Summary of Review

The Office of Inspector General (OIG) is finalizing an audit of the Bureau of Overseas Buildings Operations (OBO) construction and commissioning process of the New Office Annex (NOX) and the Staff Diplomatic Apartment (SDA-1) at Embassy Kabul, Afghanistan. Both the NOX and SDA-1 are part of a major office and residential expansion at the embassy. During the audit, OIG learned that improper alterations have been made to components of two security doors in SDA-1 that may affect the overall security performance of the doors. The purpose of this Management Assistance Report is to prompt action to replace the altered components of the two security doors and to bring attention to weaknesses in the security inspection process that allowed the improper alterations to go unaddressed for more than a year.

According to the Foreign Affairs Handbook (12 FAM 312), new building construction must meet all applicable Department of State (Department) and Overseas Security Policy Board physical security standards, including standards for security doors. As part of the commissioning and security certification process—a process where OBO and the Bureau of Diplomatic Security (DS) have defined responsibilities—a DS security inspection officer found in December 2015 that two security doors were not operating properly. In response to the DS findings, OBO reported in its mitigation plan memorandum that the problem had been corrected and that the forced entry locks on all the doors were operating correctly. On the basis of OBO’s assurance that the door defects had been corrected, DS issued a compliance acceptance memorandum. However, in an informal follow-up inspection in February 2016, the DS inspection officer who initially reported the deficiencies found that the forced entry locks on both sets of security doors had been improperly altered to make the doors functional. These alterations were not permitted by the construction contract and did not meet physical security standards.

According to OBO’s contract with Caddell Construction, Inc. (Caddell), “No part of the forced entry lock … may be altered including, but not limited to, grinding, cutting or re-welding any part of the [forced-entry lock] strike, strike plate (steel couple with vertical slot welded to the frame) and strike plate receiver (vertical slot in door leaf).” If any alteration occurs, “[t]he only acceptable fix for defective or altered parts is to unbolt the altered piece and replace [the] altered piece in its entirety.” However, as of January 2017, the altered components of the door had not been replaced.

The improper alterations to the doors have gone unaddressed, in part, because the current security certification process does not include a follow-up inspection by DS to confirm OBO’s actions to address that the physical security deficiencies identified were in accordance with physical security standards. In this instance, the alterations to the doors were discovered during an informal follow-up by the DS security inspection officer when he was in Kabul to inspect other buildings. It is important to replace the altered components of these doors in accordance with the contract because these security doors are not only used to protect personnel, but at Embassy Kabul, are used to protect essential and sensitive equipment such as communications.

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1 The Bureau of Diplomatic Security has responsibility for ensuring that all physical security features included as part of completed construction at Embassy Kabul meet physical security standards.
equipment, generators, and electrical switchgear. In addition, it is important to revise the security certification process to include a follow-up inspection by DS to reduce the risk that physical security deficiencies remain after OBO certifies Department buildings for occupancy.

OIG made two recommendations to OBO to address the altered components to the security doors and to improve the security certification process. OBO agreed with the recommendation to replace the improperly altered security door components in accordance with contract terms. Accordingly, OIG considers this recommendation resolved, pending confirmation from DS that the replaced components meet physical security standards. OBO disagreed with the recommendation to revise the physical security certification process to include a formal follow-up inspection by DS. OIG considers this recommendation unresolved and maintains that a formal follow-up inspection by DS is necessary. OIG will work with OBO during the audit compliance follow-up process to reach a suitable solution that fulfills the intent of the recommendation.

A synopsis of OBO’s response to the recommendations and OIG’s reply follow each recommendation in the Results section of this report. OBO’s comments are reprinted in Appendix A.

BACKGROUND

In September 2011, OBO and the Bureau of Administration contracted with Caddell to build the NOX and SDA-1 at Embassy Kabul. The NOX can accommodate 917 desks, and SDA-1 can accommodate 298 beds. Both buildings are part of a major office and residential expansion at the embassy. The completion date for all the construction projects at the embassy was initially set for November 2017, but an accelerated building schedule resulted in SDA-1 being declared substantially complete in January 2016. Embassy personnel began moving into SDA-1 in February 2016. In April 2016, OIG issued a Management Alert that identified life-health-safety issues related to the presence of hazardous electrical current in the NOX and SDA-1.

The purpose of this Management Assistance Report is to prompt action to replace the altered components of the two security doors and to bring attention to weaknesses with the security certification process that allowed the improper alterations to go unaddressed for more than a year. OIG is reporting these deficiencies in accordance with generally accepted government auditing standards.

