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**Management Assistance Report:  
The Bureau of Diplomatic Security's  
Office of Training and Performance  
Standards Should Improve Property  
Management Over Equipment Provided  
During High-Threat Training**

**MANAGEMENT ASSISTANCE REPORT**

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## Summary of Review

During an Office of Inspector General (OIG) audit of the Bureau of Diplomatic Security (DS), Training Directorate, Office of Training and Performance Standards (TPS), expenditures for training-related activities and personal services contracts, which is currently underway, OIG found that TPS was not complying with Department of State (Department) policies and procedures for managing accountable personal property with respect to high-threat (HT) kits. These kits, each of which costs \$9,167, contain 50 items, including a vest with two armor plates, a tactical helmet, and a global positioning system (GPS) unit, that can assist participants in emergency situations that can occur at high-threat posts.

OIG found that TPS did not record accountable property, including the vests with armor plates, tactical helmets, and GPS units, in the Department's inventory system—the Integrated Logistics Management System-Asset Management (ILMS-AM). Furthermore, TPS did not perform annual physical inventories or process accountable property through the DS Administration and Training Support Services office (ATSS), as required.

TPS officials advised OIG that they did not comply with property management requirements, in part, because they did not have a central receiving point—i.e., no dedicated warehouse—at the Interim Training Facility (ITF). TPS officials stated that all incoming shipments are now delivered to a dedicated warehouse at the ITF. However, anticipating that DS's Countermeasures Directorate, Office of Physical Security Programs, Defensive Equipment and Armored Vehicle Division (DEAV), would assume responsibility for property management over the HT kits in the near future, TPS had taken no actions in the interim to begin recording its accountable property from each HT kit in the Department's ILMS-AM application, as required. This accountable property included the vest with armor plates, tactical helmet, and GPS unit. Also, although TPS hired a logistician to develop controls over property management, the logistician's efforts were insufficient to meet applicable requirements, and vacancies in key property management positions during the audit scope moreover contributed to the identified concerns.

As a result of these issues, TPS still does not have a process that complies with Department standards to manage its accountable property, resulting in TPS property being susceptible to loss from damage or theft.

OIG also found that TPS did not issue the HT kits to DS Special Agents using required "charge out procedures," such as ensuring property is returned when it is no longer needed. As with the weaknesses in tracking, this deficiency occurred because key property management positions, including that of the Custodial Officer, were vacant during the audit scope period and because TPS anticipated that DEAV would assume this responsibility. The Contracting Officer's Representative (COR) performed some of the functions the Custodial Officer should have performed but stated that he followed procedures that were in place when he started in that position. However, those procedures did not conform to Department standards. By failing to use proper charge-out procedures for property on loan to its DS Special Agents, TPS has only a limited ability to ensure accountability for these items throughout their lifecycles.

OIG made five recommendations in this report that are intended to address the underlying cause of the deficiencies found and to help ensure that controls over TPS accountable property promote full compliance with property management requirements. In response to a draft of this report, DS concurred with all five recommendations. On the basis of DS's concurrence, OIG considers each recommendation resolved pending further action. A synopsis of DS's response to the recommendations offered and OIG's reply follow each recommendation in the Results section of this report. DS's response to a draft of this report is reprinted in its entirety in Appendix A.

## BACKGROUND

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TPS, which is within DS's Training Directorate, coordinates professional training for DS Special Agents, security engineers, and other law enforcement and security personnel. TPS provides training at three main locations—Dunn Loring, VA; Newington, VA; and the ITF in Summit Point, WV. TPS offers approximately 70 instructor-led, distance learning, or computer-based training courses and modules related to security topics to Department personnel, their dependents, and employees from other foreign affairs agencies.

Some of the courses offered by TPS are for the Advanced Tactics, Leadership, and Skills (ATLaS) program (also referred to as the HT Operations Course).<sup>1</sup> The ATLaS program courses are mandatory prerequisites for all DS Special Agents who will be permanently assigned to or will serve temporary duty assignments at designated high-threat, high-risk posts. The program is an intensive 10-week qualifying course designed to provide basic-level DS Special Agents with specialized training in more than 170 separate mission-essential tasks recommended by the Benghazi Accountability Review Board Advisory Panel<sup>2</sup> for HT training.<sup>3</sup> As part of this training, students are provided kits containing equipment for their use during and after the course. When a student is issued the kit, the student counts the contents of the kit and then signs a receipt acknowledging receipt of the items in the kit. Each kit costs \$9,167<sup>4</sup> and contains 50 items, including a vest with two armor plates, gloves, a tactical helmet, sunglasses, a medical kit, and a GPS unit.<sup>5</sup>

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<sup>1</sup> For purposes of this report, the HT Operations Course will refer to courses under the ATLaS program.

