principal deputies, Casey Jones, sits with his colleague, the head of physical security, Wayne Ashbery, and we work these things out.

Mr. DUNCAN. [Presiding.] The time of the——

Mrs. WATSON COLEMAN. So may I ask——

Mr. DUNCAN. The time of the gentlelady has expired.

Mrs. WATSON COLEMAN. Pardon me, sir?

Mr. DUNCAN. The time of the gentlelady has expired. So we will go now to Mr. DeSantis.

Mr. DESANTIS. Thank you, Mr. Chairman.

Assistant Secretary Starr, while I have you here, I'm concerned about the State Department's proposal to build their own training facility in Fort Pickett in Blackstone, Virginia. And I want to know, you know, FLETC in Georgia serves 91 different agencies. Why is that not sufficient for the State Department's security service?

Mr. STARR. Sir, we studied FLETC, and we studied over 90 places to try to do the type of training we want. FLETC in Georgia is an excellent facility. We train our agents there in criminal investigations. But it is a law enforcement training facility. It does not use the type of weapons that we use. It does not have the capacity for the number of people, the foreign service officers that we want to train. It is not ——

Mr. DESANTIS. They have expressed their willingness to make those accommodations, correct? They said that they would build new driving courses, mock embassies, and let State Department have primary control over that. So there is an acknowledgment that that would need be done, but that could be done at half the cost of what you are proposing to spend to have a facility in Blacksburg, Virginia, isn't that the case?

Mr. STARR. No, sir. We don't believe the costs that FLETC can build are significantly different than our costs. The GAO study——

Mr. DESANTIS. But what you believe and what they produce, though, are two different things. So I think me and people on the

committee who are concerned about the State Department being good stewards of the taxpayer dollars, I think we see a cost discrepancy. So you can disagree with that, but I think we see it's there.

So you were going to continue.

Mr. STARR. Sir, there is a GAO report coming out that will talk to the numbers that we have put down and how they have been carefully verified and the fact that FLETC's numbers have not been so quite as carefully verified.

More importantly, sir, it is also a question that we need something in this area. We are going to be moving thousands of people a year to training. We believe that the Fort Pickett site, which is a military base which can take the type of weaponry that we are required to use, as was seen in our defense of the consulate in Haaretz and in other places, is not the types of training that FLETC does.

Our training has, unfortunately, come to the point that we are much more closely aligned to the military in what we must do in many cases than law enforcement and we believe that Fort Pickett is certainly the better answer. Thank you.

Mr. DESANTIS. But why, being close to Washington, why—I mean, of the other agencies, presumably, I mean, they would like to have people close, but they go to Georgia. I mean, why can't people just train in Georgia if you had what you needed? It seems to me that that wouldn't be a big deal to put people on a plane and have them do the training course, then come back, correct? They are not commuting from the State Department to Fort Pickett on a daily basis. They are going to be there, they are going to do the training, and then they will be back, right?

Mr. STARR. Sir, the training is for foreign service officers, Diplomatic Security agents, foreign security entities that we are training. Many studies have shown that we need a coordinated, consolidated training site. This would give us this site at Fort Pickett. Most importantly, it allows us to train with our partners, such as the U.S. Marine Corps Security Battalion in Quantico, and do the types of training that we need jointly together. They are going to have a very difficult time getting down to FLETC Georgia to do the types of training exercises.

And FLETC does not currently on their space, they have acknowledged this, they cannot handle the type of weapons that we use. They are looking at getting another military facility 30 or 60 miles north of FLETC Georgia that we would also have to go to in order to use the weapons. We can train at Fort Pickett.

Mr. DESANTIS. That would not be worth doing it, that saves a couple hundred million dollars for the taxpayer?

Mr. STARR. Sir, again, going back to it, I would suggest looking at the GAO study that comes up.

Mr. DESANTIS. Well, I will look at that.

Mr. STARR. We don't believe that it is going to——

Mr. DESANTIS. What is your, right now, what is the cost? Because the cost that the State Department has provided about how much this will cost has fluctuated a great deal. So what will be the costs to the taxpayer for Fort Pickett?

Mr. STARR. Four hundred and thirteen million dollars.

Mr. DESANTIS. Okay, $413 million. I mean, it's gone from $416 million, $907 million, $950 million. Now we are back down to there. How long has that been the estimate?

Mr. STARR. Independent estimates conducted by GSA, our building contractor, have brought it in at $413 million.

Mr. DESANTIS. Okay.

Well, we are going to be conducting oversight over this, because I think that there has been examples, I mean, there were several billion dollars at State Department not accounted for during Secretary Clinton's tenure, and, you know, we want to make sure that we are getting bang for the buck for the taxpayer.

I'm out of time and I yield back.

Chairman CHAFFETZ. [Presiding.] I thank the gentleman.

We will now recognize the gentlewoman from the Virgin Islands, Ms. Plaskett, for 5 minutes.

Ms. PLASKETT. Thank you, Mr. Chair.

Good morning everyone.

I had a question, Director Muniz, about the surge and the military civilian personnel and the need that that created for immediate office space in the time that we were having the surge. I know that this presented a challenge for the State Department requiring the necessary amount of space to be built quickly, safely, not doing the overruns and the mistake that was made in Iraq, where we had this huge compound that was built and we immediately downsized the number of personnel that were there.

And in that instance we would be having a hearing about cost overruns. And in this instance we are having a hearing about something else, potentially.

So Ms. Muniz, do you agree that the State Department needed to be careful not to overbuild on planning for the Kabul Embassy?

Ms. MUNIZ. I would agree with that. But I would argue that we have been careful not to overbuild, and in the end we will not have overbuilt.

Ms. PLASKETT. And why is that?

Ms. MUNIZ. Because we will have built to the number of desks and the number of beds, the requirements that we need.

Ms. PLASKETT. Okay. So unlike most embassies around the world, in Afghanistan most U.S. Government employees not only work at the Embassy compound, but they also live there, right? So all the support services that we take for granted on a daily basis here in the United States must be provided on that Embassy compound as well in order to support the employees that have to remain in that compound. Correct?

Ms. MUNIZ. That's absolutely right. Whether it's dining, cleaning facilities, everything that you would do in a small city is done essentially on that same compound.

Ms. PLASKETT. Okay. And to meet the increased requirement in the fastest way possible, hence, you have the temporary facilities, correct?

Ms. MUNIZ. Correct.

Ms. PLASKETT. And what benefits do those temporary facilities provide? Does it better—and my sense is, does it—I would think that it would help you to plan better for the permanent because you have something in which people are living in and functioning

in on a temporary basis so that you can accurately plan for the permanent structure.

Ms. MUNIZ. I think that's right, but I think fundamentally it provides facilities in which all of the staff can live and work until the permanent facilities are done.

Ms. PLASKETT. Okay. And I would like to hear from some of the other witnesses if they think that that's correct or not correct.

Mr. Gulino?

Mr. GULINO. Yes, I do. I do believe that is correct.

Ms. PLASKETT. And, Mr. Starr, what are your thoughts on that?

Mr. STARR. Yes, I think it gives us an idea of whether or not we can support the platform. I would say that we don't get the efficiencies out of the temporary structures that we can get out of our permanently built structures, and that's one of the things that I think OBO factors into their planning.

Ms. PLASKETT. Okay. And in building the permanent structures to house all of the additional personnel and planning that properly, was using the temporary facilities a mistake?

Ms. MUNIZ. I would argue that it wasn't an option not to use those temporary facilities. If the basic assumption is that based on national security priorities the U.S. Government needed to be in Afghanistan at the levels at which the administration had agreed, the use of temporary——

Ms. PLASKETT. On the date that they'd agreed to have them.

Ms. MUNIZ. Exactly. The use of temporary facilities was an inescapable fact.

The second priority was continue to build the permanent facilities as quickly as possible. Those were the two things we were doing.

Ms. PLASKETT. And so the expressed concern by GAO and the IG regarding the use of the temporary facilities, you would say what to that?

Mr. STARR. I think we all have concerns about using temporary facilities. But as Director Muniz has said, when faced with the situation that we need to surge people, it was our choice. And I think we all have concerns about the length of time that we use temporary facilities. But this particular project, because we were having to build on the same site, essentially, as using them, was very complex.

Ms. PLASKETT. So the challenge is to build the temporary facilities, but to move quickly into the permanent ones at the right period of time in the challenged environment in which you are in in Afghanistan?

Mr. STARR. Exactly.

Ms. PLASKETT. Okay. Thank you. I yield back the balance of my time.

Chairman CHAFFETZ. I thank the gentlewoman.

We'll now recognize the gentleman from Georgia, Mr. Carter, for 5 minutes.

Mr. CARTER. Thank you, Mr. Chairman.

And thank all of you for being here.

Mr. Courts, I will start with you. In planning projects such as this on this scale, are value engineering studies important?

Mr. COURTS. Yes, they are. That is a very well-established practice that both the Federal Government and the private sector have used for decades to reduce costs while still maintaining the quality in the performance of a project, and especially one of this size. It is also required by both OMB and by OBO itself.

Mr. CARTER. So it is required by OMB?

Mr. COURTS. It is, yes.

Mr. CARTER. Okay. Let me ask you, value engineering studies are sometimes referred to as cost-containment studies.

Mr. COURTS. Right.

Mr. CARTER. Because that's what they're intended to do, contain costs, and to make as sure as we can that we don't have cost overruns, correct?

Mr. COURTS. That's correct.

Mr. CARTER. Mr. Starr, let me ask you. It's my understanding that the State Department's Overseas Building Operations didn't follow cost-containment policies in this project. Is that correct, Mr. Starr?

Mr. STARR. I think Director Muniz would have a better answer to that. My understanding is that certain ones were done, certain may not have been—certain ones may not have been.

Ms. MUNIZ. So I'm the director of OBO, so we are responsible for conducting——

Mr. CARTER. I understand that, and congratulations.

Ms. MUNIZ. Thank you. We're the ones responsible for conducting the value engineering studies. And as I mentioned in my testimony, we conduct those, they're valuable. We did not conduct it in the 2009 project.

Mr. CARTER. But you agree they are valuable?

Ms. MUNIZ. Yes, absolutely.

Mr. CARTER. Okay, thank you. Thank you.

Mr. Starr, can I get back to you.

Mr. STARR. Sure.

Mr. CARTER. Mr. Starr, my colleague from Florida earlier talked about the proposed new facility being built near Fort Pickett in Virginia instead of being built—or instead of utilizing the facilities that already exist at FLETC in Glynco, Georgia. Is that correct?

Mr. STARR. Yes, sir, Congressman. I want to answer your question.

Mr. CARTER. Okay. Yes, sir.

Mr. STARR. But I do feel duty bound to say we were brought up to discuss Afghanistan.

Mr. CARTER. I understand that. I understand that. But what we're brought up to discuss is these cost overruns and the waste of money by the State Department. I think more importantly, that's what we are interested in.

Because as all of us know, when you're in a hole you stop digging. And we're in a hole here and we need to stop digging. And we don't let—we don't need to let happen what has already happened before. We want to learn from our experiences.

Now, you said earlier that the cost of this new facility would be $413 million if it were built in Fort Pickett, is that correct?

Mr. STARR. Yes, sir.

Mr. CARTER. Now, originally it was set at $950 million. How did it get down to $413 million?

Mr. STARR. The Department of State started this project looking at a hard skills training site only. At some point the Department also asked a question: Should we, instead of just using it for hard skills, combine all security training, soft and hard skills? GSA was asked to look at that and GSA told us that in order to do both it would cost about $900 million or more.

We went back after that and said: That's not supportable, we don't require the collocation of hard and soft skills. And when we went back to GSA and said concentrate solely on the hard skills security training, that's when the costs were revised and showed that it is now $413 million. It does not include——

Mr. CARTER. Mr. Starr, it's been said that the greatest threat to our national security is our national debt, and I believe that to be true, and I'm very concerned about that. And you say you're not here to discuss this, but you're here to discuss Kabul. Well, we're here to discuss cost overruns and the waste of taxpayers' money, and there is no better example than this.

You've got a facility in FLETC that trains over 91 agencies, but yet you're saying that you've got to have one of your own, that you can't utilize this. And I'm having trouble understanding that when FLETC has already said that they could do this at almost half the cost.

Mr. STARR. A, we don't believe they can do it at half the cost. B, most of every one of those facilities has additional hard skills, higher skills training facilities. The Secret Service has its own higher skilled training facility than FLETC offers. The Air Marshals have higher skills training centers. The U.S. Marshals have higher skill training centers than what's offered at FLETC.

Mr. CARTER. So you believe that you can spend $416 million and build another facility, a stand-alone facility, yet we already have one that is available. Is there a report by OMB about this?

