



Office of Inspector General
United States Department of State

AUD-SI-24-23

Office of Audits

July 2024

**(U) Audit of Worldwide Protective
Services III Initial Training Consolidation
Initiative**

SECURITY AND INTELLIGENCE DIVISION



HIGHLIGHTS

Office of Inspector General
United States Department of State

AUD-SI-24-23

(U) What OIG Audited

(SBU) The Bureau of Diplomatic Security's (DS) Worldwide Protective Services (WPS) program provides contracted guard, personal protection, and support services at diplomatic locations

(b) (5), (b) (7)(F)

The WPS II contract required that security vendors train their personnel before assignment to Department duties. However, DS found issues with the quality, oversight, and cost of training provided by the security vendors. To address these issues under the subsequent WPS III contract, the Department awarded a contract to Alutiiq Essential Services, LLC in 2021 to provide initial training to WPS III security vendor personnel.

(U) The Office of Inspector General (OIG) conducted this audit to determine whether DS's efforts to consolidate initial WPS III training enhanced oversight, improved training quality, and achieved envisioned cost savings.

(U) What OIG Recommends

(U) OIG made four recommendations to address the deficiencies identified in this report. Based on the Department's responses to a draft of this report, OIG considers the four recommendations resolved, pending further action. A synopsis of management's comments to the recommendation offered and OIG's reply follow each recommendation in the Audit Results section of this report. Responses received from DS and the Bureau of Administration are included in their entirety in Appendices B and C, respectively.

July 2024

OFFICE OF AUDITS

SECURITY AND INTELLIGENCE DIVISION

(U) Audit of Worldwide Protective Services III Initial Training Consolidation Initiative

(U) What OIG Found

(U) OIG found that DS enhanced oversight of initial WPS III training by consolidating that training; however, OIG was unable to determine whether DS improved training quality or achieved envisioned cost savings. DS took several actions to improve oversight. For example, DS assigned a Government Technical Monitor to continuously oversee training at the King Abdullah II Special Operations Training Center in Amman, Jordan. In addition, OIG found that DS generally conducted oversight in accordance with requirements. However, DS did not ensure that the training contractor submitted several required documents. By not enforcing the requirements set out in its Quality Assurance Surveillance Plan, DS did not have all the information necessary to evaluate whether the contractor was fully meeting performance standards.

(U) Furthermore, DS did not use eFiling, the Department's mandatory contract award management system, to maintain oversight documentation. Instead, DS and the Office of Acquisitions Management agreed to use a DS system. OIG did not identify a waiver process for a bureau to use alternate systems for all oversight documentation. Thus, DS and AQM are not in compliance with Department guidance for maintaining contract administration records.

(U) OIG was unable to determine whether DS improved training quality or achieved cost savings by consolidating initial WPS III training because DS had not collected data; established baseline data or performance indicators; or developed a methodology to monitor, evaluate, and measure training quality improvements or cost savings.

(U) As a result of not establishing data and methods for monitoring and measuring quality improvements and cost savings, DS cannot fully characterize the impact of consolidating initial WPS III training.

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(U) OBJECTIVE

(U) The Office of Inspector General (OIG) conducted this audit to determine whether the Bureau of Diplomatic Security's (DS) efforts to consolidate initial Worldwide Protective Services (WPS) III training enhanced oversight, improved training quality, and achieved the envisioned cost savings.

(U) BACKGROUND

~~(S)~~(U) The WPS program provides contracted guard, personal protection, and support services at overseas locations (b) (5), (b) (7)(F)

[REDACTED] In 2010, the Bureau of Administration, Office of the Procurement Executive, Office of Acquisitions Management (AQM), on behalf of DS, awarded the first WPS contract to provide protective movement and static security services. The WPS contract was an indefinite delivery/indefinite quantity contract¹ under which security vendors competed for specific task orders. In 2016, AQM awarded the WPS II contract, which continued to allow task orders to be awarded to security vendors to provide a continuation of security services. In 2020, AQM awarded the WPS III contract. Table 1 details the WPS III vendors, locations, and task order values.

(U) Table 1: WPS III Security Vendors

(U) Vendor	(U) Performance Location	(U) Task Order	(U) Award Amount*
GardaWorld Federal Services	Baghdad, Iraq	TO-5	\$1,182,295,174
	Kyiv, Ukraine	TO-6	\$255,589,489
SOC LLC	Doha, Qatar	TO-8	\$138,026,255
	Jerusalem, Israel	TO-3	\$202,481,864
Janus Global Operations, LLC	Erbil, Iraq	TO-7	\$322,423,965
Triple Canopy, Inc.	Baghdad, Iraq	TO-4	\$1,355,367,460
	Juba, South Sudan	TO-2	\$89,904,834

* (U) The amounts are as of the dates of initial award, which range from December 6, 2021, to July 1, 2023.

(U) Source: Generated by OIG from documentation provided by AQM.

(U) Each task order details the services the vendor must provide. For example, the task order for Embassy Jerusalem includes protective services, specialized security services (e.g., a tactical operations center), and logistical support services (e.g., medical care services).

¹ (U) Indefinite delivery/indefinite quantity contracts provide for an indefinite quantity of services or supplies for a fixed time. The government places delivery orders (for supplies) or task orders (for services) against a contract for individual requirements.