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2 The total value of Caddell’s construction contracts at Embassy Kabul is approximately $800 million. In addition to the NOX and SDA-1, Caddell’s contracts also include a classified office annex, two additional residential buildings, recreation and dining facilities, parking and vehicle maintenance facilities, a power plant, additions to the existing Marine Security Guard Residence, new perimeter walls, guard towers, and compound access control facilities.

3 “Substantial Completion” means the construction is sufficiently complete such that the facility may be used for the purpose intended. If a building is deemed substantially complete, only minor items remain to be completed and it has been determined that these minor items will not interfere with occupancy.

Construction and Commissioning Roles and Responsibilities

Through its Capital Security Construction Program, the Department replaces and constructs diplomatic facilities to ensure that they are safe, secure, and functional.

**Bureau of Overseas Buildings Operations (OBO)**

OBO is responsible for the acquisition, design, construction, and maintenance of U.S. Government diplomatic property abroad. OBO’s responsibilities include ensuring that diplomatic compound construction meets specific building codes and standards. OBO’s Office of Construction Management (OBO/CM) provides management oversight and construction supervision and, through its onsite project director, assumes primary responsibility for the execution of the construction contract. As part of its responsibilities, OBO/CM works with contractors and manufacturers to ensure that goods and services provided meet contractual requirements and quality standards.

**Bureau of Diplomatic Security (DS)**

The Foreign Affairs Manual (FAM) assigns DS the responsibility to ensure that all new construction and major renovation design plans for buildings occupied by U.S. Government personnel comply with applicable Department physical security standards. In addition, 12 FAM 312 states that DS is responsible for ensuring that all new construction at overseas posts complies with the interagency Overseas Security Policy Board’s security standards. The Physical Security Division’s (DS/PSD) mission is to “coordinate and manage physical security oversight activities essential for the design, construction, and establishment of secure working environments for U.S. Government personnel assigned abroad under authority of the Department of State and Chief of Mission.” Specifically, the New Office Buildings Branch of DS/PSD is responsible for ensuring that new embassy compounds are designed and constructed to meet rigorous physical security standards.

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6 In its security standards, the Overseas Security Policy Board “considers, develops, coordinates, and promotes security policies, standards, and agreements on overseas security operations, programs, and projects that affect all U.S. Government agencies under the authority of a chief of mission abroad.”


8 Within Diplomatic Security’s Physical Security Division (DS/PSD), the Construction Accreditation and Transit Branch (DS/PSD/CAT) has primary responsibility for certifications, with support from the New Office Building Branch.
Physical Security Certification Process

According to 12 FAH-5 H-122, new office building construction must meet all physical security standards. Additionally, according to 12-FAH-5 H-511, housing constructed as an integral part of or adjoining the chancery/consulate building (as is the case at Embassy Kabul) will be constructed to meet chancery/consulate physical security standards. These standards address doors, windows, wall construction, perimeter walls, and fence systems. To ensure that new buildings meet all physical security standards, DS/PSD security inspection officers conduct inspections during various stages of construction; they also complete one final compliance inspection just prior to occupancy. Once the inspection is completed, a DS/PSD physical security specialist prepares a final compliance inspection report for DS/PSD management and a compliance inspection findings memorandum that highlights any identified security deficiencies that OBO/CM needs to address. In response to the DS compliance inspection findings memorandum, OBO/CM develops a mitigation plan memorandum outlining corrective actions it will take to address the security deficiencies identified. DS/PSD then reviews the mitigation plan memorandum to ensure compliance with all security requirements. If DS/PSD agrees with the steps outlined by OBO/CM in the mitigation plan memorandum, DS/PSD provides a compliance acceptance memorandum to OBO/CM. Once OBO/CM receives the compliance acceptance memorandum and completes all mitigation steps identified during this inspection process, the OBO Director issues the certificate of occupancy. Figure 1 shows the DS-OBO physical security inspection process for new buildings at posts overseas, including SDA-1.

Figure 1: DS-OBO Security Certification Process

DS/PSD Physical Security Specialist completes final compliance inspection.

DS/PSD Physical Security Specialist submits final compliance inspection report to DS/PSD and compliance inspection findings memorandum to OBO/CM.

If corrective actions are required, OBO/CM submits mitigation plan memorandum to DS/PSD.

DS/PSD reviews mitigation plan and, if acceptable, submits compliance acceptance memorandum to OBO/CM and approves OBO/CM’s mitigation plan memorandum.

OBO/CM takes actions to mitigate deficiencies.

OBO Director issues certificate of occupancy.

Source: OIG generated on the basis of current Standard Operating Procedures for DS/PSD and the OBO security certification process.