Mr. STARR. OMB has looked at this. There is not a report that I am aware of.

Mr. CARTER. Can you provide me a report with them?

Mr. STARR. The GAO report is coming out very soon.

Mr. CARTER. And will there be a report from OMB?

Mr. STARR. I'm not OMB, sir. I can't tell you that.

Mr. CARTER. Would you work with me to request a report from OMB?

Mr. STARR. Sir, I think the administration has made its decision. We have made a decision that it is in the best interest of all of us to move ahead with Fort Pickett. OMB has responded to Congress several times that I'm aware of. A request for OMB would—to them to respond to you would have to come from them, not from the State Department.

Mr. CARTER. Mr. Starr, I'm not going to accept that. And I'm going to tell you, I'm going to continue to fight this because I think you're wasting taxpayers' money. I think you've got a perfectly fine facility that can be utilized without building another one, without getting us further into debt, and without wasting taxpayers' money like the State Department has done time and time again.

Mr. STARR. I do not want to ever waste taxpayer money, sir. I think that the outcoming GAO report will show that this is not a waste of funding. We have to build 90 percent of the facilities that we would have to build in Georgia—would have to be built in Georgia as well as Fort Pickett. Georgia does not have the facilities that we need.

Mr. CARTER. They have proven, and they have said and they have shown that they can do that at a lower cost.

Mr. STARR. No, sir they have not. And I think the outcoming GAO report will show that.

Mr. CARTER. Thank you, Mr. Chairman.

I yield the remainder of my time.

Chairman CHAFFETZ. Thank you. And an interesting topic, and we will follow up on that.

We'll now recognize the gentlewoman from Michigan, Mrs. Lawrence, for 5 minutes.

Mrs. LAWRENCE. Thank you, Mr. Chair, and to the committee that's speaking here today.

Ambassador Hays, according to the 2014 report, Aegis billed the government without required documentation and with inadequate invoices. What steps has the State Department taken to ensure that the administrative and logistic issues are addressed before the issuance of new contracting programs, and how long does it take to identify or rectify these discrepancies?

Mr. HAYS. Ma'am, that was an audit report, and I was not on that team, so I can't speak to the findings of that team, but I certainly can get back to you through our legislative assistant and give you the information you require.

Mrs. LAWRENCE. So you have read the audit?

Mr. HAYS. I have not read that audit, no.

Mrs. LAWRENCE. Are there any other—who reads the audit, then, once its issued?

Mr. HAYS. The senior staff of the OIG. Individual teams don't necessarily read each other's audits unless they're conducting an inspection of that specific area. And we go from area——

Mrs. LAWRENCE. Ambassador, let me go to a statement that you have said, and hopefully you'll be aware of this. You highlight in your statement the lack of coordination between the Bureaus of Diplomatic Security and Overseas Building Operations. And since this conclusion, what are the best practices you can share with me to best manage these multiple projects and the lack of space available to complete them?

Mr. HAYS. Well, there were two recommendations that we made in our inspection report: One was in the classified, and the other was in the unclassified. The first one was that we needed a dynamic master plan. And we raised that in our report, and we raised it with Director Muniz. The second was that they put together a management oversight team between the senior staff of OBO and DS. To the best of my knowledge, they have done the latter. Director Muniz has said what she has done on the first issue.

Ms. MUNIZ. If I could add on the master planning, I'd like to clarify a point that was brought up earlier by the OIG about the recommendation for a master plan and the fact that that recommendation remained open. We have a master plan for Kabul.

The recommendation is still open because we are waiting for funding approval from Congress. We notified the OIG of that fact in April of this year. So the plan is complete, but the execution of the plan will not be approved until we receive that approval from Congress. I just wanted to clarify on that issue.

Mrs. LAWRENCE. I thank you for that. I want to go back to you, Director Muniz, right?

Ms. MUNIZ. Muniz.

Mrs. LAWRENCE. I really want a sense of assurance. There has been, and you must admit, some concern about the operations in the past. Moving forward, are you positioned and empowered to ensure that these concerns about lack of documentation, master planning—because that's the concern. We can talk about what happened in the past, but what I'm very passionate about right now is in your role, and you've identified a couple times that you are the Director and you have this responsibility, where do you see us correcting these things of the past? And you can't just keep doing the same things and expect a different result. So I really want you on the record saying, as the Director, how are you going to correct these concerns that we have?

Ms. MUNIZ. Thank you for the question.

I think that we have very strong master planning programs, and I've argued that we have planned, designed, and built on those master plans in Kabul. My argument in Kabul is simply that in these environments that are ever-changing, we have to have a different approach, and we do have a different approach. We can't develop a master plan at the beginning of a project that was awarded in 2009 and expect that that master plan remains static. What we are building in Kabul on the Embassy compound is what we need, and we have evolving requirements that reflect later phases of a master plan. So I think we have in place the planning mechanisms and the budgeting mechanisms to let Congress know the direction that we're going in in such a kinetic environment, which is unusual.

Mrs. LAWRENCE. Thank you.

I yield back my time.

Chairman CHAFFETZ. And before she yields back, earlier, the Director had agreed to give us the original plan and then the most updated plan. What's a reasonable time that you'd provide those to us?

Ms. MUNIZ. Well, let us get back to you after this. Those plans exist, so in theory, we could get it to our folks in the Department to get those to the committee, but I know that there's a long queue of documents making their way to you, but we will try to get those to you as quickly as possible. We can also in the interim offer a briefing and walk you through the entire master plan.

Chairman CHAFFETZ. That would be great. What I'm trying to look for a specific date, just because—at what point do we say, Hey, you're not fulfilling what you're said you were going to do? We've had, unfortunately, these challenges in the past, so I'm just trying to get you to agree to some sort of date. You pick it, but I want it to be somewhat reasonable and timely.

Ms. MUNIZ. Why don't we get those documents to you within the month.

Chairman CHAFFETZ. By the end of July? Is that fair?

Ms. MUNIZ. Within a month. It's the 9th of July. It would mean the 9th of August.

Chairman CHAFFETZ. Okay. By the 9th of August.

And we will invite you as well.

Mrs. LAWRENCE. Okay. Thank you.

Chairman CHAFFETZ. Thank you. I appreciate that.

I will now recognize the gentleman from Oklahoma, Mr. Russell, for 5 minutes.

Mr. RUSSELL. Thank you, Mr. Chairman.

Mr. Starr, you're a smart man with a lot of security knowledge. Is a footprint more secure if it's smaller or larger?

Mr. STARR. A footprint, sir?

Mr. RUSSELL. Uh-huh.

Mr. STARR. A larger one is going to require a lot more resources to secure; not necessarily more secure, less secure. I would tell you that our consulate in Haaretz, which was much smaller than the Embassy, we successfully defended that against a complex attack, and we've also successfully defended the Embassy against attacks.

Mr. RUSSELL. Well, I would agree with that. And, in fact, at the Embassy in Kabul, even after it was vacated for a decade, it was a secure building. It had to be breached by the roof. When we went in there in the early days, I recall seeing George Bush's picture on the wall with Mr. Shultz as Secretary of Defense, 1989 calendars on the wall, Volkswagen Golfs in the garage.

I guess this notion that we have to have 5,500 people on a compound is just a mystery to me. How do you justify that?

Mr. BLANC. Sir——

Mr. STARR. Allow me to turn to my counterpart, sir. I'm the one that's given the task to secure them.

Mr. RUSSELL. We appreciate Ms. Muniz, and she has been gracious to allow us to beat up on her in previous testimony, but she has also stated clearly here in this hearing that any dispute, which the GAO and the IG have laid out, which they're in agreement, by the way, on security issues, and Ms. Muniz in her testimony today said that any dispute on security matters, you win; it's a deferment.

And so now what I see is this no desire to streamline infrastructure. We see a support of the support, and then the more support that comes in, it has to be supported, and then it has to be secured, and then the logistics of that, and now we've got 5,500 people, and we're guarding them with Gurkhas, which I have great admiration for the Gurkhas. I've been in environments with them, tough, you know, sharp knives, a lot respect for them. However, we have created a situation where this thing is massive. And you, by your own admission, in talking about Haaretz and how it was defensible, how can you justify this enormous footprint?

Mr. BLANC. Sir, I think that the point is that we obviously have a different set of requirements for professional staff in Kabul than we did in Haaretz. You know, in heart, I think professional staff, we had 10 or a dozen. In Kabul, we are now going to be running all of our operations in Afghanistan because we've pulled back from short locations. We, of course, have a much larger direct-hire population of people who are doing the work of diplomacy, doing the

work of development. That number is drawing down in terms of the current agencies, but it's actually going to go up because you're going to have the Security Cooperation Office come under the Embassy umbrella at a certain stage. You've got other agencies that are going to stop being self-supporting at a certain stage.

And the truth is that in the current situation in Kabul, you've hit the nail on the head, if you've got several hundred people doing professional work, you're going to have thousands more who are providing the life support services of a small city, who are securing that, who are providing movement security.

Mr. RUSSELL. Look, in the early days all the way up to 2009, and we had an embassy there that was secured by a Marine security company—by the way, they do that. That's part of their mission. The Marines, they secure embassies. I mean, this is no revelation to anyone on this panel. And yet we're talking about this insatiable need for size and girth.

I don't know how—I guess my question, you stated in your own testimony, Mr. Blanc, I appreciate you piping up, that the Department of State needs to be expeditionary in nature. I believe those were the words that you used. So how can a four times increase in the operations since 2009 be expeditionary?

Mr. BLANC. Well, sir, I think there are a few things. First of all, there are a number of security challenges in Afghanistan that are obviously not normal to——

Mr. RUSSELL. I'm aware of them. I even lived in a safe house in Kabul. I'm very familiar with the security structure and the dangers in Afghanistan.

Mr. BLANC. And I would say further, sir, the security situation has evolved over time. When I first lived in Afghanistan in 2002, the situation was very different and the Embassy at the time was secured very differently. Now the number of—you know, the security requirements for movement—we talked about the road to the airport—the situation is very different. And so, inherently, the support requirements have also changed.

I would, though, challenge, sir, the idea that we have an insatiable need for girth. In fact, the civilian staff surged with the military surge and is now drawing back. And to the extent that there is going to be girth, it's really going to be girth from other agencies coming in under the State Department umbrella. So I believe that the support services that we have, both life support and the security support, are necessary. I don't think that they can be replaced in Kabul at this time. And I think——

Mr. RUSSELL. But it's self-perpetuating.

And if I may ask for an indulgence, Mr. Chairman.

They're self-perpetuating, and the larger we increase the footprint, the more need to increase the footprint. I mean, at some point—and it's easy to see how it's happened. In fact, the GAO and the IG agree, there's not been this strategic master plan. And then we hear from Ms. Muniz, you said we can't develop such a plan. My reply to that is, nonsense. Develop the plan and then adjust it. We do that all the time at State. We do it in the military. We do it in Congress even. I know that's shocking to some people that we actually plan.

Ms. MUNIZ. That's precisely what we did. I argued that that is precisely what we did. I did not say that was not necessary or possible.

Mr. RUSSELL. Well, then, you have mentioned, though, that the regular plans, that the standard plans were not applicable. Even in this testimony today, you said that the international construction and safety standards needed to be taken into account. How could those possibly be any better or different, or we've not seen these international construction safety standards, I believe is what you called them today. How would that deviate from standard embassy designs with military security in the early dangerous days and then you enhance it later?

Ms. MUNIZ. I'm not sure which document you're referring to.

Mr. RUSSELL. I'm not. I'm picking from your testimony today——

Ms. MUNIZ. That's——

Mr. RUSSELL. —and I quote——

Ms. MUNIZ. That's not my——

Mr. RUSSELL. —international construction of safety standards. So I'm as baffled by it as you are. What would those be?

Mr. STARR. Congressman, the security standards are based on the Overseas Security Policy Board standards. I actually chair the Overseas Security Policy Board with the heads of the other agencies that work overseas.

I would say that in our normal buildings that we build around the world, and we incorporate those standards in—and every building that OBO builds meets those standards—we're in a situation where we have been asked to stay in what is essentially a war zone, and that presents challenges even on top of the regular Overseas Security Policy Board standards. And these are some of the things that we've had to adjust to as the security situation has declined.

Mr. RUSSELL. And I appreciate that. And I know——

Chairman CHAFFETZ. The gentleman's——

Mr. RUSSELL. I——

Chairman CHAFFETZ. The gentleman's——

Mr. RUSSELL. I'm sorry——

Chairman CHAFFETZ. The gentleman's time is up.

Mr. RUSSELL. —Mr. Chairman. If there's time later, I'd like to follow up, if I may.