<sup>2</sup> On September 11–12, 2012, the U.S. Special Mission compound and Annex in Benghazi, Libya, were attacked. Afterward, the Department convened an Accountability Review Board to examine security issues related to the attack and make recommendations for mitigating future incidents.

<sup>3</sup> The HT training includes tactical medicine, personnel recovery, weapons, small-unit tactics, air operations, communications, movement, and static security procedures needed to operate in nonpermissive environments or designated high-threat, high-risk posts.

<sup>4</sup> The costs per HT kit rose over the period of the contract (the initial year and through the 4 option years of the contract exercised). At the time of the fourth year of the contract, FY 2016, the costs of the kits had risen to \$9,167 from the stated costs in the opening year, FY 2013, of the contract of \$6,851.

<sup>5</sup> The vest (with armor plates), the helmet, and the GPS unit represent about half of the cost of the kit (\$4,551 of \$9,167).

TPS obtains the kits for the HT training courses from the Virginia Industries for the Blind (VIB), which was required to provide 430 kits in the first year.<sup>6</sup> According to TPS officials, VIB is currently responsible for delivering the completed kits to an ITF warehouse in Summit Point. Upon arrival at the warehouse, the TPS logistician responsible for the HT kits and a VIB representative typically count the boxes being delivered, and the COR or the logistician signs a receipt and provides it to the VIB representative. From October 1, 2015, until March 31, 2017,<sup>7</sup> TPS purchased and paid for 250 kits from VIB, valued at \$2.3 million. Since the VIB contract's inception in 2012 through May 2018, DS had spent approximately \$40 million on HT kits. Of that \$40 million, about \$23 million has been funded by TPS.

## Property Management

TPS manages the HT training programs and accordingly assumes responsibility for all personal property<sup>8</sup> contained in the HT kits once VIB delivers them to TPS. The Department identifies the types of personal property that must be tracked in the Department's property records and inventoried. Such items are considered to be accountable property. According to the Foreign Affairs Manual (FAM),<sup>9</sup> protective personnel equipment, such as helmets and vests, is treated as accountable property, regardless of its cost. In contrast, serialized property—that is, property with a manufacturer's serial number—is considered accountable property only if its cost is \$500 or greater.<sup>10</sup> The Department requires its bureaus and offices to track accountable personal property in the Department's ILMS-AM application.<sup>11</sup>

## Purpose of the Ongoing Audit and the Management Assistance Report

This Management Assistance Report is intended to provide early communication of deficiencies OIG identified during its ongoing audit of TPS expenditures for training-related activities and personal services contracts supporting TPS. The primary objective of the audit is to determine whether TPS expended funds related to selected contractors for training-related activities in accordance with Federal regulations, Department guidelines, and the terms and conditions of the contracts and whether TPS selected, employed, and paid personal services contractors in

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<sup>6</sup> VIB was awarded a hybrid Ability One Program contract in September 2012 in the amount of \$2.4 million. The award was a 1-year contract (from October 1, 2012, to September 30, 2013) with 4 option years. The contract called for VIB to deliver 2 sets of 20 kits and then 13 sets of 30 kits by the end of the first year. VIB was required to acquire, inventory, and assemble the kits prior to providing the kits to the Department. In addition, full replacement warranty and customer support were included in the contract.

<sup>7</sup> During the scope period of the OIG audit, the process for receiving and recording HT kit deliveries differed from current practices. As noted subsequently, DS/TPS now has a dedicated central receiving point for all deliveries to ensure that all HT kits are accounted for upon delivery, in accordance with FAM requirements.

<sup>8</sup> According to the FAM, 14 FAM 411.4, personal property includes such items as vehicles, furniture, equipment, supplies, appliances, and machinery. Personal property refers to all property not otherwise classified as land, land improvements, buildings, and structures, all of which are normally referred to as real property.

<sup>9</sup> 14 FAM 411.4(1)(i).

<sup>10</sup> 14 FAM 411.4(2).

<sup>11</sup> 14 FAM 421.1(c).

accordance with Federal regulations and Department guidance. When conducting the audit, OIG also identified deficiencies in property management over equipment provided during HT training, which was outside the audit scope. Accordingly, OIG prepared this Management Assistance Report to provide early communication of these deficiencies. OIG is reporting these deficiencies in accordance with generally accepted government auditing standards. In performing the work in relation to this report, OIG interviewed DS and Bureau of Administration officials, conducted site visits to the ITF, and reviewed applicable criteria and supporting documentation. OIG believes that the evidence obtained provides a reasonable basis for the deficiencies identified in this report.