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RESULTS

Security Door Components in SDA-1 Were Improperly Altered and Were Not Replaced

During the final compliance inspection of SDA-1 conducted between December 16 and December 24, 2015, a DS/PSD physical security specialist found that the forced entry locks on two sets of double security doors failed to engage correctly. Each set of doors has three forced entry locks that must engage with corresponding strike plates in order to lock the door. A strike plate is the part of the lock that is either attached to the door frame or, in the case of double doors, is attached to the stationary leaf of the door. The latch goes through the strike plate to form a secure lock or positive closure to the door.

The DS/PSD physical security specialist found that the top and bottom forced entry locks failed to engage correctly on one set of double doors leading into a secure room in the basement of SDA-1. On a second set of double doors leading to another secure room the top forced entry lock failed to engage correctly. The contract specifications state, however, that, “[e]ach lockset....must be able to fully engage and freely operate.” The DS/PSD physical security specialist documented the problems with the locks in a preliminary report provided to OBO staff in Kabul on December 21, 2015. The deficiencies were also described in DS’s inspection findings memorandum to OBO/CM dated January 5, 2016. OBO/CM project managers in Kabul in turn directed Caddell to address the deficiencies identified by DS/PSD. OBO/CM reported in its mitigation plan memorandum dated January 11, 2016, that the problem had been corrected and that the forced entry locks on all of the doors were operating correctly. On the basis of OBO/CM’s assurance that the door deficiencies had been corrected, DS issued a compliance acceptance memorandum on January 15, 2016, which, under current procedures, formally ended its involvement in the security certification process.

In an informal follow-up inspection in February 2016, the same DS/PSD physical security specialist who initially identified the deficiencies with the doors discovered that the strike plates on one of the double doors had been ground down to make the doors functional. The physical security specialist also found that a strike plate on a third door, an issue that was not identified in his original inspection report, had also been ground down. The DS/PSD physical security specialist told OIG that the strike plates were likely ground down by the construction contractor Caddell in an effort to permit the forced entry locks to engage correctly.

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10 SDA-1 has 14 forced entry/ballistic resistant security doors. Forced entry/ballistic resistant doors are hardened doors designed to withstand forced-entry attacks and ballistic threats, and they undergo independent laboratory testing to ensure that they meet security specific requirements. The primary purpose of the forced entry/ballistic resistant doors is to protect personnel in the event of an attack. With respect to the doors in question, they also protect essential and sensitive equipment such as communications equipment, generators, and electrical switchgear.

11 The follow-on inspection was not required under the current security certification process as described in Figure 1. The security inspector was visiting the Embassy Kabul to conduct inspections of other buildings when he decided to look at the status of the forced entry locks on the security doors.
However, according to OBO’s contract with Caddell, “No part of the forced entry lock ... may be altered including, but not limited to, grinding, cutting or re-welding any part of the [forced-entry lock] strike, strike plate (steel couple with vertical slot welded to the frame) and strike plate receiver (vertical slot in door leaf).” If any alteration occurs, “The only acceptable fix for defective or altered parts is to unbolt the altered piece and replace [the] altered piece in its entirety.”12 Therefore, any actions to grind down the strike plates would not comply with the contract specifications. Moreover, they may have affected the overall security performance of the doors. According to the DS/PSD security inspection officer, security doors are designed and manufactured to exacting tolerances: all elements, including the door and the embedded door frame, work together as a unit. If any of these elements are installed incorrectly, or if the tolerances are off even slightly, the overall performance of the door can be affected. The security inspection officer stated that, if a strike plate has been ground down, for example, the door may not seamlessly lock when engaged.

OBO/CM informed Caddell in February 2016 of DS/PSD’s findings that the strike plates had been ground down. According to OBO/CM, Caddell acknowledged the damage to the doors and contacted the manufacturer for further guidance. However, as of January 2017, the altered components to the security doors that protect essential and sensitive equipment in SDA-1 had not been replaced in accordance with OBO’s contract with Caddell.

Moreover, Caddell’s contract specifies the closeout procedures that must be followed for all new construction projects. The specifications state that, “a warranty shall be provided per FAR Clause 52.246 for all facility components and systems.” Under the terms of the FAR, “The contractor shall remedy at the contractor’s expense any failure to conform, or any defect. In addition, the Contractor shall remedy at the Contractor’s expense, any damage to Government-owned or controlled real or personal property, when that damage is the result of 1) The Contractor’s failure to conform to contract requirements; or 2) Any defect of equipment, material, workmanship, or design furnished.” However, during the 11-month warranty meeting for SDA-1, which occurred on January 10, 2017, the damage to the strike plates was not raised by OBO as an issue that Caddell would be required to address under the terms of the contract.13

Figure 2 shows one of the ground-down strike plates associated with a security door in SDA-1.