Chairman CHAFFETZ. I thank you.

I now recognize the gentlewoman from New York, Mrs. Maloney, for 5 minutes.

Mrs. MALONEY. I thank you for holding this important hearing, and thank you to all the panelists.

I just want to talk about really the security concerns that we have in high-threat Kabul. The Embassy has consistently remained one of the most, I'd say, high-threat environments for our overseas personnel. And in February, in 2014, a vehicle-borne explosive device killed two Department of Defense contractors, and just last month, a suicide bomber targeted a NATO convoy about 500 yards from the Embassy.

And so I'd just like to ask Mr. Gulino, your company, Aegis, is a prime security contractor, and your employees are on the front lines everyday in a very dangerous area. Can you give us an over-

view of the security services your personnel provide to the Embassy in this high-threat area, and can you explain how Aegis personnel maintains a secure environment with changing and often very challenging, to say the least, political dynamics?

Mr. GULINO. Yes, I'd be pleased to. Let me first say that the security strategy—the strategic plan for security is developed by our customer, the Department of State. We hire the very best people, and we deploy them according to the plan, which is ever evolving, ever changing, based upon the conditions in Kabul at any given time.

So, having said that, the services that we provide in force protection are primarily in six areas: We provide static security, which is kind of like going through a gate when you come into the building here, obviously. We provide mobile security, which is assisting in movement of people. We provide convoy protection. We have explosive detection dogs, EDDs, that are handled by trainers. And we provide what we call ELU, which is basically elite protection for codels, people like yourself, that come in. We have teams that provide protection to them. And then, lastly and importantly, we have emergency response teams. And those teams are positioned at strategic locations, and they're typically in an MRAP-like vehicle, BearCat, they're called, and they have a combination of EMTs, emergency medical technician people, as well as guards, security personnel.

And, importantly, we train our people so that there's someone on that team who is responsible for command and control and makes the decisions as to what the appropriate response should be based upon a call or a situation that comes in. So those are the six areas that we provide services.

And I want to just say that we do have a mixture of the three groups that I mentioned, including the Nepalis Gurkhas, and they are quite good soldiers.

And I want to—for the record, I'd like to be able to say that duty of care to our employees is of utmost importance. And, yes, we didn't have some posters opened up in Nepali initially, but we take care of our Nepalis. When that earthquake hit, the first thing we did was pull all of our employees. We found out—we gave them phones. We gave them contact back to Nepal. For the ones that were in training in Jordan, we gave them phone cards so they could call. We determined that there were a few people that needed to go out immediately. Fortunately, there were no lives of family members lost, nor of employees on leave. We raised over $30,000 to give to those employees to repair their homes.

Mrs. MALONEY. Good.

I'd like to ask Ambassador Hays and Mr. Courts, given what you've learned in your investigations and your oversight, I'd like to hear what security recommendations would you put forward? What ideas do you have that we could improve our security in this area? Ambassador?

Mr. HAYS. The dynamic in a war zone is extremely difficult. The changing numbers of people going in and out, the policy dynamic affecting the personnel in country, all of these play into the need for solid planning, for worst-case-scenario planning, for very close

collaboration between the policy and the implementers of both construction and security.

We believe that it is important to have long-range dynamic planning. That means that not only do you have a plan out there, but you also are working with others that are involved in this constantly to make sure that that plan meets all the requirements on the ground and that you put security first.

Mrs. MALONEY. Okay. My time has expired. Thank you. Thank you for your service.

Chairman CHAFFETZ. Thank you.

We now recognize the gentleman from North Carolina, Mr. Meadows, for 5 minutes.

Mr. MEADOWS. Thank you, Mr. Chairman.

Madam Director, I'm going to start with you to say thank you. The last time you were here, I think Mr. Russell talked about the fact that it could be contentious, would be maybe an adjective or a verb to describe what went on that particular day, but I also want to acknowledge the fact that after that hearing, you made a personal attempt to come and not only brief me and my personal staff, but to follow up, and in a time when all the headlines are about a lack of cooperation. So I just want to say, thank you, and——

Ms. MUNIZ. Thank you.

Mr. MEADOWS. So, Mr. Courts, let me come to you because Mr. Starr is characterizing your new GAO report as going to be giving him an A-plus, is kind of the direction that—I mean, from his testimony just a few minutes ago. Would you characterize the new report that you're going to be putting out is something that we want to publish, I guess? Let's put it that way.

Mr. COURTS. Congressman, we have not released that report yet to our original requesters, and I can't discuss it until that report is actually released.

Mr. MEADOWS. All right. But Mr. Starr knows what's going to be in that report?

Mr. COURTS. He has seen a draft report, yes.

Mr. MEADOWS. So since you're not going to comment on that, would you characterize his testimony as it being an A-plus and as being accurate?

Mr. COURTS. Congressman, I can't comment on that, as the result—the report hasn't been released yet.

Mr. MEADOWS. All right. When will that be released?

Mr. COURTS. We're still working that out with our client.

Mr. MEADOWS. Okay. So, Mr. Starr, let me come to you. You've seen the report, or you've at least seen your draft. Is your characterization of it giving you a glowing report, is that accurate?

Mr. STARR. I think the report is a fair and balanced report, sir. I don't think it's an A-plus for anybody. I think that it's best that we wait until the report come out and people can judge where we're going on the merits of the report.

Mr. MEADOWS. So your reference to it was only referencing a short portion of that as it relates to your ability to provide a secure location? Was that your testimony? I guess here's what I'm finding, is we've got all kinds of testimony that's going back and forth. And, Mr. Starr, my concern is, is here, as Mr. Russell was talking about,

we've got this big footprint. As I understand it, we're bringing people in in helicopters into the facility currently, is that correct, because it's too dangerous? Other modes of transportation.

Mr. STARR. Yes.

Mr. MEADOWS. So if it is indeed that dangerous and the core mission of the State Department is diplomacy, how do you reconcile the two? I mean, because if it's so dangerous that we can't get out and do our diplomacy, are we not just building a military structure in Afghanistan?

Mr. STARR. Congressman, that's a very fair question. And Jarrett, I think, has some comments on this as well, but I will say one thing. The responsibility to protect our people at our Embassy——

Mr. MEADOWS. I don't deny that. Let me just tell you, the Director knows that I am with her on that particular——

Mr. STARR. But that's one portion of the mission, so that we don't lose the platform. The second——

Mr. MEADOWS. That's not the core mission, though, Mr. Starr.

Mr. STARR. Exactly, but the core mission is to conduct diplomacy. And beyond securing the Embassy, we have to have programs that get people out. We have to get them to these meetings.

Mr. MEADOWS. All right.

Mr. STARR. We have to make sure——

Mr. MEADOWS. But do you understand how the American people have a real hard time with this? We're spending a billion dollars to create a facility that we've got to helicopter people in and out of, that they can't really do diplomacy, and they're saying, well, why are we doing that? I mean, why would we do that, Mr. Starr?

Mr. STARR. I would argue that we are conducting diplomacy.

Mr. BLANC. Sir, if I may, I mean, I think that is exactly the point: We are conducting diplomacy. There are some routes in Kabul, including route to the airport, that occasionally get and more and less dangerous, and our colleagues from Atlantic Security take very good care to make sure that we have the best available security in those instances, but I can assure you, and I spend quite a bit of time there myself, our people get out, they are hands-on involved with the Government of Afghanistan——

Mr. MEADOWS. All right. So give me the top three diplomatic success stories that you can share, then? I mean, you're saying you're creating—what are the top three—what would be the headlines of the Washington Post tomorrow, what are the top three that they've accomplished?

Mr. BLANC. Sir, well, first and foremost, I would say it's the successful transition from President Karzai to President Ghani last summer.

Mr. MEADOWS. Okay. But that was not diplomatic in its nature.

Mr. BLANC. Yes, sir, it was. That was deeply—that involved—that was a——

Mr. MEADOWS. So that had everything to do with the Embassy?

Mr. BLANC. The United States Embassy was deeply engaged in that successful transition, and there were——

Mr. MEADOWS. All right. What are the other two?

Mr. BLANC. So the next thing I would propose to you, sir, is that we have seen a substantial change in the nature of the relationship

between Afghanistan and Pakistan since President Ghani came into office. That has been largely due to President Ghani's courageous actions and reciprocation from Pakistan. But, again, I don't think either of those countries would deny that the United States and our Embassies in both of those countries have played critical facilitating roles.

And then, finally, sir, I would say that we have had a substantial long-term success in terms of some of those things that I mentioned in my initial testimony of helping create a sustainable Afghan Government, which is able to provide core services for its people, which is standing up its military. That's obviously a Department of Defense role, but also an embassy role in the political aspects of it, which is providing educational services, which is providing health services. I can keep going, sir, but I am——

Mr. MEADOWS. Well, we'll follow up. My time has expired.

I'll yield back. But I would welcome your follow up.

Chairman CHAFFETZ. I thank the gentleman.

Now recognize the gentleman from Virginia, Mr. Connolly, for 5 minutes.

Mr. CONNOLLY. Thank you, Mr. Chairman.

And, welcome, to our panel.

Mr. Blanc—and I'm going to ask you to pull the mic closer so we can hear you. Thank you.

Obviously, it's always a balancing act, isn't it, security and diplomacy? We have to make our facilities secure so people aren't harmed, including people who are serving in country, and certainly not our diplomats, but on the other hand, sometimes security can circumscribe our ability to carry out our mission in a country because security can become so tight. Would that be a fair characterization, from your point of view?

Mr. BLANC. Sir, I think that's absolutely a fair characterization. And we're constantly looking for that right balance.

Mr. CONNOLLY. When I was—and that's going to vary from country to country, is it not?

Mr. BLANC. Yes, sir.

Mr. CONNOLLY. So your challenge in San Jose, Costa Rica, is quite different than Kabul, Afghanistan?

Mr. BLANC. Not only that, sir, but our challenges in Kabul, Afghanistan, is different from month to month and has changed substantially over the course of our mission.

Mr. CONNOLLY. Speaking of which, when Mr. Lynch and I traveled together to Kabul several years ago, we stayed on the compound, but I think there were, like, little wooden buildings, little cottages we stayed in. I forget what they called them. But they certainly weren't reinforced. And we were on the Embassy compound. And at least at that time, we weren't overly concerned about our personal security. There had been some lobbing of grenades or rocket shells into the compound, as I recall, but not while we were there, and we weren't, as I said—either that or maybe the Embassy wasn't overly concerned about Members of Congress being overly secure. I don't know.

Has the situation deteriorated such that we are now concerned about that in Kabul?

Mr. BLANC. Sir, I'll start, and then I'll ask Mr. Starr to continue. The security situation in Kabul has substantially changed over time. I mean, starting from 2002, where it was relatively permissive, through a number of years where it got a little bit worse over time but was still generally permissive, it is at a very much more difficult stage right now. The Government of Afghanistan at the end of last year took full responsibility for the security of their country. They are exercising that responsibility quite well, they are standing in the face of a vicious onslaught, but there is still a real, you know, result in terms of everybody's personal security, Americans, Afghans, everybody else, as that transition settles in. And so, yes, sir, the situation has changed. And Mr. Starr——

Mr. CONNOLLY. Well, actually, the verb I used was "deteriorated."

Mr. BLANC. Deteriorated, yes, sir.

Mr. CONNOLLY. You agree with that——

Mr. BLANC. Yes, sir.

Mr. CONNOLLY. All right. Mr. Starr.

Mr. STARR. Taliban networks, particularly the Haqqani network, have shown themselves to be dedicated to trying to attack Western and Afghan institutions in Kabul starting a couple of years ago, and it has reached quite a crescendo. The numbers of attacks and the different types of attacks have been very difficult to handle. In some cases, they've been very successful. In many cases, they have been unsuccessful, either from the efforts of the Kabul Government, the Kabul security forces. Sometimes it is Western security forces like ours that have protected the people and made sure that our people were safe. But it's undeniable that the number of attacks has grown tremendously in Kabul.

Mr. CONNOLLY. Thank you. I think that's something that needs to be underscored in terms of the environment we're facing in Kabul.

Ms. Muniz, Mr. Courts in his testimony today recounts a comment of a State Department official explaining the challenge we faced with the surge in Afghanistan, and, quote, "given concerns about security in Kabul and pressure to get permanent hard facilities built as soon as possible, State was not going to act on any recommendation that would delay getting the contracts awarded and the facilities built."

Is that a fair statement, from your point of view, and do you want to elaborate? In fact, would you elaborate.

Ms. MUNIZ. I think that's a fair statement. I would qualify only that we wouldn't do—I think you used the word "any," or the quote used the word "any." I think there's——

Mr. CONNOLLY. On any recommendation. That's right.