## RESULTS

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### **Finding A: Management of Accountable Personal Property Was Insufficient**

OIG found that TPS was not complying with the Department's policies and procedures for managing accountable personal property included in HT kits. Specifically, TPS did not record accountable property, such as vests with armor plates, tactical helmets, and GPS units, in ILMS-AM, as required by the FAM. TPS also did not perform annual physical inventories, as required by the FAM,<sup>12</sup> or process accountable property through ATSS, as required by TPS procedures.

TPS did not comply with these property management requirements, in part, because during the scope period of the audit TPS did not have a central receiving point established for receipt of all incoming shipments, including HT kits. TPS now, however, requires that all HT kits be delivered to a warehouse dedicated for the receipt of all incoming shipments to the ITF. In addition, vacancies in key property management positions contributed to these concerns. According to DS, it could not fill these positions during the audit scope period because of a Department-wide hiring freeze. OIG notes that, although TPS had hired a logistician in September 2017 to develop controls over property management, the logistician had not completed this effort. Moreover, the process being developed did not fully comply with relevant FAM requirements.

Therefore, TPS still does not have a process in place that complies with Department standards for managing its accountable property. TPS property is accordingly susceptible to loss from damage or theft.

#### ***Property Management***

As noted<sup>13</sup> in the Background section, the FAM<sup>13</sup> states that all protective personnel equipment (such as helmets and vests) is accountable property. The FAM also states that serialized property

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<sup>12</sup> 14 FAM 426.1.

<sup>13</sup> 14 FAM 411.4(1)(i).

with a cost of \$500 or greater is considered accountable property.<sup>14</sup> The Department requires all accountable property to be tracked using ILMS-AM and to be inventoried.<sup>15</sup>

From the HT kit, OIG identified three items—the vest (with armor plates), the tactical helmet, and the GPS unit—that meet the Department’s definition of accountable property. The vest and helmet are protective personnel equipment and therefore must be tracked regardless of any individual item’s value. The GPS unit must be tracked because it is serialized equipment, and each unit is valued at \$582, an amount that meets the FAM threshold. OIG found, however, that these items were not recorded in ILMS-AM, as required. Instead, TPS used office-generated hand receipts to record the serial number of each GPS unit and the armor plates. Although the helmets had serial numbers, the serial numbers were not recorded in the hand receipts during the audit scope period<sup>16</sup>. The hand receipts served as supplemental records acknowledging receipt by the DS Special Agent that the GPS unit was transferred to the DS Special Agent’s care and for warranty purposes (i.e., in case of a warranty claim due to malfunction or damage to the unit). Additionally, TPS maintained serial numbers for the GPS units for general tracking purposes, if needed.

As shown in Table 1, from October 2015 through March 2017, the Department purchased items totaling approximately \$1.1 million for the HT kits that should have been tracked in the Department’s inventory system as accountable property.

**Table 1: Value of Items Acquired During Audit Scope Period That Should Have Been Recorded in ILMS-AM**

Description	Cost of Each Item <sup>a</sup>	Total Value <sup>b</sup>
Armor Kit (vests and armor plates )	\$2,978	\$744,500
Ballistic Helmet Kit	991	247,750
Garmin GPS unit	582	145,500
<b>Total</b>	<b>\$4,551</b>	<b>\$1,137,750</b>

<sup>a</sup> Includes assembling the kits and delivery costs.

<sup>b</sup> A total of 250 kits were purchased from October 2015 through March 2017.

**Source:** Generated by OIG using data from the Department’s Global Financial Management System.

The FAM<sup>17</sup> also requires bureaus to perform annual physical inventories of accountable property and a reconciliation, in which the physical inventory counts are compared with the accountable property records and adjustments are made when discrepancies are noted. As part of this effort, bureaus are required to complete Form DS-1875, the Property Management Report, by March 15 of the fiscal year in which the inventory was performed. The results of the annual inventory

<sup>14</sup> 14 FAM 411.4(2).

<sup>15</sup> 14 FAM 411.4; 14 FAM 421.1(c); 14 FAM 426.1.

<sup>16</sup> OIG acknowledges that, starting with the April 2018 HT courses, TPS modified the hand receipts to include space to record the helmet’s serial number.

