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REVIEW OF THE NEW LONDON EMBASSY PROJECT

HEARING

BEFORE THE

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM HOUSE OF REPRESENTATIVES

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REVIEW OF THE NEW LONDON EMBASSY PROJECT

Tuesday, December 8, 2015

HOUSE OF REPRESENTATIVES,
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
WASHINGTON, D.C.

The committee met, pursuant to call, at 10:00 a.m., in Room 2154, Rayburn House Office Building, Hon. Jason Chaffetz [chairman of the committee] presiding.

Present: Representatives Chaffetz, Mica, Jordan, Walberg, Amash, Meadows, DeSantis, Buck, Walker, Blum, Hice, Russell, Carter, Hurd, Palmer, Cummings, Maloney, Norton, DeSaulnier, Welch, and Lujan Grisham.

Chairman CHAFFETZ. Good morning. The Committee on Oversight and Government Reform will come to order. Without objection, the chair is authorized to declare a recess at any time.

Today's hearing is the third in a series examining the State Department's construction of diplomatic facilities overseas. In July, we learned how State failed to properly acknowledge known risk in the construction of the new embassy in Kabul, Afghanistan. Building the embassy in Kabul has taken longer and cost hundreds of millions of dollars more than budgeted, leaving embassy staff in less secure and temporary facilities. In September, we saw how a long delay to design and build consulates in Matamoros and Nuevo Laredo, Mexico, exposed personnel to some unnecessary risk. And today we hope to understand the State Department's progress in the building a new embassy in London, perhaps the single largest expenditure we've had on such a building.

Obviously, the United States needs a large, secure, and functional embassy in the capital of one of its oldest and most important allies. Certainly, our presence in London is noteworthy and it needs to provide a variety of functions, above and beyond what other embassies, I'm sure, are called upon to do. But one of the things we're concerned about is the State's gambling with Federal dollars to get the embassy that our diplomats need.

Over the summer, the State Department inspector general issued a report on its findings regarding the London embassy construction. The inspector general found that while the agency has certified to Congress its plan for a new embassy would be secure, in reality that was not necessarily the case at that time. In fact, State had no idea that the embassy had met security standards, but it started the construction anyway.

State's premature certification and construction violated Federal law and its own internal policies, which required State to prove the

new embassy would be safe before construction began. Construction in London began before State even blast tested the embassy's outside wall, a test designed to ensure the safety of the building and its personnel.

Rather than admitting that it violated Federal law, State doubled down. Outside the building, called the curtain wall, had failed several computerized blast tests. In fact, let's put up a picture of the rendering. This is just a rendering, not a picture, but a rendering of what the new embassy is supposed to look like in its finality. The outside of the building, called the curtain wall, had failed several computerized blast tests.

Thank you. You can take that down.

State's Diplomatic Security Bureau required Overseas Buildings Operations to do full-scale blast test using explosives rather than a computerized simulation. That blast test did not start until at least 3 months after State certified to Congress that the curtain wall was safe. And the curtain wall did not actually pass blast testing until approximately 6 months after the certification and construction had begun.

Proceeding without knowing whether the building would be safe was gambling with the government's money, and we're concerned about that long term. State is freely spending tax dollars on its embassy and consulate construction around the world, yet asserts it is, quote-unquote, self-funding the London project through sales of other properties in London.

But that's part of the problem with the London embassy construction. State sold its current embassy in London to a group of investors, and under the deal State has to leave its current space by early of 2017. Significant financial penalties to State and ultimately the taxpayers will be incurred should construction run over schedule. As we've learned over several past hearings on the subject, most of the time, at least our experience, that has happened.

Fear of those penalties drove State to take significant risks to meet its aggressive schedule. These risks include contracting vehicle never before used by the State Department. According to the inspector general, the contracting officer did not fully understand the contract. That lack of understanding resulted in the Overseas Building Operations office and the inspector general's inability to account for roughly $42 million. The IG does not believe the money is missing. It's just not accounted for due to mismanagement.

Quite frankly, I can't tell the difference. If they can't account for it and they can't find it, I just don't know how it's not missing, and that's part of what we're hoping to clear up here today.

Even accepting the IG's conclusion, this shows that State, trying to meet perhaps too aggressive a construction schedule, made another gamble by using a contracting vehicle that it did not understand. State did accept the inspector general's recommendation that it offer additional training for future contracts of this sort, but there are some other challenges and questions we have that we hope to have clarified regarding the London embassy project.

The State Department spent $1 million, evidently, on a granite sculpture that was too heavy for the new embassy. However, no one figured that out before spending the money. In addition, the glass for the curtain wall should have been earning some frequent

flyer miles as press reports indicate the glass was manufactured in Europe, shipped to the United States under guard for framing, and then sent back across the Atlantic for installation in London. State's under secretary for management, the same person who certified the construction could begin before the blast testing, dismissed the criticism, saying, quote, "Sometimes you have to move things, sometimes you don't," end quote.

And finally, the documents produced to the committee show that State authorized what appears to be $12 million in soil remediation. As we have discussed in other hearings this year, particularly in Mexico City, State apparently doesn't mind building embassies in places where the soil is contaminated. We would like to learn more about what's happening there.

We need to get our people in safe facilities as quickly as possible. We don't need to take wild risks and freely spend money that could otherwise be used to get other folks in high-risk places into safer facilities.

Building and construction is a volatile situation. There are many, many moving parts, and things change and adapt as they move over time. We understand that. There needs to be some degree of flexibility. But with two outstanding recommendations from the inspector general, we would like to have those resolved and have this discussion.

This is a billion-dollar expenditure and we need to get it right, because London is one of our most important embassies on the face of the planet, and we need to make sure that it's done right and properly and we account for, in this case, tens of millions of dollars that we can't seem to find.

So, with that, I would now like to recognize the distinguished member, the ranking member, Mr. Cummings, for his opening statement.

Mr. CUMMINGS. Thank you very much, Mr. Chairman, for calling today's very important hearing.

As I said at our first hearing on the London embassy project back in July of last year, our diplomats overseas deserve the most secure embassies in the world. Today, a year and a half later, I am pleased that experts from the State Department and its construction contractor have confirmed that this project is meeting all security specifications, including for the glass curtain wall that is being built to comply with all of the required security standards.

The recent attacks in Paris, as well as those here in the United States, remind us that we face threats not only in high-risk locations like Afghanistan. And, of course, London has been the victim of its own horrific terrorist attacks, including the 2005 suicide bomb attacks against the public transit system that killed 52 people, as well as the stabbing last Friday, the details of which are still being investigated. As the President discussed in his speech Sunday night, the terrorist threats continue to evolve here and abroad.

In Assistant Secretary Starr's written testimony today, he highlights the Department's efforts to research, develop, and evaluate new and innovative methods in order to protect our people in the face of this ever-changing threat. In addition to meeting all of the required security standards, construction of the London embassy

remains on budget and on schedule according to the State Department.

In her written testimony at today's hearing, Lydia Muniz, the director of the Bureau of Overseas Buildings Operations, states that this project, and I quote, "is on budget and on schedule to be completed at the end of 2016," end of quote.

Some people may not know this, but this entire project is being funded through proceeds from the sale of our existing embassy property in London, meaning that this project has posed no additional cost to the United States taxpayers. Meeting security, budget, and schedule milestones during such a large-scale and complex project is no small feat. The Department has a rigorous construction schedule so that it can move our personnel from the existing outdated embassy to the new facility as quickly as possible.

I also want to thank the inspector general for being here today and for the work of his office in ensuring that funding is being used judiciously on this project. We've come a long way since the massive cost overruns and delays we saw in the construction of the U.S. Embassy in Iraq during the previous administration. However, we must always strive to continue improving our processes. So I thank the inspector general for his report, and I look forward to hearing about any remaining concerns that may still need to be addressed with regard to this project.

The new embassy currently being built in London will have more stringent security features than found in many other high-profile buildings throughout the world, including the building we are sitting in right here today in Washington, D.C. These features include blast resistant setbacks from the street, anticlimb barriers, and a number of other specifications.

Today, I hope our State Department witnesses will discuss all of these issues. But I also hope they will address one more. While we must ensure that our diplomats serving overseas have secure facilities, we also have to make sure they are able to do their jobs. According to press reports, many diplomats are concerned that the United States will not be well served by preventing our diplomats from being able to interact abroad. They are concerned that a fortress mentality will impair their work.

So, in addition to addressing security concerns, which are paramount, I hope our witnesses here today will also discuss how they plan for the new embassy to operate in a way that maximizes the functions of our critical international diplomacy while keeping our diplomats safe.

With that, Mr. Chairman, I yield back.

Chairman CHAFFETZ. I thank the gentleman.

I will hold the record open for 5 legislative days for any members who would like to submit a written statement.

Chairman CHAFFETZ. We'll now recognize our witnesses. I'm pleased to welcome back Ms. Lydia Muniz, director of the Bureau of Overseas Buildings Operations at the United States Department of State; we have Mr. Gregory Starr, assistant secretary of the Bureau of Diplomatic Security at the United States Department of State; and Steve Linick, inspector general of the Office of the Inspector General at the United States Department of State.

Welcome all.

Pursuant to committee rules, all witnesses are to be sworn before they testify. If you'll please rise and raise your right hands.

Do you solemnly swear or affirm that the testimony you're about to give will be the truth, the whole truth, and nothing but the truth? Thank you.

Let the record reflect that all the witnesses answered in the affirmative.

We would appreciate your limiting your verbal comments to 5 minutes. Your entire written statement will, obviously, be entered into the record.