(U) Worldwide Protective Services Training

(SBU) A key component of an effective security force is “the delivery of timely, topical, state of the art training.”² (b) (7)(F)

Prior to the WPS III contract, DS required each security vendor to provide initial training to its personnel before assigning them to the location identified in the task order. DS reported that it found that requiring the WPS II vendors to provide initial training to security personnel led to issues with oversight, training quality, and costs.³

(U) Oversight

(SBU) DS reported that (b) (5)

⁴ According to DS, when it conducted oversight visits, it discovered that trainees’ “pass rates decrease substantially, while the pass rates for unobserved training are unusually high.” For example, DS reported that, during an oversight visit in 2017, it witnessed classes with a combined pass rate of 54.9 percent; however, the previous three classes, which were not directly observed by DS, had pass rates of 91.4 percent, 100 percent, and 88.5 percent.⁵ DS also reviewed training records and identified personnel who did not achieve the minimum qualifying score.⁶ DS concluded that (b) (5)

(U) Training Quality

(SBU) DS reported that it identified several issues related to training quality, (b) (5)

⁸ For example, DS reported that, during a 2018 oversight visit, it observed a vendor’s firearms instructor improperly conducting a weapons qualification. Specifically, the instructor did not clearly state to the trainee that it was the qualification of record and not a practice round. DS indicated that it appeared that the instructor was waiting to see if the trainee qualified before determining whether the attempt

² (U) AQM, “Market Research Memorandum” (January 2, 2020).

³ (U) DS, “Improving the Quality of Worldwide Protective Services Training: An analysis of consolidating WPS Training to improve quality of training while achieving a significant cost-savings.”

⁴ (U) Ibid.

⁵ (U) DS, Information Memorandum, “Worldwide Protective Services Training Oversight to the Triple Canopy Training Facility in Al Kafrayn, Jordan” (December 27, 2017).

⁶ (U) DS, Information Memorandum, “Audit of SOC, LLC [Third Country National] Weapons Qualifications” (November 29, 2018).

⁷ (U) DS, “Improving the Quality of Worldwide Protective Services Training: An analysis of consolidating WPS Training to improve quality of training while achieving a significant cost-savings.”

⁸ (U) Ibid.

would be recorded as a practice round or the qualification of record. DS alerted the vendor, and the vendor repeated the weapons qualification, which the trainee failed.⁹

(U) DS commissioned an audit, using an external auditing firm, to assess a WPS II vendor's marksmanship qualification process and training records. The audit determined that the vendor was not conducting marksmanship activities in accordance with the contract and concluded that the vendor improperly qualified 292 guards. Specifically, the audit reported that the vendor's training personnel did not conduct their assigned duties in accordance with applicable performance standards. Moreover, the audit reported that the vendor did not have documentation to support that 681 guards were compliant with basic training requirements. The audit recommended that DS consider separating personnel qualification from each security vendor "to ensure no conflict of interest exists between training and operations elements of the same organization."¹⁰

(SBU) DS also reported that it identified (b) (5)

[REDACTED]

.¹¹

(U) Cost

(SBU) Additionally, DS reported that it found that (b) (5)

[REDACTED]

.¹²

(U) Training Consolidation

(SBU) In May 2021, the Department consolidated initial WPS III training by awarding a 10-year task order valued at more than \$342 million to Alutiq Essential Services, LLC (AES) to conduct training at the King Abdullah II Special Operations Training Center (KASOTC) in Amman, Jordan. WPS III security vendors are required to enroll personnel in the AES training. WPS III training includes courses on guard services (b) (7)(F)

⁹ (U) DS, Information Memorandum, "Worldwide Protective Services Training Oversight Visit, SOC LLC, Jordanian International Police Training Center, Muwaqeer, Jordan and King Abdullah Special Operations Training Center, Amman, Jordan" (August 13, 2018).

¹⁰ (U) DS, Audit of BESF Static Guard Services Contracts 2013-2018: WPS 1, WPS Bridge and WPS 2 Service.

¹¹ (U) DS, "Improving the Quality of Worldwide Protective Services Training: An analysis of consolidating WPS Training to improve quality of training while achieving a significant cost-savings."

¹² (U) Ibid.

(b) (7)(F) [REDACTED], protective security services (b) (7)(F) [REDACTED]
(b) (7)(F) [REDACTED], and specialized security services (b) (7)(F) [REDACTED]
(b) (7)(F) [REDACTED].

(U) Contract Management and Oversight Roles and Responsibilities

(U) AQM assigns a dedicated Contracting Officer (CO) to the WPS program. The CO has the sole authority for awarding and modifying contracts and task orders.¹³ The CO performs duties at the request of DS and relies on DS for technical advice.¹⁴ DS coordinates with the CO to appoint Contracting Officer's Representatives (COR)¹⁵ or Government Technical Monitors (GTM),¹⁶ who provide direct contract oversight and technical expertise.¹⁷ The COR defines the project's requirements, develops a performance work statement,¹⁸ and monitors the contractor's performance and expenses, bringing any issues of noncompliance to the CO's attention.¹⁹

(U) AUDIT RESULTS

(U) Finding A: DS Enhanced Oversight of Initial WPS Training, but Did Not Have a Process To Determine Whether Training Quality Improved or Cost Savings Were Achieved

(U) OIG found that DS enhanced its oversight of initial WPS training by requiring security vendors to send their personnel to centralized training at KASOTC in Jordan. DS also assigned a GTM to KASOTC to continuously oversee the training. OIG determined that, although oversight improved, DS did not implement certain aspects of its Quality Assurance and Surveillance Plan (QASP) and did not use eFiling, as required, to maintain oversight documentation. Instead, DS used an internal application. However, OIG did not identify a waiver process for a bureau to use an alternate system for all oversight documentation. Additionally, OIG was unable to determine whether DS improved training quality or achieved cost savings by consolidating initial WPS III training because DS had not collected data; established baseline data or performance

¹³ (U) 12 Foreign Affairs Manual (FAM) 284.2-1, "Office of Acquisitions Management (A/OPE/AQM);" and Federal Acquisition Regulation (FAR) 1.602-1, 4.101.