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12 Caddell Contract Specifications, sec. 08318, “Forced Entry (FE)/Ballistic Resistant (BR) Door Assemblies 1.0 Product Description/Relevant Specifications.”
13 Per contract specifications 01771, Closeout Procedures, the construction contractor’s warranty agent must participate in an on-site warranty meeting within 8 to 11 months after Substantial Completion. The agent shall review the Contractor’s warranty management reports with the Project Director/COR, Operations and Maintenance Staff, and OBO’s Commissioning Agent. The agent will identify additional areas that may come under warranty or under the original construction contract. The agent shall present information to track and correct warranty-related issues prior to the expiration of the warranty.
The improper alterations to the doors have gone unaddressed, in part, because the current security certification process does not include a follow-up inspection by DS to confirm that OBO’s actions to address identified physical security deficiencies were in accordance with physical security standards. In this instance, the alterations to the doors were discovered during an informal follow-up by the DS security inspection officer when he was in Kabul to inspect other buildings. DS/PSD physical security specialists told OIG that DS inspection procedures in place prior to 2003 included a requirement for DS to conduct a final inspection of all newly completed buildings to confirm that all items in OBO/CM’s mitigation plan had been completed in accordance with physical security standards. The security certification process used by OBO and DS currently excludes this step. On the basis of the circumstances identified in this report, OIG concludes that omitting this step increases the risk that physical security deficiencies could remain after OBO issues its certification of occupancy. Therefore, OIG is issuing this Management Assistance Report to prompt action to replace the altered components of the two security doors identified by DS and to revise the security certification process to include a follow-up inspection by DS.

**Recommendation 1:** OIG recommends that the Bureau of Overseas Buildings Operations instruct Caddell Construction, Inc., to immediately replace the improperly altered security door components in accordance with contract terms and obtain confirmation from the Bureau of Diplomatic Security that the replaced components meet physical security standards.

**OBO Response:** OBO concurred with the recommendation, stating that after it learned the security door strikes had been ground down, it notified Caddell and ordered that the deficiency be corrected. OBO added that it did not view the alteration as a priority because Caddell stated that the grinding was minor and did not affect the security performance of the door. Regardless, OBO acknowledges that OIG is correct in its assertion that this issue has lingered too long and will again direct Caddell to replace the strike plates. OBO “assure[s] the OIG that OBO has robust contract measures in place to
compel compliance from the contractor. Caddell remains liable for this issue despite the warranty expiring, as this was in effect a punchlist item correction.”

**OIG Response:** On the basis of OBO concurrence with the recommendation, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OBO provides evidence that the improperly altered security door components are made compliant with contract terms and obtains confirmation from DS that the doors comply with physical security standards. OIG, however, expresses no opinion on OBO’s assertion that Caddell “remains liable” notwithstanding the expiration of the warranty.

**Recommendation 2:** OIG recommends that the Bureau of Overseas Buildings Operations, in coordination with the Bureau of Diplomatic Security, revise the physical security certification process to include a follow-up inspection by DS to confirm that OBO took actions to address all identified deficiencies in accordance with physical security standards prior to occupancy.

**OBO Response:** OBO did not concur with this recommendation stating that “All Classified Capital Security projects, of which the [...] Kabul project is a part, have critical issues documented by DS in a Notification of Partial Substantial Compliance following an Accreditation visit. Depending on the situation either DS will return to the site to verify compliance, or the OBO Project Director will respond with a front-channel cable usually paired with emailed photos. Only then will DS issue a cable of Substantial Compliance, a prerequisite for the overall Certificate of Occupancy.” OBO added that “because the [...] NOX/Housing project has many more buildings to complete, it was well understood with DS that follow-on visits will continue to monitor active issues.”