Ms. Muniz, you're now recognized for 5 minutes. Bring those mics right up close. We need the projection, plus we need it for the—there we go. Thank you.

WITNESS STATEMENTS

STATEMENT OF LYDIA MUNIZ

Ms. MUNIZ. Thank you.

Chairman Chaffetz, Ranking Member Cummings, and members of the committee, I appreciate the opportunity to appear before you today to discuss the U.S. Department of State's project to build a new U.S. Embassy in London. I'm Lydia Muniz, director of the Bureau of Overseas Buildings Operations at the U.S. Department of State.

As the single real property manager for all U.S. Government diplomatic properties overseas, OBO manages the design, construction, acquisition, sale, and maintenance of the Department's worldwide property portfolio. That portfolio includes the property platform supporting 275 missions in 190 countries and has over $14 billion in projects in design and construction.

Like you, the State Department is deeply committed to the safety and security of our personnel serving abroad. Every new design and construction project that OBO undertakes meets the security and life safety standards required by law and by our team of experts in the Bureau of Diplomatic Security and within OBO. We work with DS at all steps of the process to ensure that security standards are met in our designs and that security considerations are addressed in our operations.

In 1960, the Department of State opened a new U.S. Embassy in London located on Grosvenor Square. Not surprisingly, security and life safety standards have evolved significantly since that time and the Chancery does not meet current security and life safety standards. In addition, after more than 50 years of occupancy, the facility has aged and is in need of extensive investments in infrastructure.

In 2006, OBO examined several options to renovate the aging Chancery. At that time, a major rehabilitation of the facility was estimated to cost approximately $550 million and to take nearly 7 years to complete. The quandary was that even after such a significant investment, the Chancery would still not meet the most critical security standards.

So OBO began exploring alternative solutions and in 2007 developed a plan to finance a new embassy project through an innovative property swap of existing U.S. Government property in Lon-

don. The solution would allow OBO to construct a new, safe, and secure Chancery using no new appropriated funds. As envisioned, the project remains financed entirely from the proceeds of sale of existing functional property, and I'm pleased to report that the project is on budget and on schedule to be completed at the end of 2016.

Some have asked about the innovative design of the new London embassy. It is a strong design that meets not only the Department's high standards for security and safety, but also stringent local requirements for design and sustainability. It is essentially a steel-framed cube with a glass curtain wall. The project is efficient, makes maximum use of development rights on limited real estate, and makes use of best practices more than innovation.

This committee has inquired about the use of glass curtain walls. Glass curtain walls are nonload-bearing exterior walls that typically provide for large, unobstructed spans of glass across multiple floors. Curtain wall systems have been used by the design and construction industry since the early 1900s, and the Department has used curtain wall systems in over a dozen embassy and consulate projects since the 1950s.

Among the benefits of curtain wall systems when used with steel frame construction are that they are particularly efficient in terms of space utilization and can be erected faster than a built-in-place solution such as poured concrete, effectively shortening construction durations. More importantly, regardless of design or construction methodology and materials, all new U.S. embassies and consulates adhere to the same security and safety standards.

When looking at the challenges of providing an updated facility in London, the Department could have simply stopped at an expensive major rehabilitation that would have been funded with appropriated dollars and still not resolved the significant security deficiencies. Instead, the Department developed an innovative financial and design solution that will provide for a modern, secure facility at no cost to the U.S. taxpayer. The development of creative solutions, mindful of limited resources, is what government should be about.

We must protect our staff serving abroad, and using the lessons learned over decades, we can design and build embassies and consulates to better serve our mission and colleagues, are a better value to the U.S. taxpayer, and make better use of scarce resources in the short and long term. Security, safety, and excellence in diplomatic facilities are mutually reinforcing, not mutually exclusive.

U.S. embassies the world over serve as visible reminders of America's influence and global diplomatic presence. They are symbols of America's culture and values. Just as importantly, they are safe, secure, and functional platforms from which our staff advance vital U.S. foreign policy objectives. With the depth and breadth of its responsibilities, our embassy in London will soon have a platform that does all of these things and that better supports their critical work with one of our oldest friends and most important allies.

I look forward to answering your questions.

[Prepared statement of Ms. Muniz follows:]

Testimony of Lydia Muniz
Director of the Bureau of Overseas Buildings Operations
United States Department of State

Before the Committee on Oversight and Government Reform
United States House of Representatives

8 December 2015

Chairman Chaffetz, Ranking Member Cummings, and Members of the Committee – I appreciate the opportunity to appear before you today to discuss the U.S. Department of State's project to build a new U.S. Embassy in London.

I am Lydia Muniz, Director of the Bureau of Overseas Buildings Operations (OBO). As the single real property manager for all U.S. government diplomatic properties overseas, OBO manages the worldwide design, construction, acquisition, sale and maintenance of overseas real property. OBO's portfolio includes the real property platform supporting 275 missions with diplomatic relations in 190 countries; over $5 billion of projects in design and $8 billion in construction; and over 85 million square feet of owned and leased office and residential property.

For each project, OBO's mission is the same - to provide safe, secure and functional facilities that support our staff in the achievement of U.S. foreign policy objectives and represent the U.S. government to the host nation.

Like you, the State Department is deeply committed to the safety and security of our personnel serving abroad. Every new design and construction project that

OBO undertakes meets the security and life safety standards required by law and by our team of experts in the Bureau of Diplomatic Security (DS) and within OBO. We work with DS at all steps of the process to ensure that security standards are met in our designs and that security considerations are addressed in our operations.

We *must* protect our staff serving abroad. And, using the lessons learned over decades, we *can* design and build embassies and consulates that better serve our mission and colleagues, are a better value to the U.S. taxpayer and make better use of scarce resources – in the short and long term. Security, safety and excellence in diplomatic facilities are mutually reinforcing – not mutually exclusive.

In 1960, the Department of State opened a new U.S. Chancery in London located on Grosvenor Square. But security and life-safety standards have evolved significantly since that time, and the facility has aged beyond its ability to be improved without extensive investments in infrastructure. After more than 50 years of continual occupancy, it should go without saying that the current chancery does not meet current security and life safety standards.

In 2006, OBO developed and examined several options to renovate the aging chancery. At that time, a major rehabilitation of the facility was estimated to cost approximately $550 million and to take nearly seven years to complete. But the quandary was that even after such a significant investment, the chancery would still not meet the most critical security standards.

So OBO began exploring alternative solutions and in 2007 developed a plan to finance a new Embassy project through an innovative property swap for existing

U.S. government property in London. The solution would allow OBO to construct a new, safe and secure chancery using no new funds for the project.

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This committee has inquired about the use of a glass curtain wall. Glass curtain walls are non-load bearing exterior walls that typically provide for large, unobstructed spans of glass across multiple floors. Curtain wall systems have been used by the design and construction industry since the early 1900s and the Department has used curtain wall systems in over a dozen embassy and consulate projects since the mid-1950s. Among the benefits of curtain wall systems – when used with steel framed construction – are that they are particularly efficient in terms of space utilization and can be erected faster than a built-in-place solution such as poured concrete, effectively shortening construction durations. More importantly, regardless of design or construction methodology, all new U.S. embassies and consulates adhere to the same security and safety standards.

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I look forward to answering your questions.

Chairman CHAFFETZ. Thank you.

Mr. Starr, you're now recognized for 5 minutes.

STATEMENT OF GREGORY B. STARR

Mr. STARR. Chairman Chaffetz, Ranking Member Cummings, and distinguished committee members, good morning. And I want to thank you for your invitation to appear today to discuss the construction of the U.S. Embassy in London. I, along with my colleagues at the Department of State, look forward to working with you to examine the issue and illustrate how we collectively support the men and women who serve at this mission with a safe and secure facility.

As the assistant secretary for diplomatic security, I work every single day with my colleagues to ensure a safe environment for our people. Environments in which we operate today require comprehensive planning, agile decisionmaking, and deft diplomacy. Most of all, they require us to be present, fully engaged, and 100 percent committed to the security of our people and our facilities.

The U.S. Embassy in London is an exceptionally important platform for diplomatic and consular engagement to advance our national interests in this country. As you know, I work closely with my colleagues in the Bureau of Overseas Buildings Operations as the Department builds diplomatic missions that increase the safety and security, as well as meet rigorous security standards.

Concerning the U.S. Embassy in London, DS has worked with OBO throughout the design and construction project to ensure that this project would be executed while meeting the security standards.

As you know, the threats faced by the Department are ever-evolving. In response to this changing environment, DS commits a significant amount of time and effort and energy towards research and evaluation in order to ensure our facilities are able to combat such threats. The outcome of this innovation provides DS with different designs and different building methodologies that accommodate the Department in these environments.

We owe it to our diplomats, along with our security professionals in the field, to provide them with safe, secure platforms from which they can operate. I want to thank Congress for the resources and support that you have provided and look forward to your continued support in years ahead.

Thank you. And I will be glad to answer any questions you have.

[Prepared statement of Mr. Starr follows:]

Chairman Chaffetz, Ranking Member Cummings, and distinguished Committee members – Good Morning. Thank you for your invitation to appear today to discuss the construction of the U.S. Embassy in London. I, along with my colleagues at the Department of State, look forward to working with you to examine this issue and illustrate how we are collectively supporting the men and women who serve at this mission with a safer, more secure facility.

As the Assistant Secretary for Diplomatic Security, I work every day with my colleagues to ensure a safe environment for our people. Environments in which we operate today require comprehensive planning, agile decision making, and deft diplomacy. Most of all, they require us to be present, fully engaged, and 100 percent committed to the security of our people and facilities.