¹⁴ (U) 14 Foreign Affairs Handbook (FAH)-2 H-141(a), "Responsibilities of the Contracting Officer."

¹⁵ (U) FAR 1.604, "Contracting Officer's Representative (COR)," states that a COR assists in the technical monitoring or administration of a contract and maintains a file for the assigned contract.

¹⁶ (U) Department of State Acquisition Regulation 642.271, "Government Technical Monitor (GTM)," states that a CO may appoint a GTM to assist the COR in monitoring a contractor's performance. The CO may appoint a GTM because of physical proximity to the contractor's work site or special skills or knowledge necessary for monitoring the contractor's work.

¹⁷ (U) 12 FAM 285.1(c), "Contracts and Task Orders."

¹⁸ (U) FAR 37.602, "Performance work statement," states that a performance work statement describes the work in terms of the required results, enables a performance assessment against measurable performance standards, and relies on the use of measurable performance standards and financial incentives to encourage competitors to develop and institute innovative and cost-effective methods of performing the work.

¹⁹ (U) 14 FAH-2 H-142, "Responsibilities of the Contracting Officer's Representative (COR)."

indicators; or developed a methodology to monitor, evaluate, and measure training quality improvements or cost savings. As a result of not establishing data and methods for monitoring and measuring training quality improvements and cost savings, DS cannot fully characterize the impact of consolidating initial WPS III training.

(U) Training Oversight

(U) OIG found that DS enhanced its oversight of WPS III training by centralizing training at KASOTC. The CO appointed a COR, an Alternate COR, and a GTM to oversee the training contract, and DS assigned the GTM to KASOTC in Jordan to continuously oversee the training. The GTM observed training courses, including weapons qualifications, and evaluated instructors. Additionally, the COR and the Alternate COR stated that they reviewed documentation and video recordings of training courses. For example, the COR and Alternate COR reviewed course critiques, instructor evaluations completed by trainees, and End of Course reports that provided an overview of courses held.

(SBU) During the first option year²⁰ of the training contract, oversight officials conducted a site visit to oversee a specific course and two Program Management Reviews, which were broader assessments of the AES contract. For example, in May 2022, DS officials conducted a Program Management Review at KASOTC and (b) (7)(F)

As a result, the COR sent a letter to AES recommending that AES update all hard copy lesson plans. In response, AES implemented a process to track all changes submitted to DS for review and the date that DS approved the change. Upon approval, instructors are alerted to the changes and update the lesson plan binders accordingly.

(U) OIG also found that oversight officials generally complied with federal and Department requirements for contract administration. For example, the Federal Acquisition Regulation (FAR)²¹ states that the government has the right to inspect services at the contractor premises. OIG reviewed oversight visit documents and checklists documenting daily inspections at KASOTC and found that the documentation complied with requirements. The FAR²² also requires an evaluation of past performance of the contractor's services. OIG found that the Department completed the annual Contractor Performance Assessment Reporting System report evaluating AES in the areas of quality, schedule, cost control, management, and regulatory compliance with a satisfactory rating or higher.

(U) Although DS improved oversight overall, OIG found that, during the first option year of the training contract, DS did not implement certain aspects of its QASP. The QASP establishes how

²⁰ (U) FAR 2.101, "Definitions," states that Option means a unilateral right in a contract by which, for a specified time, the Government may elect to purchase additional supplies or services called for by the contract or may elect to extend the term of the contract.

²¹ (U) FAR 52.246-4(c), "Inspection of Services-Fixed-Price." This requirement is also incorporated into 14 FAH-2 H-522.3, "Site Visits."

²² (U) FAR Subpart 42.15, "Contractor Performance Information." This requirement is also incorporated into 14 FAH-2 H-543.5, "Poor Past Performance Evaluation."

DS will evaluate whether AES is meeting performance standards.²³ Specifically, the QASP requires that AES comply with all requirements in the Quality Assurance/Quality Control plan. Additionally, the QASP requires that AES submit more than 95 percent of contract deliverables in a timely manner, without rework required. However, OIG found that AES did not submit any of its required 13 monthly Quality Assurance/Quality Control checklists.²⁴ Furthermore, regarding contract deliverables, AES did not submit 4²⁵ (19 percent) of 21²⁶ End of Course reports for courses assessed by OIG or any of its 13 required Curriculum Rate and Consumption reports. The COR stated that DS did not follow up with AES on the Quality Assurance/Quality Control checklists because they were already identifying quality issues through other oversight activities. The COR also stated that they overlooked the missing End of Course reports and that AES emailed curriculum updates as needed. By not following the requirements in its QASP, DS did not have all the information necessary to evaluate whether AES was meeting all performance standards.

Recommendation 1: (U) OIG recommends that the Bureau of Diplomatic Security develop and implement a strategy to comply with the requirements set forth in the Quality Assurance and Surveillance Plan for the Worldwide Protective Services III training contract.

(U) Management Response: DS concurred with the recommendation, stating that it has an onsite GTM who provides full-time contractual oversight at KASOTC. Furthermore, the COR enhanced the existing quality control system by implementing an electronic tracking system that provides the status of all deliverables submitted monthly by the training vendor.

(U) OIG Reply: On the basis of DS's concurrence with the recommendation and stated actions, OIG considers the recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that DS has developed and implemented a strategy to comply with the requirements set forth in the QASP for the WPS III training contract.

(U) Additionally, the FAR requires that contract files effectively document contract actions, be readily accessible to principal users, and comply with agency regulations for file location and maintenance.²⁷ The Department's Integrated Logistics Management System includes eFiling,

²³ (U) FAR 46.401(a), "General," states that bureaus should prepare QASPs that specify all work requiring surveillance and the method of surveillance.

