



**OIG** Office of Inspector General  
U.S. Department of State • Broadcasting Board of Governors

**“CONSTRUCTION COSTS AND DELAYS AT THE U.S. EMBASSY IN KABUL”**

**STATEMENT BY  
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**BEFORE THE  
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM  
UNITED STATES HOUSE OF REPRESENTATIVES**

**JULY 9, 2015**

Chairman Chaffetz, Ranking Member Cummings, and Members of the Committee: Thank you for inviting me to testify on behalf of the Office of Inspector General (OIG) for the Department of State (Department) and the Broadcasting Board of Governors regarding the inspection of Embassy Kabul in Afghanistan. My testimony will focus on construction projects and related security issues at the embassy.

## **I. EMBASSY KABUL**

The embassy is a fortified compound composed of two adjacent campuses located in the center of the city. These two campuses total 36 acres and have a mixture of completed structures, temporary offices, temporary housing facilities, and construction sites. The Department leases several residences outside the embassy walls to provide adequate setback for enhanced security of those sections of the wall. The Afghan Ministry of Interior borders the embassy to the east, and the multi-storied Kabul Hotel is north of the embassy. To the south of the embassy is the International Security Assistance Force compound.

At the time of our inspection, over 1,000 U.S. Government employees were stationed in Afghanistan, and approximately 4,500 contractors were working in support of the embassy throughout the country. Due to the massive construction underway at the embassy compound, employees were forced to weave their way between their temporary housing areas through various construction sites to get to work. A number of agencies were in temporary facilities awaiting the completion of new offices.

## **II. OIG INSPECTION**

The inspection took place between February 2 and March 11, 2014. A team of 21 inspectors conducted over 600 interviews and reviewed hundreds of documents, including 70 oversight reviews<sup>1</sup> on various aspects of the Afghan mission.<sup>2</sup>

When we arrived, the security situation was deteriorating in and around Kabul, necessitating additional security projects in Kabul and throughout the country. The team found that the Bureau of Overseas Buildings Operations (OBO) and the Bureau of Diplomatic Security (DS) were engaged in constructing a number of building projects both on and off the embassy compound. During our inspection, OBO reported that it had spent over \$1.35 billion between FYs 2002-2013, some of which had been contributed by other bureaus, for embassy related construction and physical security projects. These projects included expansion of the warehouse and the Marine Security Guard quarters, the building of two new hardened office buildings, and construction of a new housing facility. Other projects, in Kabul outside the embassy compound, included the completion of contract guard sleeping quarters, a facility for the embassy's fire department, a motor maintenance facility, and additional warehouse facilities.

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<sup>1</sup> The reviews included those issued by the Special Inspector General for Afghanistan Reconstruction, GAO, and OIG since 2010.

<sup>2</sup> *Inspection of Embassy Kabul, Afghanistan* (ISP-I-14-22A, August 2014), <https://oig.state.gov/system/files/231107.pdf>.

## **The Need for Security Enhancements to Exterior Walls and Temporary Housing**

The need for security enhancement to the exterior walls was first identified and funded by DS in 2009.<sup>3</sup> DS considered these enhancements urgent given the embassy's location in the middle of Kabul, the large buildings adjacent to the compound, and the growing security threat. The team made classified recommendations regarding these security enhancements.

Necessary security enhancements to the temporary housing were similarly characterized as urgent—and funded—by DS in 2011. Approximately 70 percent of the 800 U.S. Government employees and contractors working and living on the U.S. embassy compound were housed in temporary containerized housing units (CHUs) at the time of the inspection, and most of these lacked adequate overhead and or side-cover protection. This issue also was the subject of a recommendation in the classified annex of our report.

## **Lack of Coordination Between the Bureaus of Diplomatic Security and Overseas Buildings Operations**

During the course of the onsite inspection, both the embassy's senior management team and the OIG team expressed concern about OBO's lack of progress on security improvements to the exterior walls and temporary housing. Although DS designated funding for these enhancements, they were not initiated despite the serious implications of not completing them. Based on the interviews conducted by the OIG team, this issue caused considerable friction between DS and OBO. Specifically, DS wished to expeditiously complete these projects while OBO stated that it wanted to proceed with these projects only after the designs met international construction and safety standards.