The U.S. Embassy in London is an exceptionally important platform for diplomatic and consular engagement to advance our national interests in this country. As you know, I work closely with my colleagues in the Bureau of Overseas Buildings Operations (OBO) as the Department builds diplomatic missions that increase safety and security as well as meet rigorous security standards. Concerning the U.S. Embassy in London, DS has worked with OBO throughout the design and construction process to ensure this project would be executed while meeting the security standards.

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We owe it to our diplomats, along with our security professionals, in the field to provide them with safe, secure platforms from which they operate. I want to thank Congress for the resources and support that you have provided, and look forward to your continued support in years ahead. Thank you and I will be glad to answer any questions you have.

Chairman CHAFFETZ. Thank you.

Mr. Linick, you're now recognized for 5 minutes.

STATEMENT OF STEVE A. LINICK

Mr. LINICK. Chairman Chaffetz, Ranking Member Cummings, and members of the committee, thank you for inviting me to testify about OIG's July 2015 audit of the new embassy compound in London and its implications for future Department of State construction projects.

At a cost of more than a billion dollars, the London embassy project is among the most expensive embassies built by the State Department. Our audit had two objectives. First, we sought to determine whether the Department resolved security issues before allowing construction to begin associated with the exterior glass curtain wall on the outer facade of the Chancery building. Department policy required that those security issues be resolved before construction could begin. Second, OIG sought to determine whether the Department adhered to Federal contracting requirements in negotiating the price for the construction of the London compound when it accepted $42 million in additional contract expenses without obtaining sufficient justification for them.

We found the Department's practices in both areas, the timing of the security certification and the acceptance of the added expenses, did not conform to applicable requirements. As a result, we made four recommendations which are in the process of being addressed by the Department. Two have been closed. Let me briefly discuss our security-related findings first.

The Department's physical security standards require most new office buildings to provide adequate safeguards to protect people from the effects of explosions and projectiles. The exterior curtain wall at the London compound had to meet criteria that includes blast protection requirements.

Within the Department, the Bureau of Overseas Buildings Operations, OBO, directs building programs and the Bureau of Diplomatic Security, DS, is responsible for overseeing new construction to ensure compliance with security standards. By statute, the Department must certify to Congress that a construction project for a new embassy will provide proper security before it undertakes such a project.

The Department's published interpretation and implementation of the statute is contained in the Foreign Affairs Manual. It states that no construct should be awarded or construction undertaken before certification.

Notwithstanding this policy, since at least 2003 the Department has followed the practice of authorizing construction contractors to begin work prior to certification. In the case of the London compound, the contract award, site work, and construction began many months before the Department certified the project to Congress in December of 2013 as providing adequate security protection.

OIG is also concerned that the Department certified the safety of the project without obtaining blast testing results. The blast testing was not completed until May of 2014, more than 6 months after certification. As early as November 2012, DS notified OBO of its concerns with the curtain wall design and reiterated that a full

blast test needed to be completed to ensure that the wall met standards. DS changed course after the director of OBO provided a written assurance shortly before certification that it would address any issues should the test fail. DS and OBO ultimately agreed that the curtain met standards.

By initiating construction without first completing the blast testing, the Department committed itself to constructing a building that could have required significant redesign, potentially placing the Department and taxpayers at financial risk.

Let me turn to OIG's second area of concern, the Departments contracting process. The Department initially targeted early 2017 as the move-in date for the London compound. To meet this target, the Department chose a new contracting strategy, the Early Contractor Involvement, or ECI, which was intended to shorten the time between design and construction by involving the construction contractor early in the process.

London was the Department's first experience with ECI. Under Federal rules, a contractor using the ECI is required to submit two pricing proposals to the government. The first one is an initial target price for construction which is submitted at a point where project design is partially completed. The second one is a final price proposal submitted at a later stage of the design phase. Under the rules, the contractor is required to submit sufficient data to support any difference in price so the government can effectively negotiate a firm, fixed price.

In the case of the London compound, the Department's contracting officer negotiated the final price of the contract without requiring the contractor to explain adequately a $42 million difference between the initial proposal and the final proposal.

In sum, our findings and recommendations, if implemented, will have a positive impact on future Department projects and reduce risk to taxpayers. Thank you again for the opportunity to discuss this work, and I look forward to addressing your questions.

[Prepared statement of Mr. Linick follows:]

Chairman Chaffetz, Ranking Member Cummings, and Members of the Committee, thank you for inviting me to testify today regarding the work of the Office of Inspector General (OIG) for the Department of State (Department) and the Broadcasting Board of Governors.

It is my honor to have led the State OIG for the past two years. OIG's mandate is broad and comprehensive, involving oversight of 280 missions and facilities worldwide, and more than $40 billion in operational and foreign assistance funding.

Protecting the people who work for the Department is a top priority for both the Department and OIG. Since the September 2012 attack on U.S. diplomatic facilities and personnel in Benghazi, Libya, OIG has significantly increased its oversight efforts related to security, including targeted audits and evaluations. We help safeguard the lives of people who work in or visit U.S. posts abroad by performing independent oversight to help the Department improve its security posture. Our achievements in this area are not reflected in our monetary "return on investment" statistics. However, our security contributions are a great source of pride because the safety of Department personnel is of paramount importance. OIG will continue to highlight security deficiencies to the Department and Congress and provide value-added recommendations to address vulnerabilities.

Today, I am discussing a performance audit conducted by OIG on the new embassy compound (NEC) in London scheduled to open in 2017. This audit, its findings, and recommendations have implications for future construction projects.

I. BACKGOUND CONCERNING OIG's AUDIT OF NEW EMBASSY LONDON CONSTRUCTION

In October 2008, the Department announced plans to build the NEC in London, England, with move-in planned for early-2017. At an estimated cost of more than $1 billion, the NEC is expected to be among the most expensive embassies ever built by the Department. An architectural rendering is shown immediately below.

Figure 1: Architectural rendering of the new embassy compound in London. (OBO)

In July 2015, OIG published the findings of its performance audit of the London NEC construction project.[1] During this audit, OIG reviewed the Department's evaluation and approval of the project design, including the design of the outer façade of the Chancery building,[2] which comprises two layers. The outermost layer consists of a scrim stretched over a network of thin aluminum components. The scrim wraps the building to the east, west, and south, acting as a screen. Underneath the scrim, a glass curtain wall with an aluminum frame forms the inner layer of the building's envelope.

OIG's first objective was to determine whether the Department resolved security issues with the curtain wall design before allowing construction to begin. The Department's physical security standards require all new office buildings such as the Chancery at the London NEC to provide blast protection to keep people and property safe from an attack. Moreover, by law and Department policy, the Department must certify to Congress that the project design will meet security standards prior to initiating construction.

OIG found that the Department's Bureau of Diplomatic Security (DS) and Bureau of Overseas Building Operations (OBO) did not obtain blast-testing results for the Chancery's curtain wall design before the Department certified the project and authorized initiation of construction. As discussed in more detail below, initiating construction prior to security certification and blast

[1] *Audit of the Construction Contract Award and Security Evaluation of the New Embassy Compound London*, AUD-CGI-15-31 (7/2015), available at https://oig.state.gov/system/files/aud-cgi-15-31.pdf.

[2] The Chancery is the office building from which diplomatic business is conducted. The "embassy" or "NEC" refers to the entire diplomatic compound, which could include annexes, Marine Security Guard housing, or other official residences.

testing increased the financial risk to the Department and taxpayers, and was contrary to the Department's policy.

A second objective for OIG was to determine whether the Department adhered to *Federal Acquisition Regulation* (FAR) requirements in negotiating a price for the NEC. OIG found that the contracting officer responsible for the NEC construction contract awarded the construction portion of the contract without requiring the contractor to provide an explanation of approximately $42 million in cost differences between the initial proposal and the final proposal. Because the contracting officer did not obtain sufficient information when negotiating the final price for the construction portion of the contract as required by the FAR, OBO was unable to assess fully the contents of the construction proposal that the contracting officer ultimately accepted and used as the basis for the firm-fixed-price award.

I will now discuss our findings in greater detail and the recommendations we made to the Department regarding the London NEC.

II. SECURITY EVALUATION: INITIATING CONSTRUCTION PRIOR TO BLAST TESTING PLACED THE DEPARTMENT AT FINANCIAL RISK AND DID NOT COMPLY WITH DEPARTMENT POLICY

As mentioned above, physical security standards published in the *Foreign Affairs Handbook* require all new office buildings to provide blast protection to keep people and property safe from attack.[3] Within the Department, OBO directs building programs with a mission to provide safe, secure, and functional facilities. OBO works regularly with other Department bureaus, including DS and the Bureau of Administration. DS is responsible for ensuring that all new construction and major renovation design plans comply with security standards. In carrying out this responsibility, DS consults with the Center for Security Evaluation (CSE) Directorate within the Office of the Director of National Intelligence. CSE is responsible for conducting comprehensive reviews of the design documentation to validate that embassies will provide adequate and appropriate security.

Additionally, by statute, the Department must certify to Congress prior to "undertaking" construction that "appropriate and adequate steps have been taken to ensure the security of the construction project" and that "the facility resulting from [the] project incorporates ... adequate measures for protecting classified information and national security-related activities" and "adequate protection for the personnel working in the diplomatic facility."[4] The Department implements this statutory certification requirement in two distinct ways—first, through its

[3] 12 FAH-5 H-442, "Blast Protection."