²⁴ (U) According to the Quality Assurance/Quality Control plan, these checklists are used for measuring quality and are designed to verify compliance with contract requirements, document work surveillance, and ensure that approved standard operating procedures and management processes are in place.

²⁵ (U) AES later located two of the four missing End of Course reports.

²⁶ (U) OIG reviewed the End of Course reports associated with the 21 courses attended by trainees in OIG's sample. Appendix A provides information on the sample selection.

²⁷ (U) FAR 4.802(c), "Contract files."

the module that is the Department's mandatory contract award management system.²⁸ As such, eFiling is the official repository for the Department's COs and CORs to maintain all contract files. However, OIG found that DS did not use eFiling to maintain oversight documentation related to the WPS III training contract. Instead, AQM and DS agreed that the DS application, Regional Security Officer Tools, met Department requirements and could be used as a substitute for eFiling for oversight documentation.

(U) The Department's eFiling policy acknowledges that certain procurements may contain "very large individual files" that can be stored in external systems. The use of an alternative system for very large files must be approved by the Bureau of Information Resource Management and noted in eFiling.²⁹ OIG reviewed 75 oversight files received from DS and determined that only 3 (4 percent) were large files.³⁰ OIG did not identify an exception and waivers process for the use of systems other than eFiling for all oversight files regardless of individual file size. Thus, DS and AQM are not in compliance with Department requirements for maintaining oversight records. If the agreement between AQM and DS is a valid option, then the Department should establish a policy and procedures for the use of alternative systems regardless of individual file size.

Recommendation 2: (U) OIG recommends that the Bureau of Administration determine whether Department of State bureaus and offices can use alternative contract award management systems (for example, the Bureau of Diplomatic Security's Regional Security Officer Tools) and, if so, develop an exception and waiver process for the requirement to use eFiling.

(U) Management Response: The Bureau of Administration concurred with the recommendation, stating that it will assess the potential impact and determine whether bureaus and offices can use alternative contract award management systems.

(U) OIG Reply: On the basis of the Bureau of Administration's concurrence with the recommendation and planned actions, OIG considers the recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that the Bureau of Administration has determined whether bureaus and offices can use alternative contract award management systems and, if so, that the Bureau of Administration has developed an exception and waiver process for the requirement to use eFiling.

²⁸ (U) Office of the Procurement Executive, Procurement Information Bulletin No. 2020-04, "Electronic Contract Filing (eFiling)," June 4, 2020, requires all contracting personnel to use eFiling to create and maintain procurement files. Additionally, all post-award documentation must be completed and stored in eFiling. The bulletin also states that eFiles for awards with an assigned COR must include all COR file documentation required by the FAR, Code of Federal Regulations, and the Department of State Acquisition Regulations.

²⁹ (U) Procurement Information Bulletin No. 2020-04, June 4, 2020.

³⁰ (U) OIG considered a file size of 10 megabytes or more to be a large file. This is Microsoft's default file size for business email. The Department's eFiling policy did not establish the size of a "very large" file.

(U) Training Quality

(U) OIG was unable to determine whether DS improved training quality by consolidating initial WPS III training. The Department’s policy for monitoring³¹ and evaluating programs³² establishes requirements that enable the Department to more fully characterize and account for how bureaus use their resources to achieve goals and objectives.³³ In accordance with the policy, once a bureau establishes a program, it must collect baseline data that provide a basis for assessing subsequent progress.³⁴ The bureau must also develop performance indicators to monitor progress and measure results, targets for each indicator, and a monitoring plan to gauge whether desired results are occurring.³⁵ The bureau should then conduct evaluations to examine the program’s outcomes.³⁶ DS established performance indicators and targets related to the WPS III training program (e.g., the number of training courses held at KASOTC and the prompt payment of invoices for AES training). However, DS did not establish baseline data, performance indicators, or targets specific to measuring whether WPS III training quality improved relative to training under WPS II. As a result of not establishing data and methods for monitoring and measuring training quality improvements, DS cannot fully characterize the impact that consolidating initial WPS III training had on training quality.

(U) Although OIG was unable to determine whether training quality improved, OIG found that DS implemented internal controls that provided reasonable assurance that trainees received the training defined in the contract. For example, DS reviewed the qualifications of all proposed training instructors to ensure they were qualified before authorizing them to provide instruction. OIG tested a sample of 10 instructors³⁷ approved by DS and verified their qualifications by reviewing their resumes and certifications. DS also reviewed and approved training lesson plans. OIG reviewed lesson plans maintained in KASOTC’s classrooms and determined that they were up to date based on DS’s approved changes. Finally, DS reviewed Training Status Reports submitted by AES for each course. OIG tested 20 trainees³⁸ whom AES reported as successfully completing training courses to verify that they received contract-required training. OIG verified that the 20 trainees met 1,023 of 1,033 (99 percent) training requirements.³⁹

(SBU) (b) (5) [REDACTED]

³¹ (U) Monitoring, which is different from oversight, is an ongoing system of gathering information and tracking performance to assess progress against established goals and objectives.

³² (U) 18 FAM 301.4, “Department of State Program and Project Design, Monitoring, and Evaluation.”

³³ (U) 18 FAM 301.4-1, “Purpose.”

³⁴ (U) 18 FAM 301.4-1(B), “Definitions;” 18 FAM 301.4-2(b)(2), “Program/Project Design.”

³⁵ (U) 18 FAM 301.4-3, “Monitoring.”

³⁶ (U) 18 FAM 301.4-4, “Evaluation.”

³⁷ (U) Appendix A provides information on the sample selection.

³⁸ (U) Ibid.