**OIG Response:** OIG considers this recommendation unresolved. As described in this report, OIG found that OBO informed DS on January 11, 2016, that identified deficiencies with the security doors had been mitigated when in fact they had not. Moreover, the reason the unmitigated deficiency was noticed was because the original DS security inspection officer conducted an informal follow-up inspection when at Embassy Kabul on another assignment. Had he not done so, the deficiencies with the security doors would have likely gone unnoticed and uncorrected. OIG therefore maintains that the physical security certification process would benefit with a formal follow-up inspection by DS to confirm that OBO’s actions to address identified physical security deficiencies are indeed completed prior to occupancy in accordance with physical security standards. Moreover, implementation of this recommendation would benefit the certification process of capital security projects worldwide. In addition, OBO’s comments do not fully address the possibility that similar issues could arise in other locations (such as, for example, those that do not qualify as “Classified Capital Security projects”). OIG’s recommendation is intended to lead to a systemic change that ensures that DS always confirms that OBO has actually addressed all identified deficiencies.
This recommendation will be considered resolved when OBO agrees to revise the physical security certification process to include a follow-up inspection by DS or provides an acceptable alternative that meets the intent of the recommendation. This recommendation will be closed when OBO implements a process that ensures identified physical security deficiencies are fully addressed prior to occupancy and are completed in accordance with contract terms and physical security standards.
RECOMMENDATIONS

**Recommendation 1:** OIG recommends that the Bureau of Overseas Buildings Operations instruct Caddell Construction, Inc., to immediately replace the improperly altered security door components in accordance with contract terms and obtain confirmation from the Bureau of Diplomatic Security that the replaced components meet physical security standards.

**Recommendation 2:** OIG recommends that the Bureau of Overseas Buildings Operations, in coordination with the Bureau of Diplomatic Security, revise the physical security certification process to include a follow-up inspection by DS to confirm that OBO took actions to address all identified deficiencies in accordance with physical security standards prior to occupancy.
APPENDIX A: BUREAU OF OVERSEAS BUILDINGS OPERATIONS
OFFICE RESPONSE

UNCLASSIFIED

**OBO Comments on OIG Draft Management Assistance Report: Improvements Needed to the Security Certification Process to Ensure Compliance with Security Standards at Embassy Kabul, Afghanistan**. (AUD-MERO-17-XX)

Responses to Draft Recommendations:

1. **OIG recommends that the Bureau of Overseas Buildings Operations instruct Caddell Construction, Inc., to immediately replace the improperly altered security door components in accordance with contract terms and obtain confirmation from the Bureau of Diplomatic Security that the replaced components meet physical security standards.**

   OBO Response: OBO concurs with the events listed in the OIG report. After being notified in February 2016 by a DS physical security inspector of FE/BR door Forced-Entry Lock (FEL) strikes being ground down to allow them to operate, OBO notified Caddell of the condition and ordered them to correct the deficiency.

   Caddell has since contended that the grinding was very minor and did not affect the security performance of the door, and has contacted the door manufacturer to determine if they concur. It is likely the door does in fact perform at or very near its performance criteria, and for this reason this issue was not viewed as a priority by the OBO field team.

   However, the OIG is correct in its general assertion that this issue has lingered too long. Caddell has not produced evidence in the past 12 months showing they have not violated the contract and therefore OBO will again direct Caddell to replace the strike plates.

   The OIG states a concern that our contractor could not be held liable for this instance due to the expiration of the warranty. OBO would like to assure the OIG that OBO has robust contract measures in place to compel compliance from the contractor. Caddell remains liable for this issue despite the warranty expiring, as this was in effect a punchlist item correction.

2. **OIG recommends that the Bureau of Overseas Buildings Operations (OBO), in coordination with the Bureau of Diplomatic Security (DS), revise the physical security certification process to include a follow-up inspection by DS to confirm that OBO took actions to address all**

   UNCLASSIFIED
identified deficiencies in accordance with physical security standards prior to occupancy.

OBO Response: OBO does not concur with this recommendation. The 09/10 Kabul NOX/Housing project has not finished, and will continue to be an active construction project into early 2018. OBO and DS remain committed to completing this facility and all known deficiencies before we allow the contractor to demobilize.

All Classified Capital Security projects, of which the 2009/2010 Kabul project is a part, have critical issues documented by DS in a Notification of Partial Substantial Compliance following an Accreditation visit. Depending on the situation either DS will return to the site to verify compliance, or the OBO Project Director will respond with a front-channel cable usually paired with emailed photos. Only then will DS issue a cable of Substantial Compliance, a prerequisite for the overall Certificate of Occupancy. Because the 09/10 NOX/Housing project has many more buildings to complete, it was well understood with DS that follow-on visits will continue to monitor active issues.

Additional Comments

In addition to the recommendations, OBO offers the following clarification on the draft report:

The primary purpose of the forced entry/ballistic resistant doors is to protect personnel, not equipment, generators, etc. in the event of an attack. This correction needs to be made on pages 2 and 3 along with the foot note on page 6.
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Approved By: OBO: WMoser, Acting

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# ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td>DS</td>
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<td>Bureau of Diplomatic Physical Security Programs</td>
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<td>FAM</td>
<td>Foreign Affairs Manual</td>
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