



HIGHLIGHTS

Office of Inspector General
United States Department of State

AUD-MERO-21-24

What OIG Audited

In November 2018, the Department of State (Department), Office of Inspector General (OIG) reported* that the Bureau of Near Eastern Affairs (NEA) did not nominate qualified Contracting Officer's Representatives (COR) and Government Technical Monitors (GTM) who possessed the necessary Federal Acquisition Certification for Contracting Officer's Representative (FAC-COR) and demonstrated the technical expertise in the contract subject matter to oversee mission support contracts in Iraq, valued at more than \$3 billion. Among others, OIG made three recommendations to NEA and one to the Bureau of Administration, Office of the Procurement Executive (OPE) to address deficiencies identified.

OIG conducted this compliance follow-up audit to determine the extent to which the Department has acted to close the four open recommendations from OIG's November 2018 report on the selection and management of contract oversight personnel in Iraq.

What OIG Recommends

OIG made two new recommendations to NEA to ensure that the prior recommendations, which remain open, are efficiently and effectively implemented. In addition, OIG closed the recommendation addressed to OPE from the prior report and made two new recommendations to further improve the COR workforce. OIG considers all four recommendations offered in this report resolved, pending further action, based on management's response to a draft of this report. A synopsis of management's comments and OIG's reply follow each recommendation in the Audit Results section of this report. Responses received from the Department are reprinted in Appendices B through D.

April 2021

OFFICE OF AUDITS

MIDDLE EAST REGION OPERATIONS

Compliance Follow-Up Audit of the Bureau of Near Eastern Affairs Selection and Management of Contract Oversight Personnel in Iraq

What OIG Found

NEA has not taken all necessary steps to implement the three recommendations offered by OIG in 2018, meant to improve the nomination and selection of personnel to oversee contracts in Iraq. For example, although NEA determined that Level III FAC-COR certification is needed to oversee contracts in Iraq, it has not established the level of technical expertise needed for CORs and GTMs assigned, as recommended. In addition, OIG discovered during this audit that NEA continued to nominate CORs and GTMs who were not Level III FAC-COR certified and did not demonstrate technical expertise in the contract subject matter. NEA officials said that they are in the process of updating a study that will address OIG's recommendations. However, more than 730 days have passed since OIG offered its recommendations. OIG concludes that NEA has not dedicated sufficient resources and attention to addressing the recommendations offered, in part, because of the ordered departure of staff from U.S. Mission Iraq in 2019 and the global COVID-19 pandemic in 2020. Nevertheless, failure to fully address the recommendations and nominate qualified and experienced personnel to oversee contracts valued in the billions of dollars places taxpayer funds at risk of waste and fraud.

With respect to the recommendation OIG offered to OPE, OPE has taken some but not all steps needed to address the deficiencies identified. For example, OPE explored ways to create a roster of qualified CORs and studied developing a new skill code and specialized incentive pay program for CORs. However, it has not researched the inclusion of the COR workforce in the Department's strategic human capital plan with the goal of addressing COR workforce shortfalls, nor has it provided its analysis to the Under Secretary for Management. Like NEA, OPE has not fully implemented this recommendation because it has not dedicated the resources and attention necessary to fully address the recommendation. Until this is corrected, OPE will remain unable to fully address the long-standing deficiencies identified with the COR workforce.

* OIG, *Audit of the Bureau of Near Eastern Affairs Selection and Management of Contract Oversight Personnel in Iraq* (AUD-MERO-19-10, November 2018).