³⁹ (U) The 10 deficiencies are related to scores that were missing from the Training Status Reports.

(b) (5) ⁴⁰ DS did not formally track the personnel attrition rate under WPS II. Therefore, OIG could not compare attrition rates across the WPS II and WPS III programs. OIG reviewed personnel records and determined that, of the personnel who were trained by AES in the first option year of the contract, 16 were no longer working at a WPS III task order location as of February 2024. Of the 16 personnel, 15 resigned and 1 was removed from the task order for “refusal to work.” Thus, none were removed from the program due to an issue with AES’s training.

Recommendation 3: (U) OIG recommends that the Bureau of Diplomatic Security develop and implement a methodology to determine whether Worldwide Protective Services training quality has improved as a result of consolidation.

(U) Management Response: DS concurred with the recommendation, stating that the consolidation of WPS III training under a single contractor with direct government oversight and contractual control mechanisms has brought consistency that did not exist during the prior WPS contracts. Furthermore, DS stated that consolidated training allows it to ensure that only approved lesson plans are used and that training follows the guidelines set forth by DS. DS also stated that it implemented rubrics to ensure that training adheres to the highest quality standards.

(U) OIG Reply: On the basis of DS’s concurrence with the recommendation, OIG considers the recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that DS has developed and implemented a methodology to determine whether WPS training quality has improved as a result of the consolidation.

(U) Cost Savings

(SBU) OIG was unable to determine whether DS achieved actual cost savings by consolidating initial WPS III training. At the time of this audit, DS officials stated that they had not calculated actual cost savings. However, in comparison to its (b) (5) [REDACTED], DS officials stated that the (b) (5) [REDACTED] To determine to what extent consolidating initial WPS III training achieved actual cost savings, OIG calculated AES’s total expenditures over the base year and the first option year of the task order. OIG also calculated the training expenditures for all WPS II task orders over the base year and the first option year of all task orders. OIG determined that WPS II training expenditures included items that were not included in AES’s expenditures, such as trainee pay and medical costs, because AES is not responsible for covering those items. OIG could not quantify the cost differences because WPS II security vendors’ documentation contained different levels of detail and, thus, could not be used to calculate cost savings. DS officials also stated that the WPS mission in Afghanistan represented approximately 25 percent of the overall WPS III contract.

⁴⁰ (U) DS, “Improving the Quality of Worldwide Protective Services Training: An analysis of consolidating WPS Training to improve quality of training while achieving a significant cost-savings.”

Because costs related to training WPS personnel for Afghanistan are no longer a factor, this impacts the extent to which DS can calculate actual cost savings.

(SBU) (b) (5)

AQM awarded the training portion of the WPS III training contract as firm-fixed price, which places full responsibility for those costs upon AES and provides maximum incentive for AES to control costs.⁴¹ In addition to the contract structure, DS implemented several cost-saving measures. For example, AES was directed to conduct the physical readiness test and weapons qualifications first. Trainees typically fail the program at these two points; therefore, if a trainee fails, AES will not have to lodge or feed those trainees for an entire course.

(SBU) However, because DS did not collect data or develop a method to measure actual cost savings, it cannot determine the financial impact of consolidating initial WPS III training. (b) (5)

⁴² DS must ensure that, in the future, it complies with the Department's policy for monitoring and evaluating programs⁴³ so that it can fully account for how it is using resources, including tracking cost savings if that is a goal or objective of a program.⁴⁴

Recommendation 4: (U) OIG recommends that the Bureau of Diplomatic Security develop and distribute guidance for application of the Department of State's policy for monitoring and evaluating programs specifically related to tracking cost savings if that is a stated goal or objective of a project or program.

(U) Management Response: In its response, DS stated that it monitors and evaluates programs using the Diplomatic Security Planning Structure. DS also stated that if cost savings is a stated goal or objective in a program plan, its Policy and Planning Division will work with the program to incorporate cost savings monitoring. In addition, DS stated that it updated its Program Planning Guide to include guidance on cost savings monitoring, which it plans to incorporate in the FY 2025 program planning process.

(U) OIG Reply: On the basis of DS's concurrence with the recommendation and planned actions, OIG considers the recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that DS has developed and distributed guidance for application of the Department's policy for

⁴¹ (U) FAR 16.202-1, "Description," states that a firm-fixed-price contract places upon the contractor maximum risk and full responsibility for all costs and resulting profit or loss. It also provides maximum incentive for the contractor to control costs and perform effectively.

⁴² (U) DS Memorandum, "Removing the Training Requirement from the WPS Vendors and awarding it to non-WPS Training Providers" (July 5, 2019).

⁴³ (U) 18 FAM 301.4.

⁴⁴ (U) 18 FAM 301.4-1, "Purpose."

monitoring and evaluating programs specifically related to tracking cost savings if that is a stated goal or objective of a project or program.

(U) RECOMMENDATIONS

Recommendation 1: (U) OIG recommends that the Bureau of Diplomatic Security develop and implement a strategy to comply with the requirements set forth in the Quality Assurance and Surveillance Plan for the Worldwide Protective Services III training contract.

Recommendation 2: (U) OIG recommends that the Bureau of Administration determine whether Department of State bureaus and offices can use alternative contract award management systems (for example, the Bureau of Diplomatic Security's Regional Security Officer Tools) and, if so, develop an exception and waiver process for the requirement to use eFiling.

Recommendation 3: (U) OIG recommends that the Bureau of Diplomatic Security develop and implement a methodology to determine whether Worldwide Protective Services training quality has improved as a result of consolidation.

Recommendation 4: (U) OIG recommends that the Bureau of Diplomatic Security develop and distribute guidance for application of the Department of State's policy for monitoring and evaluating programs specifically related to tracking cost savings if that is a stated goal or objective of a project or program.

