

**(U) Management Assistance Report: Noncompliance with Federal and Department Procurement Policy at U.S. Embassy Kabul, Afghanistan, Needs Attention**  
**AUD-MERO-19-25, April 2019**

**(U) Summary of Review**

(U) The security situation in Kabul, Afghanistan, has continued to deteriorate in recent years. In response to increasing security threats, the Department of State (Department) has initiated a number of upgrades to the physical security features at the U.S. Embassy and other U.S. Government facilities around the city that are intended to improve the security posture of U.S. operations in Afghanistan.

(U) During an ongoing Office of Inspector General (OIG) audit of security-related construction projects at the U.S. Embassy in Kabul, OIG discovered that Embassy Kabul used a Justification for Other Than Full and Open Competition (JOFOC) to limit competition of construction contracts to a pool of 15 purportedly “known and vetted” local Afghan contractors. The JOFOC was initiated as an interim measure to address the need for urgent security upgrades and other embassy construction projects when a waiver that exempted overseas posts from soliciting foreign acquisition notices on the Federal Business Opportunities website (FBO.gov) lapsed in June 2016.<sup>1</sup> When the waiver lapsed, Embassy Kabul was concerned that publicly posting solicitations for construction projects would present security risks to the Embassy. As a result, in 2016, a JOFOC citing national security concerns was prepared by Embassy Kabul General Services Office (GSO) procurement officials to cover post-initiated construction projects.

(U) The 2016 JOFOC was developed in coordination with the Department’s Office of the Procurement Executive (OPE). However, the JOFOC was improperly renewed by Kabul Procurement Staff two more times, in 2017 and 2018, without consulting OPE. This occurred, in part, because procurement staff in Kabul incorrectly believed that the JOFOC could be unilaterally renewed as long as national security continued to be at risk because of the ongoing security threats at Embassy Kabul. Additionally, the Kabul JOFOC stated that contractors that were selected for inclusion were “known and vetted.” According to the former Kabul GSO Contracting Officer, this meant that, in addition to the Department’s standard counterterrorism vetting requirements, contractors selected for inclusion in the JOFOC would also undergo additional vetting by the Regional Security Office (RSO) in Kabul. However, OIG found no evidence that the 15 Afghan contractors selected were subject to such additional security vetting as a condition of service. According to the Kabul RSO, such vetting could help minimize the potential insider threat posed by temporary workers who could observe and report on the status of the Embassy Kabul compound and for this reason, Embassy Kabul adopted enhanced vetting practices for temporary workers in October 2018.

(U) In August 2018, following OIG inquiries about the validity of the JOFOC, OPE instructed Embassy Kabul to discontinue use of the JOFOC. According to OPE, the JOFOC was approved as a one-time exception in 2016 and was never intended to serve as a blanket exception for all

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<sup>1</sup> (U) FBO is the Federal Government's website ([fedbizopps.gov](http://fedbizopps.gov)) that publicly advertises all Federal procurement opportunities to interested contractors.

construction acquisitions initiated by Embassy Kabul. Although OPE issued the cease and desist order to Embassy Kabul to stop using the JOFOC, the need for the timely completion of security-related construction projects at Embassy Kabul remains a priority and is critical to addressing emerging threats in the current security environment. OPE officials suggested that using an indefinite delivery/indefinite quantity (IDIQ) contract would be an appropriate approach to meet Embassy Kabul's ongoing needs. As a result, OIG is recommending that Embassy Kabul establish a procurement mechanism, such as an IDIQ contract, to help promote the timely execution of security-related construction and physical security upgrades at U.S. Mission Afghanistan. Furthermore, the Embassy Kabul staff has reported that it is not uncommon for those physical-security construction projects that are sent to the Regional Procurement Support Office (RPSO) in Frankfurt, Germany, or the Bureau of Administration's Office of Acquisitions Management Office of Acquisition (AQM) to face long delays in the procurement review and approval process. Accordingly, OIG is recommending that the Bureau of Acquisitions Management establish and implement a process to prioritize and expedite procurements in support of mission-critical, urgent physical security construction projects at Embassy Kabul and other high-threat posts.

(U) OIG also found that Embassy Kabul did not consistently record accurate procurement data in the Federal Procurement Data System (FPDS), which was established to collect, analyze, and disseminate Federal procurement data to Congress, the executive branch, and the public. Embassy Kabul staff members provided OIG with a sample data set of contract actions executed using the Kabul JOFOC from August 2016 to August 2018. OIG found errors in the procurement data entered into FPDS for all 18 contract actions. According to Embassy Kabul officials, the deficiencies are attributable to an incomplete understanding of how data should be recorded in FPDS as well as high turnover among the procurement staff in the General Services Office. By failing to ensure that the data entered by Embassy Kabul into FPDS are accurate, the purpose of the data and their usefulness to stakeholders are jeopardized. OIG is therefore recommending that Embassy Kabul develop detailed guidance for entering data into FPDS, provide additional training to GSO Procurement staff, as appropriate, and conduct periodic management reviews of the data entered into FPDS to ensure its accuracy. OIG made seven recommendations in this report that are intended to address the underlying cause of the deficiencies found and to help ensure that Embassy Kabul is in compliance with Federal and Department procurement policy. In response to a draft of this report, OPE and Embassy Kabul concurred with all seven recommendations. On the basis of OPE's and the Embassy's concurrence, OIG considers each recommendation resolved, pending further action. A synopsis of OPE and the Embassy's responses to the recommendations offered and OIG's reply follow each recommendation in the Results section of this report. OPE's and Embassy Kabul's responses to a draft of this report are reprinted in their entirety in Appendices A and B, respectively.