Ms. MUNIZ. I think there are some recommendations that we might have considered worthwhile to delay the award of a project. I would put security among some of the highest requirements, but I would say really the goal has been to continue to press forward with construction of the permanent facility. So that statement is generally true.

Mr. CONNOLLY. And my time's running out too. All right. The security situation has deteriorated in Kabul, and as you point out,

not just for us, but for everybody. That's tragic and needs its own examination.

In your view, Ms. Muniz, the decisions we made and executed, is the compound more secure today than it was, say, when I was there back in 2009 and 2010?

Ms. MUNIZ. I believe it is significantly more secure. And as I mentioned earlier, the ability to move 900 people into safe office buildings is a huge milestone, and in November, nearly 300 into another residential facility. So I would say yes.

Mr. CONNOLLY. Thank you.

My time is up, Mr. Chairman.

Chairman CHAFFETZ. Thank you.

I now recognize the gentleman from Tennessee, Mr. Duncan, for 5 minutes.

Mr. DUNCAN. Thank you, Mr. Chairman. I think all the questions that need to be asked have been asked, but I would like to place a few comments on the record.

First of all, I want to say that I strongly agree with Mr. Mica in talking about how ridiculous the waste of all this is, the excessiveness of all this is, and that he mentioned the Taj Mahal. And The Fiscal Times reported a few weeks ago, and it said: This year the State Department allocated $1.11 billion to cover the 2009, 2010 contract costs as well as other expenses for constructing the facility. Once it is complete, the Embassy will have 1,487 desks and 819 beds.

And this is in a country that, according to another publication, says: We're reducing our Afghan presence from 32,000 troops to 9,800 by year's end, with half that number remaining in 2015. Only a small force to protect the Kabul Embassy and manage security would remain after 2016.

I mean, we're practically all leaving and yet we're still spending, as Mr. Mica pointed out, almost $2.2 billion. This is in a country that has a total GDP of just slightly over $20 billion, $20.3 billion, 30 million population. The people over there have to get by on an average of less than $2 a day. They must just be astounded. I think probably they must be laughing at us on how much money we've been spending over there. And, you know, I've seen for years the easiest thing in the world to do is to spend other people's money. I remember Admiral Rendell, who later became Governor of Pennsylvania and later became the National Democratic Chairman, when he was mayor of Philadelphia in testimony before the House Ways and Means Committee many years ago, he said: Government does not work because it was not designed to. He said there's no incentive to save money, so much of it is squandered. There's no incentive for people to work hard, so many do not. That was his quote.

And certainly it seems to me that mega hundreds of millions have been squandered and are still being squandered over there.

Last month, David Keene, who spent 27 years as head of the American Conservative Union and is now the opinion editor of The Washington Times, he wrote this about our unnecessary wars in the Middle East and our failed attempts at nation-building. He said: As a result of our wars and attempts at nation-building in the Middle East, there is a generation of young Americans who have

never known peace, a decade in which thousands of our best have died or been maimed with little to show for their sacrifices. Our enemies have multiplied, and our national debt has skyrocketed.

And I think that all of the people who have any responsibility or role at all in going along with the construction of this massive project in Afghanistan should be ashamed. I think it's very sad what we've heard here today. And I just wanted to place those comments on the record.

Thank you, Mr. Chairman.

Chairman CHAFFETZ. Thank the gentleman.

We'll now recognize the gentlewoman from Illinois for 5 minutes, Ms. Duckworth.

Ms. DUCKWORTH. Thank you, Mr. Chairman.

I'd like to ask about the inspector general's report from October on the Aegis contract to provide security.

Mr. Chairman, I'd like to request that the report actually be entered into the record.

Chairman CHAFFETZ. Without objection, so ordered.

[The information follows:]

https://oig.state.gov/system/files/aud-mero-15-03.pdf

Ms. DUCKWORTH. Thank you.

Mr. Gulino, thank you for being here today. In this report from October, the inspector general raised a number of problems, and I'd like to get your responses to some of these. The State Department's contract requires Aegis to maintain documentation of each employee's training and security clearance, but the IG found 25 of 333 files, or 8 percent, were missing 49 required personnel training or investigation documents. Can you explain why the documentation was missing?

Mr. GULINO. Early on, when we took that contract over, there were—we took an existing workforce over, and it took a little bit of time to get all the documentation and the records right, the entire program up to WPS standards, which we did. We worked in concert with the State Department. All of our records are up-to-date. State Department comes in and audits our records. We keep dual sets of records. The same exact record that exists in Kabul exists in our Washington office. They have audited twice this year, and of those two audits, they found one discrepancy, a document that—we typically they flag if we don't have something—that needed to be added in, and it was added in after that. So the documentation is complete now. There is nobody that goes out to Afghanistan that doesn't have a clearance and also doesn't have the appropriate training, whether they're U.S. or whether they're TCNs, third country nationals, from Nepal.

Ms. DUCKWORTH. Now, were there any people there—so the report actually says seven Aegis U.S. citizen employees working in various positions in Kabul had no documented security clearance investigations. So what you're saying is that they had them. It's just—the documentation needed to be cleared up, and that that problem has been solved?

Mr. GULINO. The problem has been solved. It's either one of two things. Yes, it's either that when we assumed the workforce from another contractor, that documentation didn't exist, and we put it

together, or the clearance wasn't appropriate. We trained everybody, and we got all the documentation up to WPS standards.

Ms. DUCKWORTH. Okay.

Mr. GULINO. We have no further problems in documentation or clearances.

Ms. DUCKWORTH. That's good to hear.

The IG also reviewed invoices that were submitted by Aegis totaling about $217 million, and they questioned about $8 million—let me just quote the amount—$8,642,485 in costs, about 4 percent of the contract. They said that those invoices—57 invoices are possibly—of those invoices, 8 percent, 457, were possibly unallowable are not supported in accordance with contract requirements. Do you know what those invoices were for?

Mr. GULINO. Typically they were either—well, they were either for labor or for reimbursable items. We have provided—we worked with State Department. We've provided all of the documentation required to have the appropriate backup for those invoices, and we worked with them since that audit was out.

And I also mentioned earlier that independent of the IG audit, Aegis conducted its own audit of the first year of the contract on its own with its own people and presented all of the discrepancies and clarified all the discrepancies. We looked at over 71,000 line items and compared a document called a muster to a Delta accounting program to time sheets to biometrics, and we are now proceeding on auditing the second year of the contract on our own without any requests from the government or the IG.

Ms. DUCKWORTH. Okay. Do you know how much of that $8.6 million ended up being allowed or how much was disallowed?

Mr. GULINO. I'm not aware of any disallowances at this point. We've presented all the documentation to the State Department, and they've not come back to us with any disallowances to the best of my knowledge. If there were, it has to be minor. The audit that we conducted verified that. We——

Ms. DUCKWORTH. So you're saying the gaps in the billable hours are from other—the issues with those invoices were partially as a result of you taking over a contract, and you fixed those problems?

Mr. GULINO. Right. That's part of it. We took—when you take a contract over in any—in any instance where you take an existing workforce over and a new contract, especially when the procurement period is quite long, that is, from the time an RP is issued until the contract is awarded, the scope of work changes.

In a situation like Afghanistan, we went into it, and the State Department understandably said, you know, we don't want those posts anymore. Take 880 people. We don't want those posts, we want these. So move the people around, change the classifications. And it took some time to get all of that properly documented and up to speed and properly invoiced.

The audit we conducted, we found that approximately 75 percent of any discrepancy occurred in the first 4 months of the contract. And we have a good process control documentation system now so that that does not occur again.

Ms. DUCKWORTH. Thank you.

Ambassador Hays, I'd like to know the IG's view of the status of the outstanding findings, particularly with respect to those ques-

tions costs. Would you have a schedule—a follow up with the appropriate officials in the inspector general's office just to make sure that those fixes have taken place?

Mr. HAYS. Certainly.

Ms. DUCKWORTH. And do you have any opinion on whether or not you think that those problems have been fixed and that the processes in place now are adequate?

Mr. HAYS. I conducted the inspection of the facilities in February of 2014. I did not participate in the audit nor the compliance of that, but I can certainly pass on your concerns to the IG himself, and he will get back to you.

Ms. DUCKWORTH. Great. Thank you.

I'm out of time. I yield back, Mr. Chairman.

Chairman CHAFFETZ. Thank you.

I now recognize the gentleman from Wisconsin, Mr. Grothman, for 5 minutes.

Mr. GROTHMAN. Thank you.

I guess this would be for Mr. Starr. I want to follow up a little bit on what Congressman Russell says. First of all, how many buildings are going to be in this compound total, about when we're done in Kabul?

Ms. MUNIZ. So there was an existing chancery built in 1971, which was the starting point. Another annex building was built and completed in 2005 with three residential facilities. The 2009 and 2010 projects will provide for another unclassified annex and another classified annex and three more residential buildings. In addition, security, utility and support buildings are also included in the scope of the project.

Mr. GROTHMAN. Okay. So at least ten plus. Whatever. Okay.

How many people are going to be based in these facilities when you're all done?

Ms. MUNIZ. The program that drove the facilities is 1,487 desks and 800 beds.

Mr. GROTHMAN. Okay. So how many people——

Ms. MUNIZ. So, basically, the delta is between the U.S. direct hire staff who sleep on the compound and those who work in the buildings but who don't necessarily sleep on the compound.

Mr. GROTHMAN. Okay. So we say—how many total people, say, are based or work in the compound by the time we're done?

Ms. MUNIZ. Let me turn that over to Jarrett and to Greg. OBO builds to the sort of hard facility requirements, but there are many support workers and security who don't have desks in the facilities but who work around the compound. So for a comprehensive number, I would turn to them.

Mr. GROTHMAN. Sure.

Mr. BLANC. So, you know, in broad terms, there are going to be about 5,000 people on the compound between direct hires and contract support staff, including security staff. There are some ambiguities in this still because there are still planning decisions being made about the future Security Cooperation Office and other agencies that will come under the Embassy umbrella.

Mr. GROTHMAN. This kind of hits me as high. That's all.

Of those 5,000, how many are Afghans themselves?

Mr. BLANC. I don't have the local——

Mr. GROTHMAN. I mean, guess wildly. I don't expect you to——

Mr. BLANC. About 850, 900.

Mr. GROTHMAN. Okay. So about a fifth, a little under that. Could we get, and you don't have it right away today, but just because it hits me as a high number, what do these people do?

Mr. BLANC. Sir, we can provide that. What I can tell you is that it's the smaller portion that are direct hire U.S. staff, who are doing what we think of as the work of diplomacy. The larger portion are people who are necessary to support that staff, given the very unique circumstances in Kabul, whether that's the security staff that Greg oversees or the life support staff, especially as the military mission draws down, and we lose some of the services that the Department of Defense has provided, need to provide them for ourselves, services that just, to be blunt, you can't—the Embassy can't rely on the economy to provide, it has to provide for itself.

Mr. GROTHMAN. Okay. Of the 5,000, how many are military personnel?

Mr. BLANC. So, right now, of the 5,000, the number is pretty small. That number is likely to increase over the out years because as the military mission changes, there will be a Security Cooperation Office that will eventually be part of the Embassy that will oversee our security—the assistance that we provide the Afghan National Security Forces.

Mr. GROTHMAN. Okay.

Mr. BLANC. Those are decisions that are being made right now, and I can't really tell you how they'll come out.

Mr. GROTHMAN. Okay. Just to guess wildly, you told me there were 5,000 total, you said a relatively small amount of military personnel. What does that mean? 100, 200, 300? Just guess wildly.

Mr. BLANC. Maybe 100.

Mr. GROTHMAN. Maybe 100. So we have almost 5,000 civilian personnel that we anticipate having in Afghanistan? Is that the deal?

Mr. BLANC. So, again, you're combining what's the case right now and what will be the case over time. Over time, I expect that military number will be a larger percentage because of the Security Cooperation Office.

Mr. GROTHMAN. Okay. Okay. Then we have a question for—I guess I'm running out of time. Well, was a risk assessment done at the Kabul site, and if it wasn't, why not? That's the final question.

Ms. MUNIZ. Risk assessments are always done before the award of a large-scale project. So our team goes out and understands with the contractor what are the risks that we might encounter.

A formal risk assessment, sort of the way we lay it out as a separate assessment was not done in the 2009 project, was done in 2010, but I would argue that in all cases, we are assessing the situation and know what the major risks are, and those here included the security situation, growing staff, a changing environment, but those were known at the time of the award of the 2009 contract.

Mr. GROTHMAN. Okay. My time is up.