During the inspection process, the team raised its concerns with OBO about the need for the enhancements. In response, OBO's project manager explained that there was a lack of progress due to a number of factors, including the number of projects underway and the limited space available for construction material and equipment on the compound. As a result, the contractor stated that it was required to phase in projects in order to work efficiently and safely. The project manager stated that despite a desire for enhanced security involving the compound walls and the temporary housing, there was no way to carry out those enhancements until the current construction projects were completed.<sup>4</sup>

Upon our return to Washington, the inspection team raised its concerns about the apparent inability of DS and OBO personnel to work together and to find immediate solutions to these and

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<sup>3</sup> DS transferred \$15 million to OBO in 2009, \$18 million in 2011, and \$27.5 million in 2012.

<sup>4</sup> According to OBO, the current projects included construction of new office and apartment buildings, a warehouse extension, and an expansion of the Marine Security Guard residence. OBO said these will not be completed until 2017 at the earliest.

other security issues in Kabul. Team members met with the Director of OBO and the Assistant Secretary for DS on several occasions. They stated that they would increase coordination and work together to address this situation. Subsequently, the OBO Director established a senior OBO working group to work with DS to address urgent security related projects. In a follow-on meeting between the OIG team and the Under Secretary for Management, the Under Secretary assured the team that high-level meetings would be conducted to eliminate outstanding issues and to proceed with the team's recommended security enhancements.

In our unclassified report, under the section titled "Construction Project Management," we recommended that OBO coordinate with DS and the embassy to develop and execute a master plan for all ongoing and planned projects, including those funded by DS. To date, that recommendation remains open and serious concerns remain.

## **II. CURRENT SITUATION**

In a May 22, 2015, Consular Travel Warning for Afghanistan, the Department notes:

Extremists associated with various Taliban networks and members of other armed opposition groups are active in every province of the country. Despite numerous security operations and checkpoints by Afghan and coalition forces in and around the capital, Kabul is at high risk for militant attacks, including vehicle-borne improvised explosive devices (VBIED), direct and indirect fire, and suicide bombings. Travel to all areas of Afghanistan remains unsafe due to ongoing military combat operations, land mines, banditry, armed rivalry between political and tribal groups. The Taliban are now active in all major cities in Afghanistan.

However, despite the continuing security threat, OIG currently is unaware of any contracts being let for security enhancements to either the exterior walls or the temporary housing used by U.S. Government employees and contractors.

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## **Donald S. Hays**

Ambassador Hays is a senior inspector with the Office of Inspector General (OIG) for the Department of State and the Broadcasting Board of Governors. He joined OIG in January 2010.

Mr. Hays served in the U.S. Army from 1967 to 1970, with a tour in Vietnam (1968–1970). He then joined the Foreign Service in 1973, serving in Vietnam, the former Soviet Union, Sierra Leone, Senegal, and Germany. He also served in the Department in the Secretariat as Executive Director of the Office of Medical Services and later of the Bureau of European and Canadian Affairs. He then served as Director of the Office of Management Policy.

In 1999, Mr. Hays was appointed Ambassador for United Nations Reform at the U.S. Mission to the United Nations. Following that tour, he was seconded to the Office of the High Representative in Bosnia and served as the senior deputy high representative for 4 years. He finished out his career on assignment to the U.S. Institute of Peace.

Mr. Hays has been awarded the President's Award for Distinguished Federal Civilian Service, two Department Distinguished Honor Awards, and four Superior Honor Awards. While in the military, he also received two Bronze Stars, an Army Commendation Award, and an Air Medal for his service in Vietnam.

Mr. Hays received his B.A. from the University of California, Santa Barbara, and attended postgraduate studies at Georgetown University and the Department's senior training at Princeton. Mr. Hays retired from the Foreign Service in 2006.