<sup>17</sup> 14 FAM 426.1, “General.”

and reconciliation should be submitted to the Bureau of Administration's Property Management Branch. Notwithstanding these requirements, according to a TPS official, the accountable property items in the HT kits that were stored at the ITF warehouse and in secured containers located outside the warehouse were not inventoried. Instead, the TPS COR stated that, approximately every quarter, TPS officials would conduct a count of the number of unissued HT kits on hand as well as a count of some critical pieces, such as vests and helmets, in stock. To help address this deficiency, TPS officials stated that TPS had hired a logistician in September 2017 to develop an inventory process for items kept in stock. As of February 2018, however, the logistician had not completed this effort. Moreover, even if the logistician had been in place longer, the process he was developing would not have been in compliance with FAM requirements.

Furthermore, TPS's Standard Operating Procedures (SOP) July 2015<sup>18</sup> require all DS accountable property to be processed through ATSS, which provides administrative support services to staff and students assigned to DS's Training Center.<sup>19</sup> Once the items are processed through ATSS, the guidance states that "the ATSS Support Specialist will document and barcode the items and forward all pertinent information to the DS Property Control Officer . . . these items then become part of the total DS Bureau accountable property inventory." Notwithstanding this internal policy, OIG found that ATSS was not involved in processing the HT kit equipment and did not document, barcode, or provide records regarding TPS accountable property.

### ***Office of Training and Performance Standards Lacked a Dedicated Warehouse Facility and Key Property Management Positions***

A TPS official stated that one reason for TPS's failure to comply with the property management requirements was its lack of a central receiving point through which all incoming shipments transited at ITF. In particular, TPS did not have a dedicated warehouse facility. According to the TPS official, prior to assigning a dedicated warehouse as the central receiving point for deliveries in June 2016, deliveries would be left at one of a number of buildings and with different individuals. In June 2016, ITF's warehouse was established. According to TPS officials, incoming shipments are now delivered to a dedicated warehouse at ITF. There, TPS Program Support and Logistics staff sign for the delivery of HT kits and reconcile items ordered with those received.

In addition, OIG concluded that vacancies in key property management positions during the audit scope period contributed to the property management issues that OIG identified. Specifically, the Principal Custodial Officer (PCO) position<sup>20</sup> has been vacant since August 2017. The position for the Alternate Custodial Officer, who is responsible for accountable property

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<sup>18</sup> TPS's Standard Operating Procedures, Section 5-25: "Property Accountability" (July 2015), "Guidance," paragraph 3, sentence 1.

<sup>19</sup> This administrative support includes procurement actions, budgeting, facility management, and vehicle fleet coordination.

<sup>20</sup> The individual in this position is responsible for the proper use, maintenance, and protection of property in a particular custodial area and maintains accountable property records. Although DS also sometimes refers to this position as the Area Custodial Officer, OIG refers to this position in this report as the PCO.

management when a PCO is not in place, was also vacant during the entire audit scope period (18 months). DS filled the Alternate Custodial Officer position in December 2017. In addition, the position of the ATSS chief, who would be the supervisor of the PCO, has been vacant since April 2016. According to a DS official, ATSS had not filled the positions because of a Department hiring freeze that was in place during the transition period to the Foreign Affairs Security Training Center (FASTC). Specifically, once the FASTC is complete, DS will determine the number of positions that it will maintain in its existing training facilities and the number of positions that will be relocated to the new training center.<sup>21</sup>

OIG acknowledges that TPS hired a logistician, who began working in TPS in September 2017 to improve property management. The logistician's responsibilities include the following:

- Receiving the deliveries of the HT kits at the ITF warehouse, counting the kits to ensure that the order is complete, and maintaining hand receipts.
- Preparing HT kits for each student and placing the kits in the warehouse for the students to pick up.

Although these are positive steps, the logistician had not completed efforts to strengthen controls over TPS's accountable property management at the time OIG conducted its fieldwork. In addition, TPS is not taking any further actions to comply with the accountable property requirements<sup>22</sup> until, as discussed in more detail subsequently, a final agreement is reached with DEAV to assume responsibility for these issues. Consequently, TPS does not currently have a process in place that complies with Department standards for TPS to manage its accountable property.

### ***Discussions With DEAV on Assuming Responsibility for TPS Accountable Property Management***

Both TPS and DEAV officials advised OIG that they are discussing the recording of HT kits in ILMS-AM as well as overall tracking of the kits to determine which office will be responsible for managing kits purchased by TPS. During December 2017, TPS advised OIG that the TPS COR had prepared a draft memorandum for the Deputy Assistant Secretary's signature, which recommended the creation of a working group to further analyze the issue<sup>23</sup>. In OIG's most recent discussions with DEAV and TPS in May 2018, officials from both offices indicated that

<sup>21</sup> The new Foreign Affairs Security Training Center, located at Fort Pickett, VA, is dedicated to providing consolidated hard skills security and life-saving training, such as the HT Operations Course. The training center is being completed through three construction contracts. Two of the three contracts are scheduled to be completed by September 2018. The final contract and overall substantial completion is anticipated for July 2019.

