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BEFORE THE

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
SUBCOMMITTEE ON NATIONAL SECURITY,
HOMELAND DEFENSE AND FOREIGN OPERATIONS

ON

ASSESSMENT OF THE TRANSITION FROM
A MILITARY TO A CIVILIAN-LED MISSION IN IRAQ

JUNE 28, 2012

Thank you, Chairman Chaffetz, Ranking Member Tierney, and members of the Subcommittee, for the opportunity to discuss our assessment of the transition to a civilian-led mission in Iraq.

Oversight in Iraq

In 2008, the United States and the Government of Iraq signed a security agreement calling for the withdrawal of all U.S. combat troops from Iraq by December 31, 2011. Embassy and military planning obligated the Department of State (Department) to assume full responsibility for the U.S. diplomatic presence in Iraq effective October 1, 2011, while the Department of Defense withdrew the remaining 50,000 American troops by the end of the year. The shift from a military to a civilian-led mission in Iraq was an unprecedented undertaking. It was highly complex in nature and scope, with extensive requirements for staff, budgets, and organization to be executed within a still violent and unpredictable operating environment. Under these conditions, precise preparation and coordination were essential to ensure a smooth and successful transition.

Since standing up its overseas offices in 2008, the Department of State, Office of Inspector General (OIG), has conducted 35 investigations and completed 27 audits, inspections, and evaluations of programs and operations in Iraq. In an August 2009 performance evaluation report,¹ OIG determined that Embassy Baghdad had not yet formulated a unified transition plan and recommended immediate plan development as well as the assignment of senior-level officials to coordinate transition activities. The Department subsequently complied with OIG's recommendations, all of which have been closed on the basis of satisfactory implementation.

¹ *Performance Evaluation of Embassy Baghdad's Transition Planning for a Reduced United States Military Presence in Iraq* (MERO-A-09-10).

During the same period, OIG issued two reports, a July 2009² inspection of Embassy Baghdad and an October 2010³ compliance follow-up review of that inspection, which included discussion and recommendations related to the Embassy's ongoing transition efforts. In the October 2010 review, OIG found that Embassy Baghdad, with the exception of the public affairs section, had complied with most of the recommendations in the July 2009 report. In February 2011, in response to the October 2010 review, the Department appointed a Washington-based ambassador to manage the transition process in Iraq. OIG has found the Department to be responsive to OIG's recommendations, establishing planning and management mechanisms to shift toward a successful diplomatic presence in Iraq.

Police Training

In May 2011, OIG issued a report⁴ highlighting remaining challenges and identifying areas for improvement for the Department during the critical transition period. OIG found that the U.S. military was managing more than 370 civilian police and customs and border police advisors at more than 130 sites in 18 provinces, providing fundamental training, staffing, and equipment support to help Iraqis ensure long-term stability through the professionalization of their police force. Since that time, the Department of Defense has transferred complete control of the Police Development Program to the Department of State's Bureau of International Narcotics and Law Enforcement Affairs, whose representatives are currently working with Iraqi officials to evaluate evolving security needs in the region and to downsize the effort, as appropriate. Despite the Government of Iraq's failure to finalize land-use agreements in a timely manner, the Department is currently scheduled to begin the transfer of police training property

² *Embassy Baghdad, Iraq* (ISP-I-09-30A).

³ *Compliance Follow-up Review of Embassy Baghdad, Iraq* (ISP-C-11-08A).

⁴ *Department of State Planning for the Transition to a Civilian-led Mission in Iraq* (MERO-I-11-08).

and facilities to the Government of Iraq this summer, with an anticipated October 2012 completion date. Based on pending results from the Office of the Special Inspector General for Iraq Reconstruction's ongoing audits of both the Police Development Program and the Rule of Law program and final funding decisions, OIG plans to conduct an audit, scheduled to begin in March 2013, on the Department's continued oversight and administration of related civilian assistance programs in Iraq. As the future of the police training program remains uncertain, OIG plans to modify and execute oversight plans and procedures accordingly.