[4] Public Law 100-204, the Foreign Relations Authorization Act for Fiscal Years 1988 and 1989, Section 160, as amended by Public Law 101-246, the Foreign Relations Authorization Act, Fiscal Year 1990 and 1991, Section 135 (22 U.S.C. Section 4851 note).

Foreign Affairs Manual (FAM);[5] and second, through unpublished procedures that are set forth in a 2003 draft agreement between DS and OBO.

Since at least 2003, the Department has followed the practice of issuing limited notices to proceed, as set forth in the 2003 draft agreement, thereby authorizing construction contractors to begin limited tasks (not including foundation work) prior to certification. This practice, however, does not comply with 12 FAM 361.1, which states that "no contract should be awarded or construction undertaken until the proponent of a project has been notified by the Department that the appropriate certification action has been completed." Notwithstanding the prohibition in 12 FAM 361.1, DS approved OBO's request for early site work and construction of the piling foundation of the London NEC in November 2012, more than a year before certification and blast testing. A photograph of the construction site as it appears in November 2013, a month before certification, is shown below:

Figure 2: New London embassy site, November 2013. (Department)

The London NEC's outer façade design was new and was never previously evaluated or tested by DS. The glass curtain wall design used in the NEC needed to meet a variety of security criteria, including forced-entry/ballistic resistant (FE/BR) and blast-protection requirements. As early as November 2012, DS notified OBO of its concerns with the curtain-wall design. DS informed OBO that there were substantial omissions and deficiencies of essential information related to FE/BR testing, curtain-wall sound mitigation, and blast-design methodology. This meant that DS would not accept computer modeling of the curtain wall to certify whether it would meet blast requirements and thus would require field validation as a condition to certify the project. CSE also expressed concerns with the security of the curtain wall and notified DS that its concerns would "need to be resolved by either a follow-on design or a written agreement" from OBO.

[5] 12 FAM 360 Construction Security Certification Program.

Subsequently, OBO's Director provided written assurances to both CSE and DS, representing that OBO would take all necessary steps to rectify all issues and comply with FE/BR and blast requirements should the blast testing highlight weaknesses in the design of the curtain wall. On December 12, 2013, the OBO Director sent an email to the CSE Assistant Director stating the following:

> As we discussed...with DS certification of the Design, OBO will proceed with construction and testing. We have assured DS, and now assure you, that if any revisions to the design or manufacture of the curtain wall system are required as a result of the FE/BR and blast tests, they will be done to the satisfaction of DS before the final curtain wall system is installed.

Based on that written assurance and prior to any blast testing, the Under Secretary of State for Management certified to Congress on December 16, 2013, that the London NEC would be constructed in a secure manner and would provide adequate and appropriate security for sensitive activities and personnel. During this timeframe, OBO tasked the design firm for the NEC to develop solutions in the event the curtain wall failed the blast test. Specifically, OBO worked with the contractor to develop an "alternate curtain wall system" that was acceptable to DS for certification without blast testing.

DS oversaw two series of component-level blast tests in February and April 2014. According to DS, the tests were necessary to determine the viability of employing structural silicone for the curtain wall. However, because the test results were mixed and inconclusive, OBO and DS agreed that the full mockup blast test would be the only valid test of the design. The full mockup blast test occurred on May 28, 2014, and according to DS, the design passed. Nevertheless, DS and OBO reached an agreement incorporating what became known as an "augmentation option"—for an additional cost of $2 million. Employing this option, although not necessary to meet standards, was intended to provide an added measure of security.

As noted in our audit, OIG recognizes that the Department's decision to initiate construction of the London NEC prior to completing the required blast testing was driven by a schedule to complete construction by 2017. However, by initiating construction without first completing blast testing, the Department committed itself to the construction of a building that could have required significant redesign, potentially placing millions of dollars at risk. A photograph of the construction site as it appears in February 2014, several months prior to the full mockup blast test, is shown below:

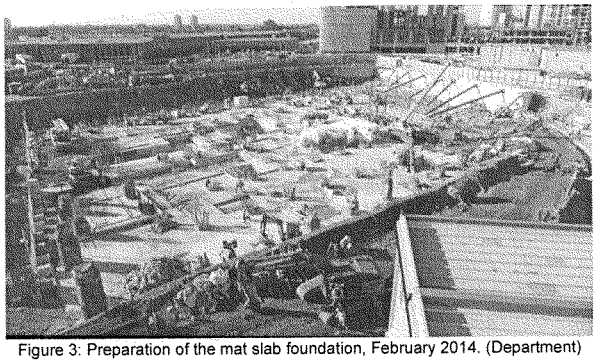

Figure 3: Preparation of the mat slab foundation, February 2014. (Department)

OIG made two recommendations intended to improve Department processes affecting future embassy construction projects:

- OBO should establish controls to ensure that construction is not initiated before innovative developmental designs have been approved by DS.
- DS should establish controls to ensure that required research and developmental testing is completed and results are fully analyzed before the Department certifies to Congress that a design meets security requirements.

Both recommendations remain open.

III. FINANCIAL EVALUATION: THE DEPARTMENT DID NOT OBTAIN SUFFICIENT COST AND PRICING DATA FROM THE NEC CONSTRUCTION CONTRACTOR PRIOR TO FINALIZING CONTRACT PRICE

The current U.S. Embassy Chancery building in London is located in Grosvenor Square and was built in 1960. OBO determined that it was not possible to bring this building into compliance with security standards; and, in October 2008, the Department announced plans to build a new London embassy with a 2017 move-in date. To meet this target, the Department chose the Early Contractor Involvement (ECI) delivery method for the project. ECI is intended to shorten the time between design and construction by involving the construction contractor early in the process. This was the Department's first experience with ECI and the Fixed-Price Incentive (Successive Targets) or FPIS contracting approach required for ECI.

Procurement authority within the Department is delegated to the Assistant Secretary of State for Administration and further delegated by the Procurement Executive to contracting officers within the Office of Acquisitions Management.

For the construction phase of the contract, the initial proposal submitted by the London NEC prime contractor, B.L. Harbert International, LLC (BLHI), differed from the final proposal by about $80 million. OIG found that the contracting officer for the NEC did not obtain from BLHI justification for approximately $42 million of that $80 million difference prior to making the award, even though OBO requested additional justification. The FAR requires contractors awarded a FPIS contract to submit sufficient cost or pricing data to support the accuracy and reliability of their proposal and to provide an explanation of the differences between the initial proposal and the final proposal. Despite this mandate, the contracting officer accepted BLHI's final proposal without obtaining an explanation of the differences.

In light of this situation, OIG made two recommendations:

- The Department should develop and implement policies and procedures for administering the ECI project-delivery method using an FPIS contract, in accordance with the FAR.
- The Department should develop and implement training for officials administering the ECI project-delivery method using FPIS contracts.

The Department agreed with both recommendations, and OIG considers them closed.

The OIG's findings and recommendations may significantly influence future Department projects. Over the next decade, the Department will initiate construction of dozens of projects (including embassies and consulates) throughout the world, many in high-threat locations. We believe our recommendations, if implemented, will reduce risk to both the Department and the taxpayer.

* * *

Thank you again for the opportunity to discuss this important work. I look forward to addressing your questions.

Chairman CHAFFETZ. Thank you.

I'll now recognize myself for 5 minutes.

Ms. Muniz, how is it that OBO started construction on this facility prior to having the security parameters in place? And how is it that the under secretary of management certifies to Congress that it's safe and secure but when they haven't completed all the security tests?

Ms. MUNIZ. Let me take that question first and then I'll hand it over to Greg, who is the one who certifies and confirms that these projects meet all of the Department's securitystandards.

I'd like to remind the committee that when a project is certified, what DS is doing and what, ultimately, the under secretary for management is doing is they are certifying a design. The design of the London embassy met all of the very stringent requirements that were provided by Diplomatic Security. It meets those using very complex calculations and running those calculations for hundreds, sometimes thousands of hours. So it is possible to confirm by calculation that designs meet the standards, and that's precisely what was done.

Chairman CHAFFETZ. Why did you start construction prior to the DS certification?

Ms. MUNIZ. I would argue that we did not start construction. I would argue that we awarded a construction contract as the Department has done since——

Chairman CHAFFETZ. When do you think we——

Ms. MUNIZ. —for the last 10 years.

Chairman CHAFFETZ. When did you think we started construction?

Ms. MUNIZ. So for years piling and doing the pile caps is considered part of the site work and the site stabilization.

Chairman CHAFFETZ. Okay. So let me run you through a couple pictures. These are pictures provided by State Department on your Flickr account.

[Slide.]

Chairman CHAFFETZ. Are you telling us that that's not construction?

I have three pictures here I would like to show you. And what we've been told is these pictures are dated by State Department on the State Department Web site prior to the certification. And that's what the inspector general's—I mean, it didn't come to our attention but for the inspector general, and you don't seem to agree with it, and we're confused by that. We're supposed to believe that that's not construction.

Go to slide number 2.

[Slide.]

Chairman CHAFFETZ. That to me seems like an awful lot of work going on and a lot of construction, and you don't believe that that's—you telling us that's not construction?

Ms. MUNIZ. I agree it is an awful lot of work. But under the definitions that we use and have used for years with Diplomatic Security, we do site pilings, and we cap those pilings to stabilize the earth, the soil, and the site before we come out of the ground.

Chairman CHAFFETZ. Go to the next slide.

[Slide.]