Mr. BLANC. Sir, if I may just to correct. I'm being told that the correct number for current military personnel is closer to 50, be-

tween the liaison for the Embassy and the residence support mission and the Marine force.

Mr. GROTHMAN. You said total number is what?

Mr. BLANC. It's closer to 50 than 100.

Mr. GROTHMAN. Fifty, 50?

Mr. BLANC. Five zero.

Mr. GROTHMAN. Okay. Thank you.

Chairman CHAFFETZ. To clarify, page 16 of the GAO report says, between the 2009 contract and the 2010 contract, State should have conducted four cost-containment studies and six risk assessments. However, for the 2009 contract, State confirmed it did not conduct either types of assessment. Because of the value of the 2009 contract, which was $209 million, two separate cost-containment studies would have been required. Also, no risk assessments were performed and no risk-mitigation plan was developed.

So your answer's a little shy of the reality, at least according to the GAO, correct?

Ms. MUNIZ. I would argue that—the policy that the GAO is referring to and the sort of narrow interpretation of a separate risk assessment being conducted during or before award of a project, that is true. But risk assessment when you look at it on its face is going to the post; understanding what the risks are. How are you going to get materials in? Are there changing situations on the ground that are going to impact your project? Those are all things that are analyzed and that are known and that are included in the cost development for these projects. And that was done with the 2009 project, but understand that the budget for the 2009 project was developed in advance of knowing that there was going to be a significant increase in staff, that the border with Pakistan was going to be closed for 7 months, and any number of other issues that I've outlined in my testimony.

Chairman CHAFFETZ. Mr. Courts, is that what happened?

Mr. COURTS. Well, I would again just point out that the risk-assessment and cost-containment study that they did in 2010 did point out some of the risks that eventually materialized. And by the way, one of those was difficulties with the land transport of materials, so some of these risks were known in advance. They predicted them in the 2010 study. If they had done the 2009 study, perhaps they would have had more time to try to develop some mitigation strategies.

Chairman CHAFFETZ. And part of the——

Ms. MUNIZ. And perhaps we would have delayed award of a contract that is getting people into safe facilities as quickly as possible.

Chairman CHAFFETZ. They're not safe. That's the point. They weren't safe, and now they're way over budget. We're missing by hundreds of millions of dollars. The overall project is coming in 3 years late. It was supposed to be done last year, and now it's not supposed to be done until 2017. So what's the case to be made that you've made this huge progress by bypassing all the bureaucracy, you put people in a better situation because you've got two independent people who have come in and looked at that and, I think, disagree with that analysis?

And in regards to the security, on page 17 of the report, DS officials were not sufficiently involved in the cost-containment study,

and it goes on for a full paragraph. That's the frustration. Just reading this, this is why we're having a hearing, you would get the impression that you're not even talking to the Diplomatic Security. And we addressed that a little bit earlier, but that should be part of before you do 2009. It should have been part of 2010, but that evidently wasn't done according to the report. Am I wrong?

Ms. MUNIZ. I believe you are.

Chairman CHAFFETZ. Well, this is why we have this hearing. DS cited—this is from the report. DS is cited in the policy as an interested office. According to the attendee delist, no one from Diplomatic Security participated in the meetings related to the study.

You have a pretty hard case to make that you were taking security at the top of your list and putting it in there when they weren't even invited into the meeting.

Ms. MUNIZ. They were invited to the meeting. We can prove——

Chairman CHAFFETZ. So they were no shows? Mr. Starr, did your staff not—they just said, Forget it, I'm not showing up, not worth our time?

Mr. STARR. Congressman, I think our people decided that the—at that—that one particular meeting, that there weren't equities that we were necessary to be there.

I want to emphasize something, though, sir. And I know that there are individual points that can be brought out and looked at by both IG and GAO, and in many cases. They bring very important things to our attention, and we correct those things. But I don't want to leave you with the impression that DS and OBO don't work together very closely to ensure that the physical security standards in our buildings are always——

Chairman CHAFFETZ. She just said that your people don't show up at her meetings.

Mr. STARR. At one particular meeting on——

Chairman CHAFFETZ. That's not what this says. That's not what this says. I didn't just come make this up. I didn't just come say: Hey, let's pick on State. I'm reading a GAO report that pretty much concurs with what the inspector general found. And the reality is it's 27 percent over budget. You missed it by hundreds of millions of dollars. You've got facilities that aren't secure. There's no master plan. There's no plan for temporary facilities. And it's the biggest expenditure we have in an embassy compound complex that we've ever had in the history of the United States of America. So you have a really hard case to tell me that we're doing things better and everything's good, just move on, nothing to worry about here. That's a $2 billion expenditure, and it's not yet finished.

Mr. STARR. Mr. Chairman, I would disagree with your characterization somewhat, but in certain cases——

Chairman CHAFFETZ. Which one?

Mr. STARR. —you're right. This one——

Chairman CHAFFETZ. Which part? Tell me.

Mr. STARR. This is certainly a very expensive project, it's very large, but——

Chairman CHAFFETZ. Tell me what you disagree with.

Mr. STARR. That we are not providing safe and secure facilities. It is true that they are behind the original schedule, but we are building safe and secure facilities. During the entire time that we

were there in our temporary facilities, we have never lost a person on our compound even with the temporary facilities, and we're building better ones today.

Can our coordination be improved? Yes. The IG and the GAO pointed out that there were problems, and Lydia and I have worked to ensure that those problems don't continue. There is always room for improvement. And I, quite frankly, would wish that we could have brought these projects in faster because moving the people out of temporary facilities faster gives them even better protection. We've been responsible for providing that protection during this entire time. And I think we've done a very good job, but none of us minimize the problems that have occurred in this environment as we try to struggle to bring these buildings in.

But I will tell you that, you know, while we appreciate GAO and IG, and they do bring a lot of good things to our attention, not everything can be characterized as off base here. We are delivering, although you are correct, it is behind schedule, and it is over the budget.

Chairman CHAFFETZ. I now recognize the gentleman from Oklahoma, Mr. Russell.

Mr. RUSSELL. Thank you, Mr. Chairman.

And, Ms. Muniz, I wanted to make a correction. It was Mr. Hays in his testimony that spoke about the international construction and safety standards and that this was causing some unnecessary delays between OBO and State.

And so I would like to ask you, Mr. Hays, you spoke to these international construction and safety standards causing these delays. What were those?

Mr. HAYS. Well, the international standards for construction, which OBO works to and has to work to because of legislation, are the same that you would apply to Embassy Berlin or a building in downtown D.C. They require a building to be built in a way that is safe and sound for a longer period of time.

The DOD regulations authorize more flexibility, especially in war zones. And we raised the issue that OBO and DS should look into the Department as a whole, look to find more flexibility to move quicker in war zone situations more expeditiously. DOD has that authority. They have a workaround for a number of international standards for specific areas like Iraq and Afghanistan.

Mr. RUSSELL. Thank you.

Mr. Blanc, you spoke of land route delays, and I can certainly appreciate what a closed Pakistani border does to American anything or international anything in Afghanistan. What, though, if we should have something like this that happens again with such a large footprint now? Can you foresee a time where we would need to reduce a footprint and be streamlined to be more effective because now we have these 5,500 personnel? And if this happens again, which it's not unlikely and certainly those routes get interdicted, what do we do about that?

Mr. BLANC. Well, sir, I think if I can say two things. First of all, even during the interdiction of those routes, both the diplomatic and the military mission were able to continue, using a whole variety of creative logistics. And I think that in the unfortunate instance this happened again, obviously working very hard on our re-

lationship with Pakistan to prevent it, we would again fall back on some creative logistics.

I think your question in principle, are there conditions under which we would look to draw down diplomatic mission in Kabul, the answer is, of course, but we are always looking at a whole variety of questions, the immediate security situation, how effective is the team being, what specific needs do we need to fill either in the sort of professional Diplomatic Service or what we no longer need to contract, what might we be able to do on the economy in Afghanistan. Those are all questions that we address on a literal——

Mr. RUSSELL. And I don't—I certainly don't underestimate the complexities of the problems. I guess my concern is we're seeing a pattern. We're seeing a pattern where we've become so cumbersome with it. It becomes cumbersome to get things there. It becomes cumbersome to secure things. It becomes extraordinarily expensive. It wastes resources, and I just would think that a nation of 31 million souls with the types of problems that we have, that we can be efficient, but I'm not hearing that. Instead what I'm hearing is, and particularly from Mr. Starr, which—look, everyone at this table, I have no doubt, is dedicated to this Nation. I mean, look at your resumes: They're not only impressive, but they're long-serving, and I have the highest respect for all of you, and you've done it from administration to administration, and for that, I sincerely thank you. But I guess my—the pattern that we are seeing now is just an increasing infrastructure where it just grows and grows and grows, and it requires more security and more security and more security.

And the last question that I have is for Mr. Gulino. I have no doubt of the ability of the Gurkhas to win almost any fight that they're ever encountered in. Language barriers. You know, we've seen the posters. Got all of that. In a no-kidding combat situation, you've got an American compound and now you've got Gurkhas. How are you mitigating that?

Mr. GULINO. In the first place, we have well over 400 U.S.—I didn't mean to imply by any means, I don't think I did—that we have a Gurkha workforce. We have 600 Gurkhas, you are quite right. They are selected from a wide pool of——

Mr. RUSSELL. No, I get that. But how are you mitigating the language barriers in a combat environment?

Mr. GULINO. And they are vetted for language in Nepal first. And then when they go through training in Jordan, in Amman, Jordan, at KASOTC training, we don't just train them and test their skills with weapons. We test their language understanding and their ability to speak English.

Mr. RUSSELL. So all of these Gurkhas then are English speaking or have understanding?

Mr. GULINO. Yes, sir. Yes, sir.

Mr. RUSSELL. So why do we need posters then?

Mr. GULINO. Why do we need what?

Mr. RUSSELL. Why do we need Nepalese posters? If they are all proficient in the English language, then why was this an issue?

Mr. GULINO. Well, let me just say this. It is a requirement, and not every Nepalese Gurkha on our post can read The Washington Post either from first page to the back page.

I think that as a matter of policy and procedure and human rights we should have the posting of passports in Nepali. I don't question for a minute we should have had it from day one. We have it now and we will going forward. Anything that we communicate to the Nepalese, we do it both in English, as well as the Nepalese, including their contracts, their employment contracts.

Mr. RUSSELL. I thank the chairman for additional time, and I yield back.

Chairman CHAFFETZ. Thank you.

I now recognize Mr. Cummings for 5 minutes.

Mr. CUMMINGS. Thank you very much, Mr. Chairman.

Mr. Courts, I would like to discuss GAO's examination of two construction contracts at the Kabul Embassy. The first was awarded in 2009. The second was awarded in 2010 to a different contractor. Is that correct?

Mr. COURTS. That's correct.

Mr. CUMMINGS. Can you briefly describe the two sets of projects that were contracted and their originally estimated completion dates?

Mr. COURTS. I believe that the 2009 contract was intended to construct a number of temporary offices and housing. It was also intended to construct an office annex, the unclassified facility that my State colleagues have referred to, as well as some additional warehouses, some compound access facilities, some perimeter security features, and other things.

In the end that contractor ended up building mostly just the temporary offices and housing, and the rest of those requirements were transferred to the 2010 contractor.

Mr. CUMMINGS. Now, what about completion dates? What were the projected completion dates on the projects?

Mr. COURTS. I don't have the projected completion date for the 2009 contract at my fingertips.

Mr. CUMMINGS. Okay.

Director Muniz, according to GAO's report, in 2011 the State Department partially terminated the 2009 contract, and I quote, "in part due to concerns about contractor performance and schedule delays," end of quote. Can you please explain exactly the concerns were, what they were, and why was the contractors—why were they terminated and what was the performance issue and schedule delays?

Ms. MUNIZ. So the contract included both temporary facilities and permanent facilities, and we knew that there was a follow-on contract that would be building on that base and adding permanent facilities.

We had concerns that the first contractor was not meeting key milestones and would not be able to meet their original schedule, which was the end of 2012, in a way that didn't interfere with the execution of the fiscal year 2010 contract. So the government terminated that contract for convenience.

Mr. CUMMINGS. And have you experienced challenges terminating this contract or other contracts due to contractor delays?

Ms. MUNIZ. We do. It's a challenging circumstance. So we want to require contractors to perform and we want to encourage them to have a track record of serious performance. It's actually under

the Excellence initiative, one of the things that we've pushed is going to best-value awards as opposed to lowest cost, because we can hold contractors accountable based on past performance.

