

RELEASE IN PART  
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**From:** Mills, Cheryl D <MillsCD@state.gov>  
**Sent:** Wednesday, September 02, 2009 12:28 PM  
**To:** H  
**Subject:** FW: 9/2 Senior Staff

**From:** Smith, Daniel B  
**Sent:** Wednesday, September 02, 2009 9:52 AM  
**To:** Mills, Cheryl D; Abedin, Huma; Sullivan, Jacob J  
**Subject:** 9/2 Senior Staff

SENSITIVE BUT UNCLASSIFIEDAfghanistan – Contractor Issues

- Eric Boswell raised the Washington Post story about the Project on Government Oversight investigation of misbehavior by private contract security guards at U.S. Embassy Kabul. Eric noted that the allegations involve third-country national supervisors of the guard force (most of the guard force rank and file are Gurkhas and do not present a problem). There are lewd pictures involving activities by the supervisors at parties as well as other allegations of inappropriate behavior. They are employees of ArmorGroup, a subsidiary of Wakenhut Services. He noted that a number of actions have already been taken including the firing of the head of the guard camp, posting of DS agents at the camp and increased supervision of the guard force overall. DS has also launched its own investigation. The guard camp itself has been “dry” since August 15, a sign Eric believes that the contractor knew there were problems with alcohol-related incidents. Ambassador Eikenberry plans to hold a town hall with embassy employees today to reassure them that they remain secure.
- Cheryl emphasized the need to develop a strategy to manage not only the flow of information and what we say about this scandal, but also what we are doing to meet the Secretary’s objective of reducing dependency on contractors and increasing oversight of remaining contractors. She wanted to discuss this further with Eric, but indicated she had in mind a team of three or four people devoted to this.
- Related to this, PJ reported that the press had picked up on the temporary extension of the Blackwater contract for air support in Baghdad.

Honduras

- [REDACTED] and will send a note to the Secretary afterwards. He added that the election campaign has begun there and we will have to firm up our position, especially since the other major countries (Brazil, Mexico, Argentina and Chile) have indicated that they will not accept the legitimacy of the election under current conditions. There was further discussion of this and whether it would be better to make clearer now our position on the elections so that there is no misunderstanding on the part of the de facto regime about where we stand. Anne-Marie said she planned to have a “Plan B” strategy paper on the elections to the Secretary today. There was also discussion of whether the Secretary should make a statement to the press after her meeting with Zelaya tomorrow, but agreement that she should not appear with Zelaya before the press.

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Legal Issues

- Harold reported [REDACTED]  
[REDACTED]
- Yesterday, Harold indicated, he had met with lawyers representing Libyan claimants trying to resume old claims in light of what happened with al-Megrahi. One attorney threatened to use his influence to place a hold on Hormats' nomination.

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#### Storm Watch

- I noted that Hurricane Jimena will now likely make landfall north of the main tourist resorts in Baja. We have had relatively few calls from American citizens thus far and are in close touch with posts. Meanwhile, Tropical Storm Erika in the Atlantic will likely hit D.R. and northern Haiti this weekend.

#### PA Issues

- PJ and Ian noted a number of issues that the press will be following, including the security contractor issue, Senator Mitchell's meeting with the Israelis today, and the P5+1 meeting in Germany. PA will also announce Bosworth's trip to Asia today.