Ms. MUNIZ. This exact process has been followed with the standard embassy design for 10 years—over 10 years—exactly the same process of awarding contracts, of doing site work, and then of coming out of the ground after certification.

Chairman CHAFFETZ. We've never built a building like this. You've never used a blast wall like this. It had not been certified, it had not gone through the testing. When I went to London and talked to the people on the ground, they said we've never built anything like this.

And the point the inspector general is making, I'd like to get his comments on this, is you're taking a huge risk. That, to me, looks like construction. And you're saying that, well, it's done in the past, it's not construction.

Mr. Linick, is that construction? Does that put us at risk? What if that hadn't passed this test?

Mr. LINICK. Well, when you——

Chairman CHAFFETZ. Go ahead, Mr. Linick.

Mr. LINICK. When you look at a picture like that, to me, that does look like construction. But from the point of view of our report, it's really irrelevant, because the Department's own published policy, the FAM, says you can't even award a contract, okay, or undertake and initiate construction prior to certification. So, in my view, that means no activity should be occurring based on their own published policies, which are the official interpretation of the statute which Congress pasted.

By initiating construction prior to certification, prior to testing, what you're doing is committing to a course of construction, committing to a building that may have to be redesigned if the blast testing fails or if certification doesn't work. And that's primarily our concern, is that the Department needs to take into consideration the risk to taxpayers as a result of a failure of testing.

I don't know what would have happened in this case had blast testing failed. It's not clear to me. But this has implications not just for this embassy, but really for future projects.

Chairman CHAFFETZ. And that is the key to why we're here.

Mr. Starr, I'll give you a chance to answer. My time is expiring. But this picture was taken weeks before you even started your testing.

Mr. STARR. Sir, those photographs are dated 2014. I certified that building in December of 2013.

Chairman CHAFFETZ. Keep going.

Mr. STARR. In addition, I want to make something clear, that for years, we have done something called soil stabilization, as Lydia Muniz was referring to. Your first photograph is closest to what we allow to occur before we actually start to construct the building. We will not let OBO start constructing the foundation of the building, even the foundation, before certification. We do permit them to do soil stabilization——

Chairman CHAFFETZ. Was your blast test—let me—was your blast testing done before that date?

Mr. STARR. No, sir. But I'd like to talk about that as well——

Chairman CHAFFETZ. But that's the point. That's the point.

Mr. STARR. —because there is no requirement to do blast testing. Sir, there is no requirement——

Chairman CHAFFETZ. You're here to tell me as the head of Diplomatic Security you're not required to do blast testing?

Mr. STARR. No, sir.

Chairman CHAFFETZ. You need a piece of legislation that tells you we're going to have to do blast testing?

Mr. STARR. No, sir. If I could explain.

Chairman CHAFFETZ. Yes. But don't come before us and tell us that you had certified that building. That's not what the inspector general had found.

Mr. STARR. No, the——

Chairman CHAFFETZ. You had not done the blast testing when that—look how far developed that was. They didn't whip that up in 2 weeks.

Mr. STARR. Sir, if I may explain. For most of 2013, my staff went back and forth with OBO and did not certify the building based on the original designs that we got. We did have questions about the design of that building. OBO and the architects and the blast consultants went back many times from the original designs and looked at it and closely evaluated how to build that building to meet our standards—to meet our standards.

In late November of 2013, in late November and in early December, I sat down with my entire staff, I sat down with OBO, we sat down with the architect of record, and we sat down with the Weidlinger company, which was the architect of record's blast consultant, one of the absolute most experienced, best blast consultants in the world, bar none. The question that I needed answered to me before I would certify that building was will that building as it is currently designed meet our standards, our forced entry standards, our blast standards. Weidlinger, the architect of design, and my own people said, yes, it will.

Chairman CHAFFETZ. When was that?

Mr. STARR. In late November and early December of 2013.

Chairman CHAFFETZ. Then why didn't you do any blast testing?

Mr. STARR. Sir, we learn things from blast tests. I also am a little bit from the, I don't know, from the Missouri school, I want to be shown that things actually do it. But when I have the architect of record and perhaps the best blast engineering company in the world, Weidlinger, telling me that this building will protect our people, absolutely will protect our people, that is a promise that they're saying and putting in writing. And, therefore, I can sit there and I can write a certification to you, a promise that the facility resulting from the project is going to protect our people adequately.

Now, we wanted to blast test it anyway. We scheduled those blast tests shortly after that. We learned things from blast testing. In the lay-ups of the blast testing we actually used glass that was thinner, we used glass that was the same, we used glass that was thicker. We learn things from blast testing. And, ultimately, when we blast tested the full lay-up, it confirmed exactly what the engineers had said: It passed.

Chairman CHAFFETZ. That's not true.

Mr. STARR. Yes, it is.

Chairman CHAFFETZ. You had failures during these blast tests.

Mr. STARR. No, sir.

Chairman CHAFFETZ. You're telling me there were no failures in these blast tests?

Mr. STARR. I am telling you that.

Chairman CHAFFETZ. No, were there any failures on these blast tests?

Mr. STARR. Component tests, pieces of glass that we tested, including some that were less than what we were putting up, including some that were less, failed.

Chairman CHAFFETZ. There you go.

Mr. STARR. Pieces that were less than what we were doing, sir. We do blast testing to learn a lot of things. We find out a lot from it. The full-scale mockup of the building that we did passed every single test with flying colors.

Chairman CHAFFETZ. After you had started the construction.

Mr. STARR. Reaffirming what the architects and the blast engineers gave us in writing saying absolutely this will pass.

Chairman CHAFFETZ. My apologies to my colleagues. I do not want to take so much time. I want to give you the latitude to offer those types of answers.

You have a very skeptical Congress who thinks you're gambling with a lot of money and a lot of commitment here. At the same time, you have an inspector general that finds it's not in compliance with the law, not in compliance with your own internal standards. And you're here to try to convince us, based on those three photos, that that's not actually construction. And that's why we're having this meeting.

Mr. STARR. I understand that, and I appreciate the opportunity to——explain myself

Chairman CHAFFETZ. Let me go to my ranking member, Mr. Cummings.

Mr. CUMMINGS. Mr. Starr, let's be clear, you had said that the pictures were taken, according to the dates, in 2014. Is that right?

Mr. STARR. 2014.

Mr. CUMMINGS. And your certification came in 2013. Is that correct?

Mr. STARR. Yes.

Mr. CUMMINGS. Now, were there a series of tests leading up to the major blast test?

Mr. STARR. Yes.

Mr. CUMMINGS. Can you explain that? Because we need to—I need to understand exactly what goes into the certification process. If you can do it briefly.

Mr. STARR. The certification process does not require us to do blast testing. I mean, literally, we could have just accepted the engineer's and the architect's and the blast consultant's and say, yes, this meets standards. We do this in many cases.

In this case, because the windows were very large, we decided we're going to blast test this anyway. We did some component testing before. And, as the chairman says, there's a report. One of them says that it's inconclusive. We actually had overpressures that were higher than what we needed to test to and we had pieces of glass that were actually less robust than what we built this building with to test them.

We learn things from that type of testing. When we did the full-scale mock up, as the engineers had predicted and had certified to us, it passed with flying colors.

Sir, we promise that we are going to build a building that meets our standards. We are building a building that meets our standards.

Mr. CUMMINGS. All right. Now, there has been a lot of discussion about how the London embassy will look rather than how it will function. But if you're sitting inside the embassy, whether it has a glass wall or cement wall or some other wall, the issue is the same, you want to know that you are protected. Am I right?

Mr. STARR. Yes.

Mr. CUMMINGS. Is your mic on?

Mr. STARR. Yes, sir.

Mr. CUMMINGS. So I would like to clarify. So there's no remaining doubt that the new London embassy will protect the men and women who work there. Is the new London embassy project meeting all the State Department security requirements to date?

Mr. STARR. Yes, it is.

Mr. CUMMINGS. Now, Ms. Muniz, would you agree with that?

Ms. MUNIZ. Yes, it absolutely is.

Mr. CUMMINGS. Now, the glass curtain wall of the building has been an issue for us for some time on this committee. So I would like to be clear on that wall. Mr. Starr, does the glass wall surrounding the embassy structure meet all the State Department-specified security requirements?

Mr. STARR. Yes, it does.

Mr. CUMMINGS. Has it passed all the requirement in the blast test?

Mr. STARR. Yes, it has.

Mr. CUMMINGS. Director Muniz, does the glass wall support the structure of the building or is it an external layer of protection?

Ms. MUNIZ. It's an external layer. Curtain walls are differently than a window wall. A curtain wall is not load bearing. In other words, the wall could be removed and the structure would be intact.

Mr. CUMMINGS. All right. And are you confident in the performance of all the components of the wall, including the panels, the fasteners, and other materials?

Ms. MUNIZ. I'm very confident.

Mr. CUMMINGS. Are you, Mr. Starr?

Mr. STARR. Yes, sir, I am.

Mr. CUMMINGS. All right. The Department's security requirements include certain features that all new embassies must meet, including setbacks from the street of at least 100 feet, anticlimb and antiram features, and other physical properties. Is that right, Mr. Starr?

Mr. STARR. Yes, sir, that is correct.

Mr. CUMMINGS. In addition to these standard baseline requirements, you testified in your previous hearing on July 9 that you also adapt security requirements depending on the context, the threat, and the environment in each case. For example, for our facility in Afghanistan, you stated, and I quote, "We constantly examine our security methods to adapt to an evolving threat environ-

ment." You also said that you, and I quote, "scrutinize the environment in Afghanistan, our security footing, to seize opportunities to improve security where possible," end of quote. Now, is that right?

