



# HIGHLIGHTS

Office of Inspector General  
United States Department of State

ESP-19-04

## What OIG Evaluated

In 2014, amid deteriorating security conditions in Kabul, Afghanistan and a realignment of the U.S. Afghanistan military strategy, the Bureau of Diplomatic Security (DS) sought to mitigate the daily threats posed to the high-risk convoy movements conducted by the Kabul Embassy Security Force (KESF). This solution involved moving the KESF closer to U.S. Embassy Kabul and eliminating the dangerous convoy movements to and from Camp Sullivan. To achieve this, on September 30, 2014, the Department modified Task Order 10, a security contract held by Aegis, to include the construction of a camp for KESF personnel at Camp Eggers with an estimated project cost of about \$173.2 million.

In response to a referral from the Deputy Secretary of State, the Office of Inspector General (OIG) evaluated whether the Department of State (Department) complied with relevant guidelines for the construction project at Camp Eggers. Specifically, OIG examined how Aegis Defense Services, LLC (Aegis) was selected for the construction of Camp Eggers; why the Department continued using Aegis after non-compliance concerns were identified shortly after award; and what the Department received after spending \$103.2 million on Camp Eggers.

## What OIG Recommends

OIG made three recommendations to the Department to ensure that the construction clause in the Worldwide Protective Services (WPS) contract is used appropriately, to ensure remedies for inadequate contractor performance, and to review the decision to expend \$103.2 million on the Camp Eggers project. The Department did not concur with the first two recommendations but agreed to assess the necessity of the \$103.2 million expended.

July 2019

OFFICE OF EVALUATIONS AND SPECIAL PROJECTS

## Evaluation of the Bureau of Diplomatic Security's Aegis Construction Contract at Camp Eggers, Afghanistan

### What OIG Found

Department construction projects are typically managed by the Bureau of Overseas Buildings Operations (OBO); however, the Camp Eggers project was awarded using an existing security contract managed by DS. This decision was made primarily because of expediency concerns and the stated lack of available OBO resources. DS itself lacked construction expertise, so it hired a consultant to support the project. This consultant warned the Department more than a month before award that the project would not likely be finished on time or on budget. However, the Department moved forward with the project. This task order was moreover managed by employees who lacked the expertise necessary to properly plan and manage this complex, large-scale construction project.

DS estimated the project would be completed by March 2016, but delays began almost immediately and persisted throughout. Although it is responsible for contract administration, the Bureau of Administration Office of Logistics Management Acquisitions Management (A/LM/AQM) failed to take meaningful corrective action against Aegis, even as it missed milestones and disregarded contract requirements. Multiple changes sought by the Department further contributed to delays and cost overruns. In January 2017, the Department terminated the project for convenience after very little work had been accomplished, and the design was never completed.

OIG acknowledges that the Department faced difficult choices and, at certain points, had few options. However, concerns about urgency frequently dominated decision-making to the exclusion of other considerations, and the Department did not effectively use what leverage it had. This led to expenditures of \$103.2 million without any discernible benefit to the Department or the people it intended to protect. More generally, this experience offers several lessons for managing construction in challenging environments.