Office of Security Cooperation

In March 2012, the Department of Defense, Office of Inspector General (DODIG), issued a report⁵ that detailed actions taken in response to State OIG's recommendations to create an Office of Security Cooperation in Iraq (OSC-I) sufficient to support Iraqi security forces and manage defense relations between the U.S. Government and the Government of Iraq after the scheduled departure of the U.S. military. Although the establishment of the OSC-I was delayed, DODIG found that "although [full operating capacity] for the OSC-I was reached on October 1, 2011, (United States Forces-Iraq) reported that not all essential (standard operating procedures) had been established by that date." Although the OSC-I was initially created as a Department of Defense organization, Embassy Baghdad assumed responsibility for providing operational support under the authority of the civilian-led mission. OIG agrees with the DODIG recommendations that OSC-I "improve information flow...communicate sufficient details about the OSC-I role and its operating processes with key Iraqi defense and interior ministry officials...and develop standard operating procedures for OSC-I administrative and operational processes and procedures." In coordination with DODIG, OIG will monitor the ongoing

⁵ *Assessment of the DoD Establishment of the Office of Security Cooperation-Iraq* (DODIG-2012-063).

development of the office, particularly the adoption of new security standards, which could result in an estimated \$750 million in associated costs.

Provincial Posts

In its May 2011 report, State OIG found that the Department continued to face significant challenges establishing four provincial posts—two consulates in Basra and Erbil and two temporary embassy branch offices in Kirkuk and Mosul—due to delayed decisions by the Government of Iraq on land-use and lease agreements, staffing levels, site construction, and logistical and life support operations. OIG’s August 2009 report⁶ stated that the Erbil facilities were less than adequate, exhibiting potential fire hazards and ineffectual security measures. Concerned over uncertain funding in FYs 2011–2012, OIG recommended, that Embassy Baghdad consider establishing a temporary consulate at the contingency operations site near the Erbil airport, together with Bureau of International Narcotics and Law Enforcement Affairs’ police training and air wing operations, to save an estimated \$12.2 million for facility improvement and additional undetermined savings in life support costs. The Bureau, however, questioned the utility of moving consulate operations to a temporary location for such a short timeframe and encouraged the Embassy to reevaluate this option. While instability and security threats in the region prevented progress on construction of consulate offices in Mosul, consulates in Basra, Erbil, and Kirkuk successfully opened in 2011 according to original site proposals. Additionally, continuing presence posts in Tikrit, Taji, Besmayah, and Umm Qasr currently serve as operating sites for the OSC-I and will continue to remain open as needed.

⁶ *Performance Evaluation of Embassy Baghdad’s Transition Planning for a Reduced United States Military Presence in Iraq* (MERO-A-09-10).

Security

OIG remains concerned about the safety and security of U.S. Government personnel and contractors living and working in volatile environments in Iraq. In its May 2011 report, OIG stated that security risks in the wake of the U.S. military's withdrawal could likely be mitigated through closer working relationships with the Government of Iraq and its security forces. Since that time, the Department has requested, and received, additional support from the Department of Defense, including ordnance early warning systems, and other equipment to protect the U.S. diplomatic mission presence.

During fieldwork for an ongoing audit on the Worldwide Protective Services contract to provide movement security in Baghdad, OIG found that private security contractors continue to face impediments. Iraqi Security Forces are routinely delaying and detaining private security forces at checkpoints throughout the region, and the Government of Iraq is restricting airspace for smaller helicopters, limiting travel within the country and jeopardizing potential evacuation measures necessary in the event of a medical emergency or large-scale incident. In April 2013, OIG will initiate an additional audit of the Worldwide Protective Services task order, which provides movement security for U.S. Government employees and contractors traveling in and around Kirkuk and Mosul. OIG plans to determine whether the Department's administration and oversight of this arrangement have proven effective.

Air Transportation Operations

In the absence of air transportation options formerly provided by U.S. military, the Department expanded air operations to include air travel for internal and external diplomatic

personnel traveling in and around Iraq. Since OIG issued its May 2011 report, Embassy Baghdad has procured aircraft and obtained flight path and agreement approval from the Government of Iraq and other foreign authorities to establish Embassy Air Iraq, currently operating international routes between Amman and Baghdad with fares of \$2400, round trip, and between Kuwait City and Baghdad for \$1600, round trip. In contrast, effective May 31, 2012, commercial fares on Middle East Airlines, Emirates Air, and Royal Jordanian Airlines for travel between Amman and Baghdad, with connections in Beirut, were available for approximately \$600–\$800, round trip, although there are security concerns related to commercial air travel in the region. The Regional Security Officer is examining options available to address related security challenges and obtaining information from other countries who currently utilize commercial airlines for diplomatic travel. Plans exist to charge for rotary-wing flights in the future, but Embassy Air routes to the Embassy heliport, Baghdad Diplomatic Support Center, Baghdad Policy Academy Annex, Tikrit, Kirkuk, Taji, Besmayah, and Umm Qasr are currently offered at no cost. Embassy Air also offers fixed-wing flights from Baghdad to and from Erbil and Basra for \$1000 and \$1400, round trip, respectively. OIG has scheduled an audit of the Bureau of International Narcotics and Law Enforcement Affairs Air Wing Program in Iraq for August 2012 to determine whether the Air Wing Program is achieving its stated objectives in a cost-effective manner, contractor performance is adequately monitored, and contractor charges are consistent with contract terms and conditions.