Mr. STARR. Yes, sir, it is.

Mr. CUMMINGS. How do you go about doing that?

Mr. STARR. We look at what types of attacks we are likely to be subjected to. We look at the theater that we're operating at. We look at what weapons, terrorists, and others have in their hands and how they could attack us. We look at terrorist tactics and procedures. And then we make determinations, in addition to our physical security measures that are our baseline standards, of other things that we may have to do.

In certain cases, we are using overhead cover to ensure that mortar attacks and rocket attacks are protected from. In certain cases, we have things like radar warning systems that give us time in advance when we're being attacked for people to take cover and duck-and-cover systems. These are examples of things that we look at, depending on what country we're in and where we're at, and then how we try to mitigate the threats.

Mr. CUMMINGS. When you're looking at what happened in Paris, is there anything—and I don't want to get into any kind of secret information—but is there anything that we could learn from that that would affect the embassy, the building of the embassy, at all?

Mr. STARR. No, sir.

Mr. CUMMINGS. Because of the type of attack, I take it.

Mr. STARR. No, we have seen those types of attacks before. Those attacks were effective because they were attacking soft, unhardened targets without protection. It really does not apply to better protected facilities.

Mr. CUMMINGS. I got you. And does the new London embassy project meet both the overall security standards and any environment-specific requirements you believe are necessary?

Mr. STARR. Yes, sir. We looked closely at London. We look at our security standards. The facility, as I said, in the certification under Public Law 100–204, as amended, that facility resulting from this construction project will meet our standards and will provide the adequate safety and security for our personnel in that facility.

Mr. CUMMINGS. Do you agree, Ms. Muniz?

Ms. MUNIZ. I do.

Mr. CUMMINGS. Now, Mr. Linick, you've heard all of this, my line of questioning. Do you disagree with anything that has been said by either Mr. Starr or Ms. Muniz?

Mr. LINICK. Our work did not assess whether it's safe and all of that. So I have no reason to dispute that.

Mr. CUMMINGS. Very well. Very well.

One other thing, Mr. Starr. Yesterday—I'm going back to the Paris incident—but yesterday I had to do a speech at a building directly across the street from the FBI building. And while I was waiting to park, I just noticed that there are just, I mean, just lines of cameras, which I would have expected, in front of that building and all around it as a matter of fact, cameras everywhere. And I was just thinking about the Paris piece. I mean, do we—do you all worry about those kinds of attacks at all?

Mr. STARR. Yes, sir. There are attacks that are—we have suffered in the past. If you remember the Jeddah attack on our consulate, there were armed gunmen with AK–47s and explosives that came in, they breached our perimeter over the wall. Because of our security standards, they never got into our facility, and the Saudi forces and our guard forces effectively terminated that. The same thing happened in Herat, in Afghanistan.

We're aware of those types of attacks. We believe that we have the proper security in place to defend against them.

Mr. CUMMINGS. Now, can you talk briefly about this $42 million? That's a lot of money. I mean, Americans looking at this would say, you know, $42 million overrun—is that right, Mr. Linick, is that the right, proper description of it, the $42 million, do you want to call them change orders? What do you want to call them?

Mr. LINICK. The $42 million was an increase in price which was not justified and it was accepted by the Department. So we just don't know whether the $42 million is supported with accurate data.

Mr. CUMMINGS. Would you comment on that, Ms. Muniz? Either one of you?

Ms. MUNIZ. I'd be happy to. I'm not sure what this $42 million is about. What I do know is that when we first notified this project to the Hill and, in fact, when we first notified the acquisition of the site, this project is $30 million under those initial notifications and continues to be $30 million under.

Mr. CUMMINGS. Do you have a comment on that, Mr. Starr?

Mr. STARR. No, sir. No, I'm not familiar with that. That's out of my security realm.

Mr. CUMMINGS. Can you all get your numbers together then? I mean, it sounds like you're saying one thing, Mr. Linick, she's saying another. She's talking about 30 under, you're talking about 42 over. Hello?

Mr. LINICK. Yes. Congressman, the $42 million, actually OBO was asking for information to support that figure and they weren't getting it. And the contracting officer misinterpreted the law and didn't realize that he was supposed to get that information from the contractor. This was at OBO's request. And OBO, to my knowledge, still is not satisfied with the justification of that $42 million.

Mr. CUMMINGS. Yes, Ms. Muniz?

Ms. MUNIZ. I believe what Mr. Linick may be talking about is the fact that when we used ECI, the Early Contractor Involvement, the reason we did that is that to the degree that you can involve the contractor much earlier in the design phase, you can resolve a lot of issues that would later become issues during construction. So it's a way of getting the whole team involved very early.

It is the case that in an ideal circumstance, using ECI, this contracting method, we would have had more pricing information from the contractor. And we did try to obtain that additional pricing information. So I think that's quite right. And that is a tool that we're trying to improve and that is actually an improvement over our prior program where we did not have Early Contractor Involvement.

It is, however, the case that our estimates of the construction contract and of the total project budget are still on target. And, in

fact, our budgets are coming in, we're coming in $30 million under our initial proposal.

Mr. CUMMINGS. Thank you very much, Mr. Chairman.

Chairman CHAFFETZ. I now recognize Mr. Mica of Florida.

Mr. MICA. Thank you, Mr. Chairman.

Well, we're spending a lot of money on this facility. I guess it's in the billion-dollar range, if that's correct. And we're designing it—well, it was designed an unsafe or unsecure manner based on some requirements that we should be following. We have—State relies on—the State Department relies on an unpublished 2003 draft memorandum between the Bureaus of Overseas Buildings Operations and Diplomatic Security rather than Federal law and FAM. Is that correct?

Mr. STARR. In any discussion of whether a FAM or Federal law takes priority, Federal law takes priority.

Mr. MICA. But it doesn't appear that, again, that there was proper procedure and proper consideration for security given the final design.

Mr. STARR. Sir, I disagree with that. I think that we fully complied with the law, absolutely.

We do have one portion of the FAM that I think has not been updated since 1993. And in particular, in the early 2000s, when we were using standard embassy design, that is a design-build methodology of receiving the project, as opposed to design-bid-build, the FAM says we're not supposed to sign a contract beforehand. In fact, that does need to be modified in the FAM. The law says nothing about that. But we are——

Mr. MICA. Okay. So that's a recommendation to avoid the——

Mr. STARR. Yes, that is one of the recommendations from the inspector general and we are addressing that.

Mr. MICA. I think that's very important.

Again, we're—you know, the thing is under construction and the design is there. This was built to the Inman specifications?

Mr. STARR. It goes all the way back to the Inman specifications. And then we've gone through several iterations of this, finally culminating with P.L. 100–204 that gave us directions that we need to certify in advance of the construction of the building that the facility is going result in a building or a facility that's safe for our classified information, our national security activities, and our people.

Mr. MICA. And the new design, does that include all of the embassy functions? Are there other functions, like Foreign Commercial Service operations, in other facilities around London? I'm not familiar with what we've got outside of the embassy there.

Mr. STARR. There were other embassy functions in the—what was called the Navy Annex. We were not co-located, that is another law that Congress has passed, that we must have 100 feet of setback for every facility that we build and we must co-locate everybody in the facility——

Mr. MICA. But do we rent other——

Mr. STARR. —and they were not co-located in the old facility.

Mr. MICA. But they will be co-located in this facility?

Mr. STARR. Yes, sir.

Mr. MICA. How about Foreign Commercial Service operations?

Mr. STARR. Yes. Off the top of my head, I can't name every agency that will be in the new facility, but we have——

Mr. MICA. And will there be—my other question—will there be some outside?

Mr. STARR. No.

Mr. MICA. I visited Paris, I went to the Paris Air Show and then spent a day looking at our facilities in Paris, because we knew after Hebdo that it could be a target. And they chose not to go after the hardened targets now, you know, a cafe, or a restaurant, a theater. And people at a Christmas party are their new targets.

But any other recommendations you have in changing the law so that we don't have the hiccups we have with this particular project?

Mr. STARR. No, sir.

I would like to say something. Since 1985 and the Inman Commission, we've gone through a series of processes, like having the Overseas Security Policy Board set security standards for new construction. We've had laws passed that require us to co-locate our personnel and have 100 feet of setback or in new construction. Only the Secretary of State can waive that. We are required to tell Congress in advance of starting the construction of the actual building that the building will result in a safe and secure facility.

We have since, well, since I've been on board, we have never breached that trust and we never will. Every building that we build will meet the security standards. We are getting the funding from Congress not because we need to replace out-of-date buildings, because the buildings are insecure. That's why Congress gives us the funding. This particular project is not using appropriated funding. It's using proceeds of sale. But I assure you also that we would never build a building that will not be safe and secure for our people, our national security——

Chairman CHAFFETZ. Well, with all due respect, if the gentleman will yield, the problem is when you have a facility that the life expectancy is less than 10 years, it's a different set of standards. And that's not what happened in Benghazi. That's not what happened in Tripoli. You did not erect a facility in Tripoli that was secure. It was the biggest embarrassment to this government. I've been there. I've seen it. You cannot tell me that you've done that every single time when people were killed in those facilities.

Mr. STARR. Sir, you are correct that the Benghazi facility did not meet the standards. We did not build that facility. There's a difference between when we have to go places and sometimes accept what we can lease and try to upgrade it in the meantime.

My promise to you is then when we build a facility——

Chairman CHAFFETZ. What would you consider Tripoli?