<sup>22</sup> For example, no actions have been taken to comply with the requirement to record in the Department's ILMS-AM application items from each HT kit, such as the vests with armor plates, the tactical helmet, and the GPS unit.

<sup>23</sup> OIG received a draft copy of this memorandum and confirmed that it recommended that DS's Countermeasures and Training Directorates "approve the creation of a tactical equipment small working group" to provide guidance and advice to the Deputy Assistant Secretaries on requirements for selecting, procuring, and inventorying specialized equipment for DS agents. Also note, that the draft memorandum was less specific than the ultimate decision.

DEAV will assume responsibility for managing TPS's HT kits, including the accountable property. Although OIG notes that progress has been made on this issue, to date, no formal agreement has been reached.

Because TPS and DEAV are actively working to develop plans to extend additional property management responsibilities to DEAV, OIG is including DEAV as a coordinating office on the relevant recommendations in this report. OIG emphasizes that TPS should move forward promptly with its plans to implement a property management system that will meet the requirements in the FAM to address the concerns set forth in this report.

### ***Impact of Insufficient Property Management***

Because of the insufficient management of the accountable property, TPS property is more susceptible to loss from damage or theft. In fact, a Department of Justice September 27, 2017, press release<sup>24</sup> stated that a Government contractor who had worked as a special skills tactical instructor at the ITF was found guilty of the theft and sale of Government property. The contractor admitted to taking vests and helmets valued at more than \$16,000 from the ITF and then selling or trading the items online. OIG acknowledges TPS's explanation that the official, paper-based inventory controls that TPS maintained helped the investigators identify the stolen Government property and that, moreover, some of this was used equipment with minimal remaining value for DS (in terms of operational use). OIG concludes, however, that if TPS had had sufficient controls in place over its property, the missing or unaccounted for items may have been identified during routine inventory procedures, and action could have been taken more quickly once the items were identified as missing.

**Recommendation 1:** OIG recommends that the Bureau of Diplomatic Security, Training Directorate, Office of Training and Performance Standards, in coordination with the Bureau of Diplomatic Security, Countermeasures Directorate, Office of Physical Security Programs, Defensive Equipment and Armored Vehicle Division, complete and implement an action plan to record accountable property contained in the high-threat kits that are on hand, along with any new kits delivered, into the Department's Integrated Logistics Management System-Asset Management application, as required by Volume 14 of the Foreign Affairs Manual, Section 421.1(c), within 30 days after this Management Assistance Report has been issued.

**Management Response:** DS concurred with the recommendation and stated that it "will provide details on the action plan in the next compliance response."

**OIG Reply:** On the basis of DS's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved pending further action. This recommendation

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<sup>24</sup> Department of Justice, U.S. Attorney's Office, Northern District of West Virginia, September 27, 2017, at <https://www.justice.gov/usao-ndwv/pr/government-contractor-admits-charge-involving-theft-and-sale-government-property>.

will be closed when OIG receives and accepts documentation demonstrating that DS completed and implemented an action plan to record accountable property contained in the HT kits that are on hand, along with any new kits delivered, into ILMS-AM, as required within 30 days after this Management Assistance Report has been issued.

**Recommendation 2:** OIG recommends that the Bureau of Diplomatic Security, Training Directorate, Office of Training and Performance Standards, perform a physical inventory of its accountable property, as required by Volume 14 of the Foreign Affairs Manual, Section 426, once an action plan for recording this property (Recommendation 1) has been completed.

**Management Response:** DS concurred with the recommendation.

**OIG Reply:** On the basis of DS's concurrence with the recommendation, OIG considers this recommendation resolved pending further action. This recommendation will be closed when OIG receives and accepts documentation demonstrating that, upon completion of an action plan, DS performed a physical inventory of its accountable property, as required.

**Recommendation 3:** OIG recommends that the Bureau of Diplomatic Security, Training Directorate, Office of Training and Performance Standards (TPS), in coordination with the Bureau of Diplomatic Security, Countermeasures Directorate, Office of Physical Security Programs, Defensive Equipment and Armored Vehicle Division, complete its joint effort to develop and implement a process to manage accountable property in the high-threat kits in accordance with requirements in Volume 14 of the Foreign Affairs Manual, Sections 420 and 426, and the Property Accountability requirements in Section 5-25 of TPS's Standard Operating Procedures. This process should (a) identify and record all accountable property in high-threat kits when the kits have been received and issued and returned and (b) provide steps for performing annual inventories.