It's complicated and we always weigh a termination and the length of restarting with trying to push through with current contractors. In the instance of the 2009 contract, without going too much into it, we just had concerns that in the much longer term it was going to become a challenge for our 2010 contract and we realized that it would be most effective to terminate it with just the temporary facilities built and transfer the permanent facilities to the 2010 contract.

Mr. CUMMINGS. Now, Mr. Courts, according to GAO's report, the rest of the contract was shifted to the second contractor who was working on the 2010 contract at that point. Is that correct?

Mr. COURTS. That's correct.

Mr. CUMMINGS. Your report also reveals that the estimated completion date of the expanded 2010 contract has been pushed out more than 3 years, until 2017.

Mr. COURTS. That's correct.

Mr. CUMMINGS. Mr. Courts, would it be accurate to say that part of this additional 3 years is due to the termination of one of the contractors and the subsequent transfer of the remaining contract elements to another?

Mr. COURTS. I don't think there is any doubt that that probably did add time, yes.

Mr. CUMMINGS. And your report also mentioned additional contract modifications. Were all of these modifications new or did some have to do with the prior 2009 contract?

Mr. COURTS. I believe there was a mix of both.

Mr. CUMMINGS. Are you familiar with this, Ms. Muniz? Would you know that answer?

Ms. MUNIZ. Which modification?

Mr. CUMMINGS. I guess this would be the 2009 contract. Then they had some modifications to that. Would that have been the contract, Mr. Courts, the 2009 modifications, is that right?

Mr. COURTS. Both the 2009 and the 2010 contract had modifications.

Mr. CUMMINGS. Okay.

Ms. MUNIZ. That's accurate.

Mr. CUMMINGS. Okay.

Ms. MUNIZ. Both had significant modifications. Those were——

Mr. CUMMINGS. And how did those modifications come about? What happens?

Ms. MUNIZ. I was just going to answer that. Those were due to the increase in desk requirements. And again, this is driven by national security priorities and the increase in staff. I would turn to Jarrett.

Mr. CUMMINGS. Well, I'm going to—unfortunately, I'm going to have to get to another meeting, but I just—I think there are a lot of concerns here.

And I go back to something that Mr. Duncan said. And maybe you all can answer this for me, because I think he said something that just seems to be so accurate. He questioned, what is the incentive for saving money? Do we have any, Mr. Courts?

In other words, it seems like we spend and spend and spend, and the chairman has been very clear that we haven't—that we probably could do better. So what is the incentive?

And I have got to ask you this, Mr. Gulino. I'm going to take one out of the—the chairman and I were just talking about this. What do you pay these nationals, by the way?

Mr. GULINO. Salaries for the——

Mr. CUMMINGS. Yeah, the nationals. You know, the ones that you hold the passports up for. Those, those folks, Nepal.

Mr. GULINO. Oh, third-country nationals. They are paid in the $40,000 to $50,000 range a year.

Mr. CUMMINGS. $40,000 to $50,000?

Mr. GULINO. Yes, sir.

Mr. CUMMINGS. That's quite a bit of money for somebody over there, isn't it?

Mr. GULINO. I think it's competitive with the requirement for the——

Mr. CUMMINGS. No, I mean, I'm glad to hear that and I would like for you to get us some verification. I would like to see the documentation. Do you have contracts with these people?

Mr. GULINO. Yes, I will send documentation. I will get back to you on that to confirm the rates.

Mr. CUMMINGS. And do they have benefits?

Mr. GULINO. They have insurance benefits, yes. They get a bonus payment. At the end of their 1-year contract, they get a bonus payment.

Mr. CUMMINGS. And are they doing the same types of jobs as other folks who are not nationals?

Mr. GULINO. Yes, sir.

Mr. CUMMINGS. And you're telling me that the rates would be the same, comparable for people who are doing the same work, whether they are nationals or not? Is that what you're telling me?

Mr. GULINO. The rates are different for expatriates. For U.S. performing similar types of work are slightly higher. Because it's a market-driven thing. We can't hire U.S. personnel.

Mr. CUMMINGS. I understand that. But I'm trying to make sure—I'm just trying to figure out what you are paying. And I guess if you're using our dollars, which you are——

Mr. GULINO. Right.

Mr. CUMMINGS. —I'm trying to make sure you—I want to know what you're paying. And I want to know—I want detailed information about that.

Mr. GULINO. Sure.

Mr. CUMMINGS. Can you get me that?

Mr. GULINO. I would be happy to have our staff provide that to you.

But the premise is this: If you don't need to hire all U.S. personnel and you can use fully qualified third-country nationals that operate in the same post, same kinds of jobs with weapons, you use those and it drives the cost down.

Mr. CUMMINGS. Yeah, I understand that, but I'm also concerned, I'm trying to make sure we don't have a situation where we've got people making peanuts——

Mr. GULINO. We don't.

Mr. CUMMINGS. Yeah.

Mr. GULINO. No, sir, we don't.

Mr. CUMMINGS. And let me finish. And then we've got contractors, stockholders, and others who are making millions. And I just want to make sure we—I read all of—I read your statement and you talked about reputation, integrity, compliance, and all this kind of thing, and that's good. But I want to see some records as to what you're paying these people. All right?

Mr. GULINO. Yes, sir, we'll provide that.

Mr. CUMMINGS. All right, thank you very much.

Thank you, Mr. Chairman.

Chairman CHAFFETZ. Thank you.

I've got to wrap up with a few different questions and then we will conclude this hearing. I appreciate your patience. You have been here a long time.

Mr. Hays, part of what Mr. Cummings and I have discussed and we will formalize is we are going to request of you that we look at the contracts, really around the globe. I'm not suggesting we do each and every market, but find a way to look at how these security contracts work for the security. It plays such a vital role and we have had some feedback in some countries that these people are not being paid very well.

I'm not suggesting that is at all the case with Aegis. I'm not suggesting that at all. I'm just saying, we would like to look at it and feel more comfortable with it. And we will formalize something with you.

There are two recommendations in the draft report where there seems to be a bit of conflict, and I'd like to clarify that, and if there's still conflict, there's still conflict. But recommendation 2 on page 50 says: "GAO recommends the Secretary of State consider establishing minimum security standards or other guidance for the construction of temporary structures, especially those used in conflict environments." Second sentence of the response from State says: "DS"—Diplomatic Security—"does not support separate standards for temporary structures." Why not?

Mr. STARR. It's still a disagreement, sir. We still maintain that our goal is to try to meet the permanent standards, the highest-level standards, as best we can. And if we can't, then we have to look at what risk that entails. We may have to give exceptions or waivers. But it is our goal to try in those situations to meet the highest-level security standard we can.

Chairman CHAFFETZ. And, Mr. Courts, why did you make that recommendation?

Mr. COURTS. Well, let's just point to the OSPB standards that Mr. Starr referred to as sort of the goal that they are trying to achieve. In reality, the only buildings that can actually meet those standards are permanent structures.

They do have the waivers and exceptions process that Mr. Starr referred to. That's supposed to be a process where mitigation strategies are proposed and considered as a condition for granting the waiver, and then a very conscious and explicit acceptance of the risk, considering all of those factors.

In actual practice, we found that State doesn't always follow that policy, and in fact we found a number of instances in Kabul with

temporary facilities that did not have those required waivers. So that process that was just described wasn't followed there.

So we think something is not working. And establishing some sort of standards—State is really uncomfortable with the word "standards" or other guidance, and they propose, perhaps, some sort of template or some sort of lessons learned document that takes lessons learned from the experience that we have already had in Kabul and perhaps provide some information to those that are procuring temporary facilities in conflict environments in the future. And we think if they follow through on that, they could perhaps meet the intent of our recommendation.

Chairman CHAFFETZ. And I think part of the concern, at least my concern, is that many of these temporary facilities end up being not so temporary—I mean, many of these are there for close to a decade, if not longer—and that it is much more convenient, it's a lot easier, a lot less paperwork to just deem it a temporary facility. Therefore, you don't have to comply with all these other standards.

And so I think this is part of the problem that we got ourselves in Libya. This is part of the problem that I see in some of these other places. And granted, they are very difficult, tightly configured situations.

But to say that there ought to be some sort of minimum standard or guidance or—it's just—it seems like a reasonable request. We are not solving that here, but it's something that's on our radar and that we do need to solve.

On page 51, recommendation 3, develop—we may have exhausted this—but "develop a Kabul strategic facilities plan. Such a plan should comprehensively outline existing facilities"—and we will go through this as we give the staff briefing.

So I appreciate you doing that. I don't have another question about that.

And, Director, have you issued any official policies or directives related to OBO's use of Design Excellence?

Ms. MUNIZ. We've revised many, many of our P&PDs, our policies and procedures, to reflect our trying to do work in different ways; again, to include doing best-value awards as opposed to lowest cost when appropriate. I believe that we have revised in probably the last 2 or 3 years over 30 P&PDs. We could get you exact numbers on those and in which ways they have been——

Chairman CHAFFETZ. I guess if you have issued directives related to Design Excellence, is it reasonable by the August 9 meeting that you would provide us that—I mean, I'm hoping this is just a photocopying exercise. This is not—I'm not asking you to create anything new. I'm just trying to get a snapshot of where are you at right now here today.

Ms. MUNIZ. So I guess what I would say is because in my mind excellence is just a way of approaching our work and always trying to do our work in the best way we can, there isn't one policy written about excellence. It sort of permeates through all of our policies. So if the request is for a copy of all of our——

Chairman CHAFFETZ. I guess I'm looking at——

Ms. MUNIZ. —revised policies, we can get back to you on that.

Chairman CHAFFETZ. We had standard embassy design, which is something that was put forward by Secretary Powell.

Ms. MUNIZ. Yes.

Chairman CHAFFETZ. Design Excellence was changed by Secretary Clinton. There was a new direction, a new approach, a new—it's new, it's different. But what we haven't seen is what is that directive? What is that plan? What is that strategy? I've seen bits and parts of it, but it's not just some nebulous: Hey, this is just a theory, we want to be great in everything we do. It was a concerted effort to change the way we were building embassies into a new Design Excellence plan.

Ms. MUNIZ. Absolutely. So when you ask is there one policy that reflects that, I could give you general documents that highlight what the Excellence program is. We could go to all of the policies and procedures that have been changed to reflect that. We could go to the standards, which are basically a flexible set of standards that we provide all of our architects and engineers to say these are the base requirements that you need to meet in all of our buildings, and put our buildings together like a kit of parts.

So we could give you many documents. I think you have requested many of those already, and we are in the process of giving those. So I'm happy, again, to have our folks work with yours and to prioritize the list of things that you are asking for and to make sure you get every single thing that you are asking for.

Chairman CHAFFETZ. And this is sort of the recurring theme here. I mean, we're asking for what was the plan for Kabul, and there wasn't one. And what is the plan for Design Excellence as opposed to standard embassy design, which was pretty clearly defined. I mean, I think we have four different reports that say——

Ms. MUNIZ. There are plans for both, and we can provide you documents for all of those things if we haven't already.

Chairman CHAFFETZ. That would be great, because we have been asking for a long period of time and we still haven't gotten to that point where you could say: All right, now, based on this, you should be able to understand everything we are doing with Design Excellence. That's what we are trying to get to. That's why we keep asking. That's the goal. But I need your help in getting to that point. So I appreciate it.

Ms. MUNIZ. Understood.

Chairman CHAFFETZ. Okay.

Mr. Starr, you're involved in the construction of the new embassy compound in Jakarta, Indonesia, correct?

Mr. STARR. Yes.

Chairman CHAFFETZ. Have you conducted any physical blast testing for the facade or the outside of the Jakarta Embassy?

Mr. STARR. Not on that particular one. We have done extensive blast testing on facades and glass facades and the way to—and what levels they will meet. I am confident that that building meets and actually exceeds our blast standards.

Chairman CHAFFETZ. But it has been the practice to do an actual blast test on the facade that would be there in Jakarta?

Mr. STARR. No. In that case, it was within the design engineering parameters that the blast engineers felt comfortable that looking and reviewing the drawings, they said: Yes, this meets the parameters.

We did blast testing on the London design because these were very large and a different type of design, but the parameters on Jakarta fell within what the engineers were very comfortable with. Very experienced blast engineers. And they are confident, absolutely, that it exceeds our blast requirements.

Chairman CHAFFETZ. And can you provide us that documentation?

Mr. STARR. Yes, I think we can.

Chairman CHAFFETZ. It is my understanding that we actually conduct actual blast testing. You are telling me the reason, the exact same materials, configuration, wall or facade that has been used other places, that has gone through the actual physical testing. In other words, is there anything different about this facade or wall that is—that has not been used before previously?

Ms. MUNIZ. So let me take part of that question, and then we will turn it back to Greg.