(U) APPENDIX A: PURPOSE, SCOPE, AND METHODOLOGY

(U) The Office of Inspector General (OIG) conducted this audit to determine whether the Bureau of Diplomatic Security's (DS) efforts to consolidate initial Worldwide Protective Services (WPS) III training enhanced oversight, improved training quality, and achieved the envisioned cost savings.

(U) OIG conducted this audit from December 2023 to April 2024 in the Washington, DC, metropolitan area and Amman, Jordan. The scope of this audit was the first option year of Alutiq Essential Services', LLC (AES) training contract—May 14, 2022, to May 13, 2023. OIG conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objective. OIG believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objective.

(U) To obtain background information for this audit, OIG reviewed federal laws and regulations related to contracting and oversight, including the Federal Acquisition Regulation and Title 48 of the Code of Federal Regulations. OIG also reviewed Department of State (Department) policies and guidance related to the WPS program, contracting, and oversight, including the Foreign Affairs Manual (FAM), the Foreign Affairs Handbook, Procurement Information Bulletins, the WPS Contracting Officer's Representative Handbook, the Overseas Protective Operations Government Technical Monitor Handbook, DS standard operating procedures, the Quality Assurance Surveillance Plan, and oversight delegation letters. OIG also interviewed officials from DS; AES; and the Bureau of Administration, Office of the Procurement Executive, Office of Acquisitions Management (AQM), to gain an understanding of the WPS training program, oversight efforts, and costs.

(U) To determine to what extent consolidating initial WPS III training resulted in enhanced oversight of the training program, OIG interviewed AQM and DS officials and reviewed oversight documentation, such as task order briefings, training quality checklists, instructor evaluations, Contracting Officer's Representative (COR) checklists, and program management reviews. OIG also reviewed a letter of concern, a deficiency notice, and COR letters, which detailed when AES's performance required corrective action plans to address deficiencies.

(U) To determine to what extent consolidating initial WPS training improved training quality, OIG reviewed the Department's policy for monitoring and evaluating programs.¹ OIG also tested 20 trainees' training records, including sign-in sheets and weapons qualifications scorecards (when relevant), and 10 instructors' qualifications documentation, such as resumes and certifications.² Additionally, OIG reviewed the records of personnel who completed initial training during the first option year of the training contract and identified those who were no

¹ (U) 18 FAM 301.4, "Department of State Program and Project Design, Monitoring, and Evaluation."

² (U) The Sampling Methodology section of Appendix A provides additional information.

longer working at a WPS III task order location. For those employees, OIG calculated the WPS III attrition rate due to failure to requalify on required weapons systems.

(U) To determine to what extent consolidating initial WPS III training achieved actual cost savings, OIG calculated AES's total expenditures over the base year and the first option year of the task order, which, as of December 2023, were the two years with complete data. OIG also calculated the training expenditures for all WPS II task orders over the base year and the first option year of all task orders.

(U) Data Reliability

(U) OIG obtained a list of individuals who successfully completed initial WPS III training from May 14, 2022, to May 13, 2023, from AES. To test the reliability of AES's trainee report, OIG retrieved a Training Status Report for training completed during that period from DS's Overseas Protective Operations–Training Portal. OIG compared the names listed in AES's report to the trainees listed in the Training Status Report. Based on the testing performed and the planned use of the data, OIG determined that the data were sufficiently reliable for the purposes of this audit.

(U) OIG also obtained from AES a list of instructors teaching from May 14, 2022, to May 13, 2023. To test the reliability of the data, OIG retrieved a muster sheet of AES employees assigned to the training contract from September 14, 2022, to October 13, 2022, from DS's Overseas Protective Operations–Training Portal and compared it to the list from AES. Based on the testing performed and the planned use of the data, OIG determined that the data were sufficiently reliable to select samples for the purposes of this audit.

(U) Additionally, OIG used computer-processed data from the Department's Global Financial Management System to obtain expenditure amounts for the base year and the first option year of AES's contract to determine the total expenditures for the 2 years. In addition, OIG obtained expenditure amounts for training for the base year and first option year for all WPS II task orders. The Global Financial Management System is used to prepare the Department's annual financial statements, which are audited annually by independent certified public accountants. OIG determined that, based on the planned use of the data (i.e., a comparison of expenditures to determine cost savings), the data were sufficiently reliable for its needs.

(U) Work Related to Internal Control

(U) During the audit, OIG considered a number of factors, including the subject matter of the project, to determine whether internal control was significant to the audit objective. Based on its consideration, OIG determined that internal control was significant for this audit. OIG then considered the components of internal control and the underlying principles included in the *Standards for Internal Control in the Federal Government*³ to identify internal controls that were

³ (U) Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G, September 2014).

significant to the audit objective. Considering internal control in the context of a comprehensive internal control framework can help auditors to determine whether underlying internal control deficiencies exist.

(U) For this audit, OIG concluded that two of five internal control components from the *Standards for Internal Control in the Federal Government*—Control Activities and Monitoring—were significant to the audit objective. The Control Activities component includes the actions management establishes through policies and procedures to achieve objectives and respond to risks in the internal control system, which includes the entity’s information system. The Monitoring component relates to activities management establishes and operates to assess the quality of performance over time and promptly resolve the findings of audits and other review. OIG also concluded that four of the principles related to the selected components were significant to the audit objective, as described in Table A.1.

(U) Table A.1: Internal Control Components and Principles Identified as Significant

(U) Components	(U) Principles
Control Activities	Management should design control activities to achieve objectives and respond to risks.
Control Activities	Management should implement control activities through policies.
Monitoring	Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.
Monitoring	Management should remediate identified internal control deficiencies on a timely basis.