**Management Response:** DS concurred with the recommendation.

**OIG Reply:** On the basis of DS's concurrence with the recommendation, OIG considers this recommendation resolved pending further action. This recommendation will be closed when OIG receives and accepts documentation demonstrating that TPS, in coordination with DEAV, completed the joint effort to develop and implement a process to manage accountable property in the HT kits, as required.

## **Finding B: Process to Issue Protective Equipment to Special Agents Did Not Comply With Requirements**

The FAM states that when property is required for an employee's job during an extended period of time, regardless of the cost, the property should be issued under "charge out" procedures. As part of the process, the PCO must approve and document the charge out using DS-584 Form,

Property Transaction. In addition, the existence and the condition of the property must be checked at least annually.<sup>25</sup>

TPS officials acknowledged that, during the audit period, TPS did not issue the HT kits to DS Special Agents in accordance with the FAM charge out procedures. Instead, according to the TPS logistician, at the beginning of each HT Operations Course, the logistician issued a HT kit to each student. Each student was then given a checklist of items that were in each kit, and the student was asked to compare the items in the kit with the items on the checklist. If anything was missing or the items did not fit correctly, the logistician assisted the student in correcting the problem. Once the student believed the kit was complete, the student signed the hand receipt acknowledging receipt. The receipt was then provided to the logistician. The student also notated on the hand receipt the serial numbers of the body armor plates and the GPS unit. As stated in the Background section, TPS maintained a record in hard copy of this information for warranty purposes and for general tracking.<sup>26</sup> This action was not adequate to comply with charge out procedures because it did not ensure that property accountability for the item was maintained. The PCO was responsible for controlling the charge out procedure for property items that were required by the employee for the employee's job during an extended period of time. The PCO approved the arrangement and documented it on Form DS-584, and should have ensured that the employee understood that any property provided to the employee in the performance of the employee's official duties belongs to the U.S. Government and must be returned to the agency by the employee when the property is no longer needed for the use for which it was originally provided. Also, the existence and condition of the property must be checked at least annually.

Additionally, the TPS Logistician stated that he did not perform an annual inventory of the equipment provided to the Special Agents. OIG concluded from this that no follow-up with Special Agents was performed by TPS after they finished their training to check on the condition and existence of the equipment they had been issued. This is contrary to the FAM<sup>27</sup> charge out procedures, which state that the existence and condition of the property must be checked at least annually.

During OIG's audit exit meeting, DS officials stated that, beginning in April 2018, TPS program support and Logistics staff began to issue accountable property from the HT kits using a paper-based inventory and charge out system, which included the use of Form DS-584 and vendor inventory sheets. Both forms record the serial numbers of selected accountable property items (GPS units, helmets, and armor plates). These records are stored in student course files. Although these new TPS practices still do not fully comply with the FAM charge out procedures (e.g., TPS does not check on the condition and existence of the equipment charged out at least

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<sup>25</sup> 14 FAM 425.3-4(c), "Property Loans and Charge Outs."

<sup>26</sup> The body armor plates are under full replacement warranty for 5 years, and the GPS unit is under warranty for 1 year.

<sup>27</sup> 14 FAM 425.3-4(c), "Property Loans and Charge Outs."

annually), the practices do demonstrate a good faith effort on the part of TPS toward greater compliance with property management requirements.

As stated in Finding A, vacancies in key property management positions during the audit scope period contributed to the weaknesses in the process by which protective equipment was issued. Because these positions were vacant, the COR and the logistician performed some of the roles that the PCO should have performed. The COR stated that he followed procedures that were in place when he started in the position. However, these procedures do not comply with the FAM. By failing to use proper charge out procedures for property on loan to its DS Special Agents, TPS could not ensure proper accountability for these items throughout their lifecycles. Furthermore, because the body armor has only a 5-year useful life, tracking the body armor to ensure that it is in good condition is essential to ensure the safety of DS Special Agents.

**Recommendation 4:** OIG recommends that the Bureau of Diplomatic Security, Training Directorate, Office of Training and Performance Standards, in coordination with the Bureau of Diplomatic Security, Countermeasures Directorate, Office of Physical Security Programs, Defensive Equipment and Armored Vehicle Division, develop and implement an action plan to develop procedures that require property issued to employees for an extended period of time comply with charge out policies included in Volume 14 of the Foreign Affairs Manual, Section 425.3-4(c). At a minimum, these procedures should include recording data related to issuing the property (e.g., the date of issuance, the name and signature of the individual responsible for the property, and the item serial numbers, as appropriate) and factors related to performing periodic checks on location or condition of the property and on returning the equipment (e.g., the date of return and the condition of the property).