So the curtain wall in—the curtain wall used in Jakarta is not dissimilar to the curtain wall used in London to the degree that those are curtain walls that have what we call an open bite. As you know, there were tests performed on the London Embassy and the performance in those tests went very well.

Chairman CHAFFETZ. But there were several times where it did fail, correct?

Ms. MUNIZ. No.

Chairman CHAFFETZ. You're telling me they didn't do any tests where they failed?

Ms. MUNIZ. I'm telling you there was one full-scale blast test and it passed.

Chairman CHAFFETZ. But there were previous tests on that wall that failed.

Ms. MUNIZ. There were component tests that were derived to provide information for the final blast test, but there was one blast test of the full curtain wall and it passed.

Chairman CHAFFETZ. Okay. That's not my understanding of it. I mean, I think we actually have video of it. And so be careful there. But I don't believe that the original tests that were done on the blast wall in London passed.

Ms. MUNIZ. There was one full-scale test of the curtain wall in London and it passed, and it passed with flying colors.

Chairman CHAFFETZ. Are you using the exact same wall in Jakarta?

Ms. MUNIZ. We are not using the exact same wall. But when you test, it is a similar—there are variations on the same system. And once DS was comfortable that the open bite system, which has been used for years in private industry, but not to the security standards that the Department uses, when they were comfortable from the results of the London test that this solution worked, they accepted the calculations.

Many of these performance standards are met by calculation and by engineers who have done this for years. DS and the engineers who designed the curtain wall were comfortable that the curtain wall met all of the standards.

Mr. STARR. Sir, we have done a tremendous amount of blast testing over the years, and one of the things we do is test to find out

what works and what doesn't work. And in early stages we often find things that don't work and then we correct them. And then we eventually get to the point where we think we have got a high level of confidence, and then we did the large-scale test of all of the panels, and then that passed.

So failure at an earlier stage in blast testing gives us the information to make the corrections and do the right things so when we get to that engineering point we know we have a product that works.

Chairman CHAFFETZ. And so how would you categorize where we're at with Jakarta and its blast wall?

Mr. STARR. Sir, we wrote a certification to Congress. Any time we build a building we tell you that that building is going to meet or exceed the security standards and be safe and secure for our people, our national security activities, and our information. And we sent that certification to Congress, and that building will pass everything.

Chairman CHAFFETZ. For the one in Jakarta?

Mr. STARR. Yes.

Chairman CHAFFETZ. And, Ms. Muniz, is the embassy currently in Jakarta currently scheduled to be delivered as it's originally scheduled, or if it is not due to come in on time, when will it be done?

Ms. MUNIZ. Right now our contract completion is 2017. As you might know, Jakarta was built on an existing Embassy compound. So we were working with a very tight site, had a multiphased project where the first phase had to—was to move most of the Embassy function off the compound to allow for the construction of the full Embassy. We encountered some difficulties with the contractor in that first phase which has delayed this later phase. We are working with the current contractor, who is a very strong contractor, through the project to see what time can be made up for. But right now there are no final adjustments to the project's schedule.

Chairman CHAFFETZ. So it will be on time, or you think it might be delayed but you just don't have a date yet?

Ms. MUNIZ. I think it might be delayed, as I said, because of the performance——

Chairman CHAFFETZ. But you don't know.

Ms. MUNIZ. —of the first phase contractor, but we don't have a date finalized. But when we do contractually, we can provide it.

Chairman CHAFFETZ. And how is it compared to the original budget?

Ms. MUNIZ. To my knowledge, right now we are on budget.

Chairman CHAFFETZ. Are there any anticipated requests from the contractor for additional money to complete the Jakarta facility?

Ms. MUNIZ. I would say, until a project is completed we always anticipate that there will be requests for equitable adjustments from contractors for any number of issues, to include the issue with the first phase delays.

So I would say that we expect them, like we do on any project, and we work through them. We manage to our budgets to the best that we can, to include beginning to cut things out of the budget

of the existing building. So that's just an ongoing process of managing just to the budget.

Chairman CHAFFETZ. So are you aware of any upcoming requests for additional money to build and finish the Jakarta Embassy?

Ms. MUNIZ. I believe I already answered your question but I could answer it again. Like with any contract, we expect through the life of the contract——

Chairman CHAFFETZ. No, I'm asking if you have any direct knowledge that they are about to ask you for a lot of additional money. Do you or do you not?

Ms. MUNIZ. I don't.

Chairman CHAFFETZ. Do you, Mr. Starr?

Mr. STARR. No, I certainly don't.

Chairman CHAFFETZ. I want to ask you just one more time. The contractor indicated any intention to request an equitable adjustment?

Ms. Muniz.

Ms. MUNIZ. I've answered this question a number of times.

Chairman CHAFFETZ. I'm going to ask you, because I obviously know something about this. And I want you to be direct and complete with—you act as if it's your money and it's not. There is going to be some sort of consequence here. There is obviously a lot of information that I have at my disposal.

And I want to know if you are going to be truthful and honest with us because you have yet to show or demonstrate to the United States Congress that you can produce a project on budget, on time, that is safe and secure. It hasn't happened. We keep seeing overrun after overrun after overrun, Mexico City, Jakarta, Mozambique, Zimbabwe, Port Moresby, Jakarta. The list is pretty long. London.

Ms. MUNIZ. Congressman Chaffetz, I can go through every one of—if you want to have another hearing on the Excellence initiative——

Chairman CHAFFETZ. Oh, we are going to. You are going to be a regular visitor up here.

Ms. MUNIZ. I'm happy to do that.

Chairman CHAFFETZ. No doubt about it.

Ms. MUNIZ. I'm happy to do that. I don't have all of the information——

Chairman CHAFFETZ. Then provide us the documents that we ask and be forthright in your comments.

Ms. MUNIZ. We have provided you over 60,000 pages of documents——

Chairman CHAFFETZ. I want to know what percentage. I'm tired of the State Department telling me that they have given us a certain number of documents.

We have been asking for very basic documents. For instance, your testimony by a certain time, which was late. Everybody else is on time except yours. It's just—it's unbelievable how you respond to us. And we are not going to continue to stand for that.

You're right, we will continue to drag you up here. We'd rather not. We'd much rather have staff meetings and get this information.

Ms. MUNIZ. And we have been having those staff meetings and we have provided a great deal of information. I'm happy to continue to do so.

All of the questions and the concerns that have been raised about the Excellence initiative with respect to cost and to schedule are valid concerns. But we have answers to all of those.

And I'm also happy to report that of the four Excellence initiative projects, or five, that you had requested, which ones would we say are under Excellence, all are being delivered on budget, on schedule. The only one delayed is because of a new MSG activation, and we had to extend the contract to build a Marine security guard quarters after the award of the initial contract. Everything is as it should be.

Chairman CHAFFETZ. What are those four?

Ms. MUNIZ. One minute.

Vientiane, Paramaribo, Mbabane, Nouakchott, and N'Djamena.

Chairman CHAFFETZ. Thank you.

Two more questions. In Iraq, do you recall off the top of your head—granted, the focus of this hearing is about Afghanistan—the number of beds and desks built versus numbers of beds and desks occupied? Do you have that number or is that something you can provide this committee at some point?

Ms. MUNIZ. I think that's something we can provide. It's not something I have off the top of my head.

Chairman CHAFFETZ. Okay. I hope it is not a difficult ask. And we expect and would hope that you get that to us sooner rather than later.

Chairman CHAFFETZ. Last question—set of questions here on cybersecurity. Are you aware of any network disruptions or cyber intrusions at the State Department that have affected OBO?

Mr. STARR. Let me take this one. We have not—we have had network intrusions. They have not affected any of our databases and OBO was not affected by them. They affected our emails at one point, but they did not affect any of our databases or our systems.

Chairman CHAFFETZ. Is there any indication that any systems containing sensitive information about our embassies' physical security was either viewed or compromised, extracted, or hacked into in any way, shape, or form?

Mr. STARR. I'm not aware of any information to that point.

Chairman CHAFFETZ. Nothing regarding your Department, Ms. Muniz?

Ms. MUNIZ. Not that I know of. Not that I know of. We could go back and look and ask the appropriate people, but I'm not sure what you're referring to.

Mr. STARR. Sir, through the years, and I'm going back quite a ways, there were incidents where some documents were improperly handled, security violations were handed out, and procedures were improved. I don't think—I don't believe there has been any cyber intrusions into this.

Chairman CHAFFETZ. It's just over the last 12 months, obviously, we have had a number of issues and incidents and some very high-profile intrusions. We are on a regular basis going to be asking departments and agencies as they come up here if that's been affect-

ing them in any way, shape, or form. It's just sort of a general question that we're going to be asking.

It's been a long hearing. Thank you for your time. We do appreciate it. A lot of good men and women do a lot of good service. They care about their country. They are working hard. Please, we know and appreciate this.

This is part of the process in the United States of America. It's what makes our country great. That's why our Founders, in their infinite wisdom, set this up this way. And that's our role and responsibility under the Constitution, and we are going to fulfill it.

And we appreciate your doing your jobs. And again, we thank you again for your time.

This committee stands adjourned.

[Whereupon, at 12:32 p.m., the committee was adjourned.]

APPENDIX

MATERIAL SUBMITTED FOR THE HEARING RECORD

Opening Statement
Chairman Jason Chaffetz
Kabul Embassy Hearing
July 9, 2015

Keeping Americans safe who work in Foreign Service in Kabul, Afghanistan is a constant challenge.

Just last week, Taliban militants attacked a NATO convoy just 500 yards from the U.S. Embassy in Kabul.

The week before, militants stormed the Afghan parliament in Kabul in broad daylight.

These incidents make clear we have to ensure our brave men and women serving in these hostile environments are safe.

And one of the best ways to ensure their safety is to provide secure facilities for them to perform their diplomatic missions.

Due to mismanagement by the State Department, however, that is not happening in Kabul.

As a result, the American diplomatic staff in Afghanistan are being exposed to unnecessary danger.

Last July, the Government Accountability Office reviewed the construction of the Kabul embassy facility and found the State Department failed to properly acknowledge known risks.

These known risks included:

- The award of a contract for work before the contract site was acquired;

- An unrealistic schedule for the work to be completed under;
- Changes in the number of staff at the complex; and
- Changes in the design of the building and security requirements.

As a result of these failures, construction would take more time and cost more money, leaving Embassy staff in less secure, temporarily facilities.

In May, GAO once again reviewed the construction of the new Embassy complex in Kabul.

And once again, the review identified a number of significant – but preventable – problems.

This lack of planning by the State Department resulted in cost overruns and delays.

Construction is now projected to come in at least 27 percent over budget and more than three years behind schedule.

The project was originally expected to cost $625 million.

It is now estimated to cost at least $792 million.

Because the State Department failed to properly plan for the project, it is continuing to negotiate with its contractor.

So the current cost overruns could become much larger.

One of the factors causing these delays and cost overruns is the Department's failure to follow its own directive to have a strategic facilities plan.

As its name implies, a strategic facilities plan outlines how a particular facility will be developed and used.

The need for a strategic facilities plan is especially critical for facilities like Kabul, where there is a high turnover in personnel.

The State Department recently rescinded the requirement to development a strategic plan for *any* facility, which was a requirement that had been in place since 1990.

So because of the State Department's poor planning, the use of temporary facilities, where Americans must live and work, will continue indefinitely in Kabul.

In fact, amazingly, the State Department recently requested an additional $124 million for *temporary* facilities.

It is unclear why State didn't do a better job planning for permanent and secure buildings, which resulted in wasting taxpayer dollars on temporary facilities.

Not only does State not properly plan for permanent facilities, it also has no standards for temporary facilities.

The State Department's own actions in Kabul make clear how critical such standards are.

In its FY 2008 budget request, State expressed to Congress concerns about the threat to the Kabul facility posed by incoming weapons fire.

However, as GAO pointed out "the only security protection measure specified in the 2009 contract for the temporary **housing** was *shatter-resistant window film.*"

I'm no expert, but I don't think "shatter-resistant" windows can stop a bullet, or worse, a grenade.

In contrast, State contracted for the temporary **offices** to have a higher level of security and ballistic protection than the temporary housing it built.

This means that employees were safer working 24-hours a day than returning to their temporary housing.

The lesson here is clear: when there are no standards or guidance, the results are inconsistent and Americans are unsafe.

We have to do a better job of getting our folks into the safer new facility as soon as possible without incurring additional cost overruns.

The need to get this right is absolutely urgent.

Questions for the Record Submitted to
Assistant Secretary Gregory Starr by
Representative Jason Chaffetz (1)
House Committee on Oversight and Government Reform
July 09, 2015

Question:

Since January 1, 2014, is the State Department aware of any network disruptions or cyber intrusions affecting the Bureau of Overseas Buildings Operations (OBO)?