(U) Source: Generated by OIG from an analysis of internal control components and principles from the Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G, September 2014).

(U) OIG interviewed Department and AES officials and reviewed documents to obtain an understanding of the internal controls related to the components and principles identified as significant for this audit. OIG assessed the design and implementation of key internal controls related to training quality and oversight. However, OIG was unable to assess the design and implementation of internal controls related to measuring improvement in training quality and cost savings because DS did not design a methodology to evaluate this. Specifically, OIG

- Assessed DS’s instructor review and approval process by verifying that instructor qualifications complied with contract requirements.
- Assessed DS’s review and approval process for lesson plans by verifying that lesson plans were up to date based on approved changes.
- Assessed DS’s implementation of the Quality Assurance Surveillance Plan by reviewing oversight documentation, including task order briefings, training quality checklists, instructor evaluations, Contracting Officer’s Representative checklists, and Program Management Reviews.

(U) Internal control deficiencies identified during the audit that are significant within the context of the audit objective are presented in the Audit Results section of this report.

(U) Sampling Methodology

(U) OIG's sampling objectives were to select:

- A sample of training instructors to determine whether their qualifications met contract requirements.
- A sample of trainees to determine whether they took the training required by the contract.
- A sample of task order briefings to determine that the information complied with contract requirements.

(U) Based on information provided by AES, OIG determined that the universe of training instructors during the first option year of AES's contract was 69 instructors. OIG used simple random sampling to select 10 instructors from a target universe of 26 instructors for testing.

(U) Based on information provided by AES, OIG determined that 385 personnel (i.e., trainees) successfully completed initial WPS III training during the first option year of AES's contract. Initially, OIG selected 20 trainees using random sampling from a target universe of 379 trainees. However, the initial sample did not include any trainees from one of the WPS III task orders (Ukraine). To include a trainee from that task order, OIG filtered the universe of trainees by that task order and selected the first trainee. However, the revised sample did not include any trainees who participated in a Guard course. To include a trainee who participated in a Guard course, OIG filtered the universe by course and selected the first trainee who participated in a Guard course. OIG replaced the last two trainees initially selected with the trainee from the Ukraine task order and the trainee who attended a Guard course, maintaining a sample size of 20 trainees.

(U) OIG determined that the universe of task order briefings during the first option year of AES's contract was 52 briefings. OIG used simple random sampling to select 10 briefings.

(U) Prior Office of Inspector General Reports

(U) In 2013, OIG conducted an audit⁴ to determine whether (1) DS adequately monitored a WPS contractor's work to ensure it was performing in accordance with contract terms and conditions and (2) DS's invoice review and approval procedures were sufficient to ensure proper payments. During the audit, OIG received allegations of potential violations of law concerning the contractor. OIG suspended the audit as the Office of Investigations worked with the Department of Justice to investigate the allegations. OIG and the Department of Justice ultimately reached an administrative settlement with the contractor's parent company. OIG issued an audit report in 2019 because OIG had not received confirmation that the settlement addressed \$454,578 in questioned costs identified by OIG. OIG made two recommendations

⁴ (U) OIG, *Management Assistance Report: Results of 2014 Audit of Bureau of Diplomatic Security Worldwide Protective Services Contract Task Orders 2, 9, and 11* (AUD-MERO-19-23, April 2019).

related to determining whether questioned costs were allowable and to recovering any unallowable costs. The recommendations have been implemented and closed.

(U) In 2018, OIG conducted an audit⁵ to determine (1) whether DS followed federal regulations, Department guidance, and standard operating procedures when reviewing invoices under the WPS contracts for guard services in Iraq and Afghanistan; (2) whether DS assigned a sufficient number of qualified staff members to oversee the WPS contracts; and (3) the extent to which DS provided oversight of contractor performance. OIG reported that DS did not review all supporting documentation associated with cost reimbursable invoices, which increased the risk that unallowable or unsupported costs for high-dollar, high-risk invoices could go undetected. OIG also reported that staffing shortfalls affected DS's ability to oversee WPS contracts and that DS had not developed standardized oversight reporting formats, which would be helpful in uniformly documenting contractor performance and further affirming that contract terms and conditions were being fulfilled. The four recommendations made in the report related to DS's invoice review and associated contract oversight activity have been implemented and closed.

(~~SBU~~) In 2018, OIG conducted an audit⁶ to determine whether (1) DS managed and oversaw Explosives Detection Canine services in accordance with Department guidance and (2) contractors were complying with contract terms and conditions. OIG reported that (b) (7)(F)

Furthermore, OIG reported that contract language was not explicit when specifying requirements for testing. The five recommendations made in the report have been implemented and closed.

(~~SBU~~) In 2019, OIG conducted an audit⁷ to determine whether DS managed and oversaw a WPS II task order for personnel movement security services at Embassy Baghdad, Iraq, in accordance with federal and Department regulations and guidelines. (b) (7)(F)

OIG reported (b) (7)(F)
The four recommendations that OIG made to improve DS's management and oversight of the task order and to address \$4.6 million in questioned costs have been implemented and closed.

⁵ (U) OIG, *Audit of the Bureau of Diplomatic Security's Invoice Review Process for Worldwide Protective Services Contracts* (AUD-MERO-18-47, June 2018).

⁶ (U) OIG, *Audit of the Bureau of Diplomatic Security's Management and Oversight of Explosives Detection Canine Services in Afghanistan* (AUD-MERO-18-29, February 2018).

⁷ (U) OIG, *Audit of Bureau of Diplomatic Security Worldwide Protective Services Contract II Task Order 2 – Baghdad Protective Movement Security Services* (AUD-MERO-19-18, February 2019).