**Management Response:** DS concurred with the recommendation.

**OIG Reply:** On the basis of DS's concurrence with the recommendation, OIG considers this recommendation resolved pending further action. This recommendation will be closed when OIG receives and accepts documentation demonstrating that DS has developed and implemented an action plan to develop procedures that require property issued to employees for an extended period of time comply with charge out policies included in 14 FAM.

**Recommendation 5:** OIG recommends that the Bureau of Diplomatic Security, Training Directorate, Office of Training and Performance Standards (TPS), develop and implement an action plan to identify and record accountable property previously purchased and charged out or issued to employees from October 2015 to the present. This plan should include a reconciliation of the items to the invoices of items purchased to ensure completeness and should detail how TPS will update the asset management systems with information on accountable property.

**Management Response:** DS's response to a draft of this report did not specifically indicate whether it concurred with the recommendation. Instead, it explained that it was "assessing the "feasibility, practicality, and resource and cost requirements to conduct a historical review of hardcopy issuance records to reconcile inventory records." Accordingly, OIG held a subsequent discussion with DS officials. At that time, they stated that they concurred with the intent of the recommendation but explained that it may be difficult to implement the recommendation because TPS has limited resources to assist in the historical review of accountable property previously purchased and issued to employees. DS officials reiterated, though, that they were exploring options and would apprise OIG of their conclusions.

**OIG Reply:** On the basis of DS's concurrence with the recommendation during discussions with OIG, OIG concludes that DS's proposed approach meets the intent of this recommendation and OIG accordingly considers this recommendation resolved pending further action. This recommendation will be closed when OIG receives and accepts documentation demonstrating that DS developed and implemented an action plan to identify and record accountable property previously purchased and charged out or issued to employees from October 2015 to the present.

## RECOMMENDATIONS

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**Recommendation 1:** OIG recommends that the Bureau of Diplomatic Security, Training Directorate, Office of Training and Performance Standards, in coordination with the Bureau of Diplomatic Security, Countermeasures Directorate, Office of Physical Security Programs, Defensive Equipment and Armored Vehicle Division, complete and implement an action plan to record accountable property contained in the high-threat kits that are on hand, along with any new kits delivered, into the Department's Integrated Logistics Management System-Asset Management application, as required by Volume 14 of the Foreign Affairs Manual, Section 421.1(c), within 30 days after this Management Assistance Report has been issued.

**Recommendation 2:** OIG recommends that the Bureau of Diplomatic Security, Training Directorate, Office of Training and Performance Standards, perform a physical inventory of its accountable property, as required by Volume 14 of the Foreign Affairs Manual, Section 426, once an action plan for recording this property (Recommendation 1) has been completed.

**Recommendation 3:** OIG recommends that the Bureau of Diplomatic Security, Training Directorate, Office of Training and Performance Standards (TPS), in coordination with the Bureau of Diplomatic Security, Countermeasures Directorate, Office of Physical Security Programs, Defensive Equipment and Armored Vehicle Division, complete its joint effort to develop and implement a process to manage accountable property in the high-threat kits in accordance with requirements in Volume 14 of the Foreign Affairs Manual, Sections 420 and 426, and the Property Accountability requirements in Section 5-25 of TPS's Standard Operating Procedures. This process should (a) identify and record all accountable property in high-threat kits when the kits have been received and issued and returned and (b) provide steps for performing annual inventories.

**Recommendation 4:** OIG recommends that the Bureau of Diplomatic Security, Training Directorate, Office of Training and Performance Standards, in coordination with the Bureau of Diplomatic Security, Countermeasures Directorate, Office of Physical Security Programs, Defensive Equipment and Armored Vehicle Division, develop and implement an action plan to develop procedures that require property issued to employees for an extended period of time comply with charge out policies included in Volume 14 of the Foreign Affairs Manual, Section 425.3-4(c). At a minimum, these procedures should include recording data related to issuing the property (e.g., the date of issuance, the name and signature of the individual responsible for the property, and the item serial numbers, as appropriate) and factors related to performing periodic checks on location or condition of the property and on returning the equipment (e.g., the date of return and the condition of the property).