Mr. STARR. Tripoli, we leased——

Chairman CHAFFETZ. Okay. But this is the problem. You take an American and you put him out there, they're in a very difficult circumstance, we need our diplomats out there engaging with these people. Do you think they care that there's a difference whether you built it or somebody else built it? You're certifying that it's secure and you don't do that on a regular practice. It is regular practice to offer waivers. In fact, one of the waivers we're looking at here happened in London.

So that's why we keep having these hearings. Don't lead this Congress to believe that every facility we put people into is safe and secure when you offer waiver after waiver after waiver, because you did it in Tripoli, You did it in Benghazi, and you've done it before in other places.

Mr. STARR. Sir, I agree. No one is more cognizant of what happened in Benghazi than I am. No one is more cognizant than I am in the Department——

Chairman CHAFFETZ. You just sat here before us and told us every building we put people in——

Mr. STARR. We build—sir, sir, please——

Chairman CHAFFETZ. And that's mincing words.

Mr. STARR. No, it's not.

Chairman CHAFFETZ. That's not being honest and candid with the American people and with this Congress.

Mr. STARR. Sir, it is not mincing words. I am being exact. When we build a new facility from scratch——

Chairman CHAFFETZ. What do you tell the kid from Tennessee that you send overseas——

Mr. STARR. May I answer?

Chairman CHAFFETZ.—well, we leased this one, so it's not as secure. What do you tell that family?

Mr. STARR. Congressman, may I answer the question? Public law says when we build a new facility—and we've had, thanks to Congress, a new embassy construction program for many years—every single one of those buildings that we build new meets every one of those standards. We don't waive things.

When we have to accept—Congressman, please—when we have to go into different places and lease a facility that we know doesn't meet our standards, we try our best to upgrade it. We try to provide other methods of mitigating the threat, whether it's U.S. Marines, whether it's Diplomatic Security agents. Sometimes we use temporary barriers around them.

I cannot make a leased facility that has never been—never been designed to meet blast standards or setback meet blast standards or setback. There's a difference between when we build new—and that's what you ask us to certify—when we build new, then we have to go out on more or less an expeditionary basis and lease something. The facilities that we had in Tripoli and Benghazi did not meet the new embassy construction standards and do not.

Mr. MICA. I yield back.

Chairman CHAFFETZ. Before the gentleman yields back, are there any waivers in Jakarta? The answer is yes.

Mr. STARR. No, I don't——

Chairman CHAFFETZ. And you're building that facility.

Mr. STARR. I don't believe there are waivers in Jakarta.

Chairman CHAFFETZ. Okay. You give us a list of new construction waivers and you put in writing that that number is zero, because that is not true.

Mr. STARR. Sir, every year we provide a report to Congress on any waivers that we have given for new construction. We provide it every single year.

Chairman CHAFFETZ. You give this committee—is that fair enough—you give that information to this committee.

Mr. STARR. We give it to our committees, the Senate Foreign Relations Committee, the House Foreign Relations Committee, the Appropriations——

Chairman CHAFFETZ. Will you give that to our committee?

Mr. STARR. Absolutely.

Chairman CHAFFETZ. Thank you. And the reason you're here is you have an inspector general saying you're not abiding by Federal law.

So our time has gone well past. Ms. Maloney from New York is now recognized for a very generous 5 minutes.

Mrs. MALONEY. Thank you, Mr. Chairman, for calling this important meeting.

And I'd like to ask Assistant Secretary Starr, our number one focus is to protect the men and women who are serving our country overseas. And is this facility secure? Are they protected in this London facility that you're building?

Mr. STARR. In the new facility that we're building, yes.

Mrs. MALONEY. Is it one of the most secure embassies in the world now with the new technologies?

Mr. STARR. It will be, yes.

Mrs. MALONEY. It will be one of the most secure in the world.

So the bottom line that we're looking at, going forward, we have to make sure that they are secure, and you're testifying that this is one of the most secure sites in embassies in the world.

Mr. STARR. Yes.

Mrs. MALONEY. Well, thank you for that.

But I do want to point out that President Obama, in his speech last night, talked about the evolving threat of terrorism. It's not just what we face today, it's what's going to be tomorrow, what the new technique's going to be. And he said, and I quote, "The terrorist threat has evolved into a new phase," end quote.

So I want to know how are we responding to these new phases as a result of new technologies or whatever is going forward. So I'd like to ask you—well, I guess it was, your report, Mr. Linick, your report highlights the importance that research and development and testing is important for innovative development designs. That's what you were stressing in your report. Is that correct, that you have to have these new technologies and testing for the new technologies and emerging threats?

Mr. LINICK. Congresswoman, our report didn't assess whether innovation is necessary or not necessary. Our focus was narrow in that we looked at whether or not the security issues were resolved before construction, before contract award. That's what we looked at, and we also looked at the contract. So I'm not in a position to tell you whether we need innovation, et cetera.

As far as testing goes, my only point with that was that the testing of the glass curtain wall didn't occur for 6 months after certification, and it was our opinion that it ought to have occurred before certification because we fail to see how you can certify something is safe without, you know, making sure that it passes the blast test.

Mrs. MALONEY. Well, then, Assistant Secretary Starr, there is a need, would you say, for research and development. And I under-

stand there's a research and development group within the Diplomatic Security. Is that correct?

Mr. STARR. Yes, Congresswoman, it is.

Mrs. MALONEY. Okay. And I understand that a lot of what this unit develops may be classified, but can you give this committee a quick overview of the type of other research or methods that DS, or development security, is—diplomatic screening and security is developing?

Mr. STARR. Congresswoman, thank you for the question.

We work, sometimes by ourselves, sometimes with the Defense Threat Reduction Agency, sometimes with the National Labs, and we—our buildings meet higher standards for our security standards—and I don't want to go into exactly what they are—than any type of commercial building. And in order to do that we had to develop new types of products.

I can tell you that one of the products that we developed, if you look at the first generation of embassies that we built from 1988 to 1992 that withstood blasts, the windows were about 2 feet by 2 feet and they were about 5 inches thick. Today we can build windows, we have windows and commercial contractors build them for us now, that are, you know, 6 feet by 8 feet that meet the blast requirements. And that has further developed to the point where we are building the embassy in London and Jakarta where the curtain wall is actually all glass and yet still meets those blast requirements.

These are the types of things that, as we go forward building new buildings, give us different options to build while still meeting very rigorous security standards.

Mrs. MALONEY. That's good to hear, that you're focusing on this blast response. But can you elaborate on how the State Department is utilizing other creative solutions to adopt to the ever-evolving threat requirement that we have around the world for our embassies? Ms. Muniz or Mr. Starr, either one.

Ms. Muniz, since we've heard from the other two panelists.

Ms. MUNIZ. Let me respond first to your earlier question about the importance of looking at new materials and—new materials for the State Department in any event.

Curtain wall technology is really the predominant technology that is used to build what we call high-rise buildings, and high-rise is defined as anything above seven stories.

What we found as we were moving forward in our construction project is that—in our construction program, rather—is that increasingly it was difficult for us to find large sites in cities that are quite developed and where real estate is quite expensive. So it was really in our interest and the Department's interest to take advantage of technologies that would allow us to build buildings higher and to do that efficiently and economically. So that is the benefit of testing new products or using new products to new standards, such as curtain wall, though, again, curtail wall has been in use in the construction industry since the early 1900s.

With respect to the types of flexibility that we build into our buildings, I'll address first what we do that is nonsecurity related, and then we'll turn it back to my colleague, Mr. Starr.

The Excellence initiative, we've tried to look at a lot of things that are used in industry quite skillfully to make better use of our buildings and make them endure longer. So we have used raised floors and demountable partitions rather than hard partitions so that if we need additional staff or reconfiguration, it can be done quickly and easily at very little expense.

We've also looked, to the degree possible, building in as much efficiency and sustainability as we can to drive down operating costs. That's also an important factor when we select our sites. So we are picking sites that are increasingly closer to the colleagues that our diplomats work with in order to drive down the operating cost of shuttling them 30, 45 minutes, sometimes an hour to visit their colleagues.

So all of these things combined—additional flexibility, technologies that will help us build faster, but also building in places where we can have our diplomats close to the colleagues and the people they need to work with—those are all things that the program is focusing on.

Mrs. MALONEY. Well, thank you for your hard work.

My time has expired. Thank you.

Chairman CHAFFETZ. Thank you.

We'll now recognize the gentleman from North Carolina, Mr. Walker, for 5 minutes.

Mr. WALKER. Thank you, Mr. Chairman.

We hear a lot about construction today. Obviously, it's a very important topic. But I believe today's hearing is also about the process, it's about accountability, it's about transparency.

In 2013, December 2013, the under secretary for management certified to us in Congress that the State had ensured the adequacy of all safety-related measures. In fact, the DS had expressed concern about State's use of computer modeling to simulate this blast testing for the curtain wall, and they ordered a full mockup blast test before certification was appropriate.

The problem is, is that testing did not start until February 2014 and was not complete until May of 2014. It is not clear in the certification package to Congress that State provided notice that blast tests was ongoing. And here's the questions. There's a couple of them.

Did State's certification to Congress in December 2013 explicitly alert the committees that State had not even begun blast testing?

Ms. Muniz, I'll start with you.

Ms. MUNIZ. I'm not certain that it did, that we were very clear about when blast testing was going to happen in the succession of the project.

I'd also like to add that certification is done of the designs of a project, and those designs were stamped, and by calculation all of the designs met the rigorous requirements established by Diplomatic Security.

