

RELEASE IN PART  
B6

---

**From:** Cheryl Mills [redacted]  
**Sent:** Thursday, September 3, 2009 11:32 PM  
**To:** H  
**Subject:** FW:

B6

FYI – b/l in process

---

**From:** Maya Seiden [redacted]  
**Sent:** Thursday, September 03, 2009 9:18 PM  
**To:** Cheryl Mills  
**Subject:**

B6

There's one detail I left out b/c it's referenced in the POGO letter but not in the information I received -- March 2009 continued "grave concerns" about AGNA. Will check on that in the AM.

### **Background**

DOS competitively awarded Armor Group, North America, Inc. (AGNA) a contract to provide static protection for Embassy Kabul in March 2007. An Office of Acquisition Management (AQM) Contracting Officer (CO) and two DS Contracting Officer Representatives (CORs) assigned in Washington have overall contract oversight responsibility and participate in weekly meetings between the DS program office and AGNA management. Two Assistant Regional Security Officers are designated as the COR and Assistant COR.

Allegations of misconduct and inappropriate actions by AGNA first raised in June 2007, with multiple notices of deficiency filed through September 2008. In May 2009, DOS determined that AGNA had adequately addressed the deficiencies and was contract compliant. DOS exercised the next option year of AGNA's contract on July 1, 2009.

In May 2009, the Homeland Security and Governmental Affairs Subcommittee on Contracting Oversight (Senators McCaskill and Collins submitted requests for information on the allegations of misconduct in 2007 and 2008. Hearings were held on June 10, 2009.

On September 1, 2009, photos were released of questionable activity at Camp Sullivan, the residence for AGNA's guards in Kabul, and the Project on Government Oversight (POGO) sent a letter the Secretary encouraging investigation into the allegations of misconduct in 2008 and 2009.

### **Current State**

#### *Status of investigations:*

- As of September 3, the RSO investigative team in Kabul has conducted more than 30 interviews of personnel who may have firsthand knowledge of the incident(s). Information obtained from the interviews points to contractual deficiencies, with no indications of criminal activity, waste, fraud or abuse.
- A team of investigators from the Office of Inspector General (OIG) arrived in Kabul on September 3 to pursue their investigation into possible criminal violations.
- A senior DS team will arrive next week, including an additional OIG investigator.

#### *Actions to date:*

- AGNA relieved from duty the personnel involved in the photographs. They will be terminated as soon as RSO interviews are completed.
- The entire AGNA management team in Kabul will be removed from the contract as soon as replacements are identified. The replacement of the management team will be phased so as to not jeopardize the security of the embassy. In the interim, an A/RSO is assigned full-time to Camp Sullivan to monitor all contractor activities.

### Chronology of Events

May 2004	M	The military ceased providing static protection for Embassy Kabul, creating a need for contracted security services. DOS first contracted with PAE, Louis Berger, as an interim measure ahead of full and open competition.
July 2005	M	Contract awarded to MVM. MVM began the transition, but was unable to begin contract performance and was terminated. The PAE Louise Berger contract remained in place during this time.
April 2006	M	DOS issued a new contract solicitation.
<u>2007</u>		
March 12	M	DOS competitively awarded Armor Group, North America, Inc. (AGNA). An Office of Acquisition Management (AQM) Contracting Officer (CO) and two DS Contracting Officer Representatives (CORs) assigned in Washington have overall contract oversight
June	M	DOS received information that indicated misconduct and inappropriate actions by AGNA to include failure to staff positions, provide uniforms, vehicles and other contractor provided equipment.
June 26	M	Meeting held with AGNA to convey the Department's concern and request that issued be addressed immediately. Responses received from AGNA on June 27 and July 16.
July 19	M	DOS CO issued a Cure Notice to address several contractor weaknesses and deficiencies, including a failure to provide sufficient staffing and equipment. Over the course of the contract, other deficiencies were identified and addressed with the contractor, including failure to maintain a current ITAR license, failure to provide sufficient language-qualified guards, and continued staffing and equipment shortages.
<u>2008</u>		
April 30	M	DOS CO issued a final deficiency letter to AGNA, putting the contractor on notice for recurring and new deficiencies identified by the COR. AGNA was informed that the DOS was evaluating whether or not to exercise the option to extend the contract in 2009, dependent upon the contractor's ability to fully demonstrate that it could permanently resolve the deficiencies. The letter requested a final corrective action plan that entailed a measurable, attainable milestone schedule to enable DOS to monitor progress weekly.
Sept 21	M	DOS CO issued a Show Cause notice to AGNA, necessitated by repeated staffing shortages. Show Cause notice was evaluated by DS, Legal and AQM, with final determination that all pending deficiencies were correctable and progress was being made by the contractor. Progress toward addressing the identified deficiencies was closely monitored by the CO, DS and RSO-Kabul.

2009

- May 19 H Request from Senate Committee on Homeland Security and Governmental Affairs, Subcommittee on Contracting Oversight (HSGAC) (Chairman McCaskill and Acting Ranking Member Collins) for documents and materials on AGNA's static security services contract in Kabul.
- May 20 M Confident that AGNA adequately addressed all of the deficiencies identified in the Show Cause notice, DOS deemed AGNA contract compliant in these areas.
- May 21/28 H Briefings for HSGAC staff.
- June 2 H Delivery of first tranche of response documents to HSGAC.
- June 4 H Briefing for HSGAC staff.
- June 5 H Delivery of second tranche of response documents to HSGAC (*note*: third tranche of documents remains an outstanding request, currently under review in the Department)
- June 10 H DOS testimony (Will Moser) to HSGAC on AGNA's contract in Kabul.
- July 1 M DOS exercised the next option year of AGNA's contract in Kabul.
- Aug 17 S DOS COS notified by White House of alleged questionable activity by DOS contractors in Afghanistan; sent to DS, L and M for action and response.
- Aug 26 DS Information regarding misconduct by AGNA personnel in Kabul was brought to the attention of the CO and DS by AGNA management during a regularly scheduled meeting. DS HQ notified RSO-Kabul and the OIG of the allegations.
- Aug 27 DS DS received photographs of the misconduct. Photos provided to RSO-Kabul and the OIG.
- Sept 1 Project on Government Oversight (POGO) sent letter to S regarding allegations of contract mismanagement and misconduct.
- Sept 1 H Letter received from Senator McCaskill referencing new allegations against AGNA employees and urging for a review of the contract. Additional related documents requested by September 30. Interim response is being prepared.
- Sept 3 DS Individuals in the photographs relieved of duty; termination to follow interview completion.
- A/RSO assigned full-time to Camp Sullivan to monitor contractor activities.