**Recommendation 5:** OIG recommends that the Bureau of Diplomatic Security, Training Directorate, Office of Training and Performance Standards (TPS), develop and implement an action plan to identify and record accountable property previously purchased and charged out or issued to employees from October 2015 to the present. This plan should include a

reconciliation of the items to the invoices of items purchased to ensure completeness and should detail how TPS will update the asset management systems with information on accountable property.

## APPENDIX A: BUREAU OF DIPLOMATIC SECURITY RESPONSE

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United States Department of State

Washington, D.C. 20520

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July 16, 2018

### INFORMATION MEMO TO INSPECTOR GENERAL LINICK - OIG

FROM: DS – Michael T. Evanoff 

SUBJECT: Bureau of Diplomatic Security response to the Office of Inspector General (OIG) Management Assistant Report: The Bureau of Diplomatic Security's Office of Training and Performance Standards (TPS) Should Improve Property Management Over Equipment Provided During High-Threat Training

Below is the Bureau of Diplomatic Security's response to recommendations 1-5 of the subject report.

**Recommendation 1:** OIG recommends that the DS/T/TPS, in coordination with the DS/PSP/DEAV, complete and implement an action plan to record accountable property contained in the high-threat kits that are on hand, along with any new kits delivered, into the Department's Integrated Logistics Management System-Asset Management application as required by Volume 14 of the Foreign Affairs Manual, Section 421.1(c), within 30 days after this Management Assistance Report has been issued.

**DS Response (07/16/18):** DS/T/TPS and the Defensive Equipment and Armored Vehicle Division (DS/PSP/DEAV) concur with this recommendation and will provide details on the action plan in the next compliance response.

**Recommendation 2:** OIG recommends that the DS/T/TPS, perform a physical inventory of its accountable property, as required by Volume 14 of the Foreign Affairs Manual, Section 426, once an action plan for recording this property (Recommendation 1) has been completed.

**DS Response (07/16/18):** DS/T/TPS concurs with performing a physical inventory of its accountable property as required by the 14 FAM, once the action plan is completed.

**Recommendation 3:** OIG recommends that the DS/T/TPS, in coordination with the DS/PSP/DEAV, complete its joint effort to develop and implement a process to manage accountable property in the high-threat kits in accordance with requirements in Volume 14 of the Foreign Affairs Manual, Sections 420 and 426, and the Property Accountability requirements in Section 5-25 of TPS's Standard Operating Procedures. This process should (a) identify and record all accountable property in high-threat kits when the kits have been received and issued and returned and (b) provide steps for performing annual inventories.

**DS Response (07/16/18):** DS/T/TPS and DS/PSP/DEAV concur with the recommendation to develop and implement a process to manage accountable property in the high threat kits.

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**Recommendation 4:** OIG recommends that DS/T/TPS, in coordination with the DS/PSP/DEAV, develop and implement an action plan to develop procedures that require property issued to employees for an extended period of time comply with charge out policies included in Volume 14 of the Foreign Affairs Manual, Section 425.3-4(c). At a minimum, these procedures should include recording data related to issuing the property (for example, the date of issuance, the name and signature of the individual responsible for the property, and the item serial numbers as appropriate) and factors related to performing periodic checks on location and/or condition of the property and on returning the equipment (for example, the date of return and the condition of the property).

**DS Response (07/16/18):** DS/T/TPS and DS/PSP/DEAV concur with the recommendation to develop and implement an action plan to develop procedures requiring property issued to employees for an extended period comply with charge out policies in the 14 FAM.

**Recommendation 5:** OIG recommends that DS/T/TPS develop and implement an action plan to identify and record accountable property previously purchased and charged out and/or issued to employees from October 2015 to the present. This plan should include a reconciliation of the items to the invoices of items purchased to ensure completeness and should detail how TPS will update the asset management systems with information on accountable property.

**DS Response (07/16/18):** DS/T/TPS, in coordination with DS/PSP/DEAV and the Logistics Services Division (DS/MGT/LS), are assessing the feasibility, practicality, and resource and cost requirements to conduct a historical review of hardcopy issuance records to reconcile inventory records.

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Approved: DS – Michael T. Evanoff [ ]

Analyst: DS/MGT/PPD – Nicole Owens, 571-345-9933

Cleared: M – MLampel OK  
M/PRI – MSchild OK  
DS/DSS – JGeinert OK  
DS/EX – EDillenbeck OK  
DS/EX/MGT – BBlack OK  
DS/MGT/PPD – COehrig OK  
DS/MGT/PPD – LLong OK  
DS/T – R. Weitzel OK  
DS/T/RM – MMcElhattan OK  
DS/T/TPS/SLTD – Winman OK  
DS/T/TPS/ATLaS – RBeckmeyer OK

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