(U) APPENDIX B: BUREAU OF DIPLOMATIC SECURITY RESPONSE



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United States Department of State

Washington, D.C. 20520

July 12, 2024

Read by _____

Info Memo for Inspector General Richardson – OIG

FROM: DS – Gentry O. Smith 

SUBJECT: Bureau of Diplomatic Security Response to the Office of
Inspector General Audit of Worldwide Protective Services III
Initial Training Consolidation Initiative

Below is the Bureau of Diplomatic Security's response to Recommendations 1, 3, and 4 of the subject Report:

Recommendation 1: (U) OIG recommends that the Bureau of Diplomatic Security develop and implement a strategy to comply with the requirements set forth in the Quality Assurance and Surveillance Plan for the Worldwide Protective Services III training contract.

DS Response 07/12/2024: DS/IP/OPO concurs with this recommendation. DS/IP/OPO has an onsite Government Technical Monitor (GTM) that provides full time contractual oversight at the King Abdullah II Special Operations Training Center (KASOTC). Additionally, the DS/IP/OPO COR has enhanced the existing quality assurance quality control (QA/QC) system by implementing an electronic tracking system. The system provides the status of all deliverables submitted monthly by the current training vendor.

Recommendation 3: (U) OIG recommends that the Bureau of Diplomatic Security develop and implement a methodology to determine whether Worldwide Protective Services training quality has improved as a result of consolidation.

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DS Response 07/12/2024: DS/IP/OPO concurs with this recommendation. DS/IP/OPO maintains that the consolidation of WPS III training under a single contractor (AES) with direct Government oversight and contractual control mechanisms has brought consistency to WPS training that did not exist during previous WPS contracts. Furthermore, as stated in the OIG report, instances of fraud were noted during contractor provided training during the previous WPS contracts that have not been noted since. Consolidated training allows DS/IP/OPO to ensure that only approved lesson plans are used and follow the training guidelines set forth by DS/T. Additionally, training evolutions are monitored and recorded for contract compliance and quality assurance. DS/IP/OPO continually provides feedback and corrections when necessary. DS/IP/OPO has also implemented rubrics to assure that training adheres to the highest quality standards.

Recommendation 4: (U) OIG recommends that the Bureau of Diplomatic Security develop and distribute guidance for application of the Department of State's policy for monitoring and evaluating programs specifically related to tracking cost savings where that is a stated goal or objective of a project or program.

DS Response 07/12/2024:

(U) In accordance with 18 FAM 301.4, DS monitors and evaluates programs via the Diplomatic Security Planning Structure (DSPS). DSPS, through the development of annual program plans, is used to document a program's purpose, performance targets, and resources at the beginning of each fiscal year. This provides a baseline against which to compare Quarterly Performance Reports (QPRs) and align programs to Bureau strategic goals and core functions. Where tracking cost savings is a stated goal or objective in a program plan, the Policy and Planning Division (DS/MGT/PPD) will work with the program to incorporate cost savings monitoring within DSPS to document applicable indicators, baselines, milestones, and targets. Please see the attached Program Planning Guide that has been updated to include guidance on cost saving monitoring consideration. DS will incorporate this guidance as part of the FY 2025 program planning process.

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Approved: DS – Gentry Smith, A/S []

Analyst: DS/MGT/PPD – Lauren Morris email - (b) (6) @state.gov

Cleared: DS/DSS: CMatus (ok)
DS/EX: JSchools (ok)
DS/EX/MGT: JMater (ok)
DS/MGT/PPD: CSatre (ok)
DS/MGT/PPD-Policy: WShishak (ok)
DS/C: GBattistone (ok)
DS/IP: Lindenfeld (ok)

(U) Attachments and tabs are available upon request, consistent with applicable law.

(U) APPENDIX C: BUREAU OF ADMINISTRATION RESPONSE



United States Department of State

Washington, D.C. 20520

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July 16, 2024

MEMORANDUM

TO: OIG/AUD – Regina Meade

FROM: A/OPE/AQM – Ramona E. Watts-Sutton, HCA Sutton

SUBJECT: Draft Report - Audit of Worldwide Protective Services III Initial Training Consolidation Initiative (AUD-SI-24-XX)

Ramona E Watts-

Digitally signed by Ramona E Watts-Sutton
Date: 2024.07.16 11:40:07 -04'00'

Thank you for the opportunity to provide a response to the subject report. The point of contact for this report is the A/OPE Front Office (A-OPEFrontOfficeAssistants@state.gov).

Recommendation 2: OIG recommends that the Bureau of Administration determine whether Department of State bureaus and offices can use alternative contract award management systems (for example, the Bureau of Diplomatic Security's Regional Security Officer Tools) and, if so, develop an exception and waiver process for the requirement to use eFiling.

Management Response to Draft Report (07/16/24): The Bureau of Administration, Office of the Procurement Executive, Office of Acquisitions Management (A/OPE/AQM) concurs with the recommendation and will assess the impact and make a determination whether Department of State bureaus and offices can use alternative contract award management systems.

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(U) ABBREVIATIONS

AES	Alutiiq Essential Services, LLC
AQM	Bureau of Administration, Office of the Procurement Executive, Office of Acquisitions Management
CO	Contracting Officer
COR	Contracting Officer's Representative
DS	Bureau of Diplomatic Security
FAH	Foreign Affairs Handbook
FAM	Foreign Affairs Manual
FAR	Federal Acquisition Regulation
GTM	Government Technical Monitor
KASOTC	King Abdullah II Special Operations Training Center
OIG	Office of Inspector General
QASP	Quality Assurance and Surveillance Plan
WPS	Worldwide Protective Services

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