Answer:

The Department is implementing a strategy to harden and modernize our infrastructure to better protect our data. During the periods of October 2014 and March 2015, some individual workstations were taken off-line and replaced, which did include various OBO workstations. This was done at various times during the period. In addition, the Bureau of Information Resource Management (IRM) also severed connectivity to the internet to make security enhancements to the network due to malicious activity on two occasions, approximately November 14, 2014 through November 18, 2014, and again on March 13, 2015, through March 16, 2015. This affected the entire Department, including OBO.

Questions for the Record Submitted to
Assistant Secretary Gregory Starr by
Representative Jason Chaffetz (2)
House Committee on Foreign Affairs
July 09, 2015

Question:

What is the State Department's current estimate of the end-date for the use of temporary facilities at the Kabul embassy compound?

Answer:

We have not set an end-date for the use of temporary structures at Embassy Kabul. The use of these structures is dependent upon staffing levels at the embassy which are, in turn, dependent upon the evolving political and security situations on the ground, and as such have not been finally determined. However, we recently completed a permanent unclassified office building with a 917-desk capacity. In addition, a permanent residential building of 226 units is scheduled for completion this fall. By October of 2017 we will add an additional 320 desks and 432 residential units in permanent structures. These projects will significantly reduce our dependence on temporary structures.

Questions for Gregory B. Starr, Assistant Secretary,
Bureau of Diplomatic Security, Department of State

Rep. Elijah E. Cummings, Ranking Member
Committee on Oversight and Government Reform
Hearing on "Construction Costs and Delays at the U.S. Embassy in Kabul"
July 20, 2015

1. Aegis guard employment contracts from 2012 and 2013 specify a standard workweek of 72 hours—12 hours a day for six days per week.[1] That information appears to match the standard promulgated by the State Department during its solicitation for contractors under the Worldwide Protective Services Program.[2] In a federal lawsuit filed in January 2013 against Aegis, guards alleged that they have worked much more than 72 hours per week.[3] According to the Project on Government Oversight (POGO), a lawyer for the plaintiffs, Hillary Schwab, reported that guards she represents were "overworked, fatigued, and exhausted, which made them unable to carry out their assigned duties protecting the embassy."[4]

   How many hours are Aegis guards authorized to work per week? How frequently are they exceeding that number of hours? Please provide documentation to support these answers.

2. An Inspector General report issued in March 2013 found that emergency shelters were inadequately stocked with supplies of food, water, medical necessities, and backup communication equipment.[5]

   An Inspector General audit issued in October 2014 reported that the State Department had issued a "deficiency notice" to Aegis in November 2012 requiring remedial action to address "issues with Aegis's candidate screening and recordkeeping."[6]

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[1] Aegis Defense Services LLC., International Assignment Employment Agreement (Apr. 2012) (online at www.pogo.org/documents/2013/contract-for-aegis-guards-in-kabul-april-2012.html); Aegis Defense Services LLC., International Assignment Employment Agreement (June 2013) (online at www.pogo.org/documents/2013/contract-for-aegis-guards-in-kabul-june-2013.html).

[2] Department of State, Bureau of Diplomatic Security, *Worldwide Protective Services Statement of Work* (Apr. 20, 2010).

[3] Class Action Complaint and Jury Demand (Jan. 22, 2013), *Boatright et al. v. Aegis Defense Services LLC*, E.D.Va (No. 1:13 CV 00091).

[4] Project on Government Oversight, *Lawsuit: Kabul Embassy Guards Told to Lie About Long Hours* (Jan. 23, 2013) (online at www.pogo.org/blog/2013/01/20130123-kabul-embassy-guards-told-to-lie-about-hours.html).

[5] Department of State, Office of Inspector General, *Evaluation of Emergency Action Plans for U.S. Mission Afghanistan* (March 2013) (AUD-MERO-13-20) (online at https://oig.state.gov/system/files/212779.pdf)

What deficiencies, if any, has the State Department identified in Aegis's performance under its Kabul embassy security contract? Please provide copies of any show cause letters, cure notices, corrective action requests, or similar communications since Aegis was awarded the contract.

3. POGO has reported that, although the State Department has confirmed that it has authority to withhold funds from contractors, the Department has not explained publicly whether it has used, or had a basis to use, that power with respect to Aegis in Kabul. Current and former Aegis employees reportedly informed POGO they were concerned that the State Department was not utilizing all appropriate measures to hold Aegis to the terms of its contracts.[7]

   Has the State Department assessed any administrative sanctions against Aegis, including but not limited to deductions to its pay, fines, or other penalties, financial or non-financial? If so, please provide documents reflecting such actions.

   Has the State Department determined that it had grounds to assess any administrative sanctions against Aegis, including but not limited to deductions to its pay, fines, or other penalties? If so, please provide copies of documents reflecting such determinations.

4. A report issued in August 2013 by an independent State Department panel found that the Department was routinely condoning exceptions to security standards: "Waivers for not meeting security standards have become commonplace in the Department. ... Department employees, particularly those in high threat areas, could be exposed to an unacceptable level of risk."[8]

   Has the State Department waived any security standards for Aegis Defense Services? If so, please provide copies of those waivers and any mitigating efforts that were taken as a result.

5. According to a POGO investigation, a petition filed by Aegis guards in 2013 accused leaders of incompetence and a lack of understanding of the operational environment.[9]

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[6] Department of State, Office of Inspector General, *Audit of Bureau of Diplomatic Security Worldwide Protective Services Contract Task Order 10 Kabul Embassy Security Force* (Oct. 2014) (AUD-MERO-15-03) (online at https://oig.state.gov/system/files/aud-mero-15-03.pdf).

[7] *Questions for Under Secretary of State Patrick Kennedy* (Sept. 18, 2013) (online at www.pogo.org/blog/2013/09/questions-for-under-secretary-of-state-patrick-kennedy.html).

[8] Department of State, *Independent Panel on Best Practices* (Aug. 2013) (online at www.state.gov/documents/organization/230341.pdf).

[9] Project on Government Oversight, *A "Mutiny" in Kabul: Guards Allege Security Problems Have Put Embassy at Risk* (Jan. 17, 2013) (online at www.pogo.org/our-work/reports/2013/a-mutiny-in-kabul-guards-allege-security-problems.html)

What is the length and hours per day of the Aegis training program for security contractors for the Kabul Embassy?

Are there different training programs for the different security services Aegis provides?

Do third country nationals receive different levels of training compared to American expatriates or Afghan contractors? If so, why?

Please provide documentation for all of the above.

6. POGO has reported that guards were rarely if ever given an opportunity to go to firing ranges to qualify in their use of weapons. They also reported that they were often prevented from "zeroing," or properly sighting, guns and optical scopes. One alleged that "sharpshooters on the embassy roof did not have zeroed weapons."[10]

What weapons are Aegis contractors trained to use, what are the testing requirements, and how often do they requalify? Please provide documentation.

7. There are persistent concerns about a language barrier between U.S. and Nepalese security personnel guarding the embassy dating back to the previous contractor, ArmorGroup.[11]

What is the level of English proficiency required of Gurkhas and Afghan Aegis security personnel prior to deployment to the embassy? What grade reading level is that equivalent to?

How many hours do they spend in English language instruction per day, and total over the course of their training?

What tests must Aegis personnel pass and do they have to requalify their English language skills?

Please provide documentation and sample examinations.

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[10] *Id.*

[11] Commission on Wartime Contracting, *Special Report on Embassy Security Contracts* (Oct. 2009) (online at www.wartimecontracting.gov/docs/CWC_SR2-2009-10-01.pdf).

Questions for the Record Submitted to
Director Lydia Muniz by
Representative Jason Chaffetz (1)
House Committee on Oversight and Government Reform
July 09, 2015

Question:

Please provide a breakdown of the number of desks and beds at the U.S. Embassy in Baghdad, Iraq, as of July 15, 2015. Specifically:

a. How many desks have been constructed and how many are currently occupied?
b. How many beds have been constructed and how many are currently occupied?

Answer:

Construction provided for 1,333 permanent desks; post reports that as of July 15, 2015, 1,130 are occupied. There are also 96 temporary desks placed in warehouses, access control points, and cafeterias and only serve as work space for short periods during the work day.

Construction provided for 2,480 permanent beds in hardened structures on the Embassy grounds; post reports that as of July 15, 2015, 2,063 are occupied. It should be noted that given the security situation in Baghdad, the U.S. government provides beds for support contractors as they are not allowed to be in off-compound housing.

Questions for the Record Submitted to
Director Lydia Muniz by
Representative Jason Chaffetz (2)
House Committee on Oversight and Government Reform
July 09, 2015

Question:

What is the number of Afghan nationals expected to be present on the NEC upon completion? Please also provide a breakdown of the number of Afghan national personnel by each of the positions they are expected to occupy.

Answer:

We expect to have approximately 1000 Afghan nationals present on the NEC in 2016; 2017; and 2018, respectively. For a full breakdown of the sections in which these nationals will be employed, please see the attached document.

10/13/2015 12:20

	LE STAFF BY SECTION	(FY 2016)	(FY 2017)	(FY 2018)
	Section/Agency	**LE Staff**	**LE Staff**	**LE Staff**
PROGRAM	**TOTAL PROGRAM**	**117**	**149**	**149**
	Executive Office	7	7	7
	Consular	19	19	19
	ECON	5	5	5
	Regional Affairs Office		20	20
	POLITICAL	11	11	11
	POL-MIL	2	2	2
	INL	31	43	43
	PUBLIC AFFAIRS	38	38	38
	OSC (Open Source Center)	2	2	2
	EXBS	1	1	1
	BEP	1	1	1
ICASS	**Management:**	**376**	**365**	**365**
	Human Resources Office	20	20	20
	Information Mgmt Office	60	69	69
	General Services Office	165	165	165
	Facilities Mgmt	100	80	80
	Health Unit	6	6	6
	Embassy Air	2	2	2
	Financial Management Office	21	21	21
	CLO	2	2	2
RSO	**Regional Security Office:**	**143**	**143**	**143**
	Executive Office	136	136	136
	Engineering Security Ctr	7	7	7
Other	**Other:**	**10**	**10**	**1**
	OBO	9	9	
	OIG - State	1	1	1
	STATE Sub-TOTALS	**646**	**667**	**658**
COM Non-State	USAID	275	275	275
	FBI (LEGAT)	4	4	4
	DEA	9	9	9
	DOJ (U.S. Attorney's Office)	8	8	8
	Commerce	2		
	DOT/FAA	2		
	Security Cooperation Office	5	40	40
	Defense Attache Office	2	2	2
	Special IG for Afg. Reconstruction	11	11	11
	USAID OIG	5	5	5
	NON-STATE Sub-TOTALS	**323**	**354**	**354**

	Total COM Positions	969	1021	1012

JOHN L. MICA
7TH DISTRICT, FLORIDA

Congress of the United States
House of Representatives
Washington, DC 20515–0907
June 26, 2015

The Honorable John Kerry
Secretary, U.S. Department of State
2401 E Street, NW
Washington, D.C. 20037

Dear Secretary Kerry:

I want to bring to your attention and request your response to an Embassy and Facilities security issue recently brought to my attention. During a June 22, 2015 visit to Paris, France in which I conducted oversight and review of current security matters, it was disclosed the new HD security cameras had not been installed at the Ambassador's residence. The reasons stated for the delay was that apparently lengthy acquisition requirements are required for the retrofit. After a post Benghazi review of facilities I conducted with then Chairman Darrel Issa, we urged State Department officials to expedite retrofitting of key facilities with new surveillance HD cameras as soon as possible.

Your assistance in providing me with details regarding this procurement is requested along with specific regulations or laws that govern these types of acquisitions.

Furthermore, any lack of ability or wavier to expedite this type of security equipment acquisition and installation should also be cited. Any funding delays or lack of financial resources should be noted. Furthermore, at any high risk facilities are there similar delays?

I am by this communication informing U.S. House authorities and appropriations and Oversight Committees of jurisdiction relay this matter and will provide each with your response.

Finally is it correct that only one equipment manufacturer and product line has been approved for this type of camera surveillance. If installation of this type of security camera, at this and other locations, has been a cause of delay that would also be of interest.

A timeline of action taken on the matter of the Paris France Ambassador's residence retrofit project is also part of this request. Finally, is there any current backlog in obtaining the approved equipment and what current orders and approvals are pending or delayed?

Your prompt and complete response is requested.

Respectfully,

John L. Mica
Chairman, Transportation and Public Assets
Oversight Subcommittee

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