Medical Care

OIG also found in its May 2011 report that Departmental costs to create and sustain suitable health care and emergency medical treatment for U.S. diplomatic personnel and

contractors in Iraq, in the absence of medical services previously established and funded by the Department of Defense, would be considerable. Medical facilities are now available in three categories, each designed to support increasing numbers of patients and levels of care. A Department contractor currently provides medical care for all U.S. Government employees and contractors. There are nine health units, currently operating at various locations throughout Iraq; three small diplomatic support hospitals, currently operating in Erbil, Kirkuk, and Tikrit; and a large diplomatic support hospital, currently located at the Baghdad Diplomatic Support Center. If individual contractors maintain clinics on their own compounds, U.S. Government employees should first use these services; however, Comprehensive Health Services will provide required care beyond the capability of independent clinics, and the Department is now working to consolidate all health services through this central provider to promote better oversight and greater cost efficiency. OIG plans to conduct an audit, scheduled to begin in October 2012, to determine whether the Department's management of medical operations dedicated to supporting diplomatic personnel and contractors assigned to Iraq has been effective and properly resourced.

Emergency Action Plans

In its May 2011 report, OIG determined that Embassy Baghdad had not adequately planned for a mass casualty incident and recommended the immediate development of an emergency response plan for such a scenario. In January 2012, OIG reported⁷ that Embassy Baghdad did prepare an emergency action plan in compliance with Department guidelines, identifying resources required for mass casualty plan implementation, providing diplomatic staff with access to online versions of the plan, and conducting emergency response training for all

⁷ *Evaluation of Emergency Action Plans for Embassy Baghdad and Consulates General Basra and Erbil* (AUD/MERO-12-18).

newly arriving employees. Concurring with additional OIG recommendations in the January 2012 report, Embassy Baghdad stated that Consulates General Basra and Erbil also completed emergency action plans containing response measures for potential mass casualty events and we found that both Consulates General regularly conduct emergency response briefings and drills, as mandated in the Department's *Foreign Affairs Manual*.

Facility Requirements

In May 2011, OIG reported that housing and electric facilities at the Embassy Baghdad compound were nearing full capacity due to the influx of civilian staff and contractors arriving during the transition and the relocation of contractors and personnel arriving from U.S. Government locations transferred to the Government of Iraq. OIG and Embassy Baghdad agreed that creative solutions offered by the Bureau of Near Eastern Affairs, including purchasing alternative off-site power sources; implementing shifts to stagger staff in shared sleeping quarters; procuring additional containerized housing units; and requiring private contractors to find accommodations off the Embassy compound, were not optimal or sustainable long-term solutions. In July 2012, OIG will audit the Department's implementation of the Baghdad Master Plan—a facilities and real estate plan focused on Baghdad locations formerly occupied by the U.S. military and now transitioned to the diplomatic mission, including the New Embassy Compound, New Embassy Compound-West, Shields, Prosperity, Union III, and Sather Air Base—to examine the footprint of an enduring U.S. presence in Iraq and to review the feasibility of a 20 to 25 percent downgrade in the number of U.S. Government personnel and contractors assigned to Iraq, the estimate likely derived from excessive and/or inflated contracts that could be reduced in size and scope, and to assess related planning needs for space, logistics, staffing,

and security. Additionally, OIG has scheduled an inspection of Embassy Baghdad for February or March 2013 to further evaluate management of programs and operations in Iraq, including the evolving status of compound facilities and life support operations.

Because of its knowledge of and access to Department programs now leading the diplomatic presence in Iraq, OIG is one of the few entities uniquely qualified to provide mission-specific oversight in a volatile post-transition environment, significantly contributing to the successful and sustainable shift from a military to a civilian-led U.S. mission in Iraq. OIG has 19 investigations currently open related to program management and oversight in Iraq, and FY 2013 priorities will target procurement fraud investigations, with particular emphasis on the region. If sufficient funding is available in the FY 2013 budget, OIG intends to hire six additional personnel—two investigators, two auditors, and two individuals assigned to a financial forensics unit—solely dedicated to oversight of programs and operations in Iraq. OIG remains committed to providing the Department and Congress with a comprehensive spectrum of audits, inspections, and investigations of post-transition activities in Iraq.

Mr. Chairman, Mr. Tierney, and members of the Subcommittee, thank you once again for the opportunity to appear today, and I am pleased to answer any questions you may have.