Mr. WALKER. So when you say that all safety measures have been completed, you're just saying that's a certification with the projection that they will be completed. Is that my understanding?

Ms. MUNIZ. I'm not sure I understand your question. Let me frame it this way. So when a building is certified—and then I'll turn it over to Mr. Starr, who—DS is responsible for those certifi-

cations and for their reference to the under secretary for management.

Certification is done of designs of building. By design, engineers calculate that designs meet any of the requirements, including blast loads. That was done prior to the certification of the London embassy project.

Mr. WALKER. Mr. Starr.

Mr. STARR. Congressman, essentially, certification is a promise to Congress. You've given us the resources, and you want to know that we're certifying to you, in advance of starting the building of the building, that the facility resulting from the project is going to be safe and secure. It's a promise.

We can fulfill that promise many different ways. In some of the standard embassy designs, when we were first looking at the standard embassy designs, we were a little nervous about some of the things, and we certified them based on what the architects were telling us, and we could look at concrete and we could look at steel and pretty much figure it out.

As we go forward into newer types of methodologies, we do rely on our architects, and, as I said, quite possibly the best blast architecture firm in the world, Weidlinger, and telling us, yes, this design meets your standards; this design will surpass your standards. And I can take that and promise to you, promise to Congress the facility resulting from this design is going to meet our standards.

Well, we went even further than that afterwards and blast tested it just to ensure that their calculations were correct, and in fact they were.

Mr. WALKER. Did it show the highlights or highlight weaknesses in the design? In other words, did it include a memorandum from the Office of the Director of National Intelligence in which the Office notes that should blast testing highlight weaknesses in the design of the curtain wall, Director Muniz has confirmed in writing that all necessary steps will be taken to rectify the issues?

Can you confirm here today that Congress received that memo with the December 2013 confirmation, Ms. Muniz?

Mr. STARR. I don't think we sent that to Congress, sir. What we did was certify that the design met the requirements. And we also talked about, well, if the blast testing showed that it didn't, what would we do, even though the engineers were fully saying, yes, it would.

Mr. WALKER. Let me ask Mr. Linick.

Did you know whether Congress received the Office of the Director of National Intelligence memo in December 2013 with State's verification package?

Are you saying, Mr. Starr, that you never sent that to Congress?

Mr. STARR. I'm trying to remember the actual package. I know the certification is signed by the under secretary for management. I don't think—I think the certification says that we've consulted with ODNI on this. I'm not sure that in the package that we send to you that we actually include the memo from ODNI.

Mr. WALKER. Mr. Linick, do you recall? Mr. Starr doesn't remember.

Mr. LINICK. It's not clear to me whether the certification package advised Congress that testing would occur after the certification.

Mr. WALKER. Mr. Chairman, my time has expired and maybe follow up with someone else, but thank you.

Mr. STARR. Congressman, if you'd like, I will get back to you with an answer afterwards, whether the package we send to Congress actually has the ODNI letter or not, if you'd like.

Mr. WALKER. Can you give me a time for when you're able to do that? A week? Two weeks?

Mr. STARR. I can find out by tomorrow and give your office a call.

Mr. WALKER. Thank you, Mr. Chairman.

Chairman CHAFFETZ. If the gentleman will yield.

Mr. WALKER. Absolutely.

Chairman CHAFFETZ. Mr. Starr, you're taking great liberties that I think are well beyond your ability to back them up to suggest, quote, "Engineers fully said it would," end quote. It was not unanimous. All the engineers did not line up and say this meets every standard.

And what I point to is Mr. Linick's report. Go to page 9 of the audit itself. It goes through the audit results.

Mr. Linick, please clearly tell us, in your opinion, did they or did they not violate their own internal policies on what they should or should not be doing and when they should do it?

Mr. LINICK. They clearly did violate their policies, the FAM, by certifying after contract award and after construction, and that's the basis of our finding, finding A. This is an issue that doesn't just affect the London embassy, but also other embassies as well.

The question Congress should know, what constitutes construction when certification is occurring, there should be transparency in the process so Congress knows exactly what rules the State Department's relying on when it undertakes construction and when it certifies.

So that's really—that's the essence of our report and finding.

Chairman CHAFFETZ. And, Mr. Starr, to suggest that government buildings are more secure than any—the representation you made—than any private sector building on the face of the planet? You cannot get away with saying that.

There a lot of buildings out there going to be a lot more safe and secure using different materials and different—why do you make such sweeping generalizations when you know they can't be backed up? That's something the committee needs to report.

Mr. STARR. I said that our——

Chairman CHAFFETZ. No, we'll pull back the record.

Mr. STARR. Congressman——

Chairman CHAFFETZ. You're just overstepping your bounds.

Mr. STARR. Congressman, I am not——

Chairman CHAFFETZ. No, you're trying——

Mr. STARR. I am——

Chairman CHAFFETZ. I am not calling on you right now. We're calling on Mr. Welch.

Mr. Welch is now recognized for 5 minutes.

Mr. WELCH. Thank you very much, Mr. Chairman.

And this issue of embassy security obviously is very important. I appreciate the work you're doing.

Mr. Chairman, I appreciate the work you're doing, and I enjoyed my trip to Libya with you to inspect an embassy.

You've got a tough job, and I think we appreciate that. I've got a couple of areas of questions. One is taking up on what Mr. Cummings started on about the 100-foot setback. The State Department has several additional physical security standards for diplomatic facilities, and they include the anticlimb perimeters, hardened building exteriors, and safe spaces for taking refuge in the event of the attack.

Do all the new embassies have these type of features? And I'll—go ahead, sir.

Mr. STARR. Yes, sir. Every embassy that we construct anew does.

Mr. WELCH. And are there any other security features or requirements that you think is critical to securing the embassies?

Mr. STARR. Sir, the security standards that we have for construction of a new embassy are extensive. The things that you mentioned are not the only things that we have. The standards are passed by the Overseas Security Policy Board, which is a set of directors of all of the agencies that are—security director of all the agencies that exist overseas that are at our embassies and consulates, including the Department of Defense, Department of Justice, the intelligence community, everyone.

Mr. WELCH. So some of these, Mr. Starr, some of these security features for U.S. embassies in London and elsewhere are actually more stringent than what we have for many governmental buildings at home here in D.C. For example, none of the congressional office buildings have any of the anticlimb features of U.S. embassies. Is that right?

Mr. STARR. Congressman, you're correct, although what you're pointing out is an issue that we also have overseas. These buildings predate building to new, safer standards. They were built many years ago. We have embassies like that as well.

Mr. WELCH. Right. So the building we're in right now doesn't have many of these features that are going to be organic to the construction of facilities overseas, including London, right?

Mr. STARR. Yes, sir, if I understand your question, yes.

Mr. WELCH. All right. Another topic. One of the things that I've seen in visiting some of our embassies is that there's a conflict between the needs of security, which oftentimes dictate a somewhat remote location and almost a fortress-like construction, and the accessibility to people who need to use the embassy. And I actually am one who has always favored having our facilities located more in the center of cities rather than way in the outskirts.

Is there any way to resolve that? And I don't know if that's just a concern I have or if it's shared by any of my colleagues.

Mr. STARR. Director Muniz will say something about this as well. But at the beginning of the program, after the loss of the embassies in Dar es Salaam and Nairobi, we built many embassies in the Sahel and across Africa and many other places that had 10 acres of land and were not in the center of the cities.

As we are approaching sort of the midpoint of building new embassies, we've built over 110 new facilities now, we find ourselves in a position where we want, particularly in cities in Europe and other places, to not be very far out, and that requires a building that is not low and flat and takes 10 acres of land to build. We're looking on, like London, a small smaller site, and we go up. And

that means we have to have the new technology, like curtain walls, to be able to do those things.

Mr. WELCH. Thank you.

Ms. Muniz, do you have anything you'd like to offer that relates to questions I've asked? And by the way, thank you for your good work.

Ms. MUNIZ. Thank you.

I would just add that I believe very strongly that we could build great embassies that project an openness and meet all of the security standards and be in those locations where our diplomats need to be. I really think that these are things that we can resolve. It takes creativity, and it takes an approach to each site that we're able to find really an approach that we're taking now, an original look to see how we can build on that site. But I'm very comfortable that we can meet all the security standards and have our diplomats located where they need to be.

Mr. WELCH. I want to thank you all. And just a word of advice that you don't really need, but the chairman's really been taking a very active interest in this, and I think a lot of us support him in that concern for safety, and I know you do as well. So to the extent you can stay in touch with the committee, I think that will be helpful to all of us. Thank you.

I yield back.

Chairman CHAFFETZ. I thank the gentleman.

I now recognize the gentleman from Georgia, Mr. Hice, for 5 minutes.

Mr. HICE. Thank you, Mr. Chairman.

Mr. Linick, let me just begin with you. Did your office, the Office of the Inspector General, make recommendations to OBO to not begin the construction until they were sure that the building would survive a blast?

Mr. LINICK. Congressman, we recommended that OBO establish controls to ensure that construction is not initiated before designs have been approved by the Bureau of Diplomatic Security. And then we recommended to the Bureau of Diplomatic Security that they establish controls to require that testing is completed before certification to Congress.

Mr. HICE. Okay. So is that—it would be a "yes" then?

Mr. LINICK. I mean, we did recommend that certification——

Mr. HICE. Which included that it could survive a blast.

Mr. LINICK. That all of that——

Mr. HICE. That's the whole purpose.

Mr. LINICK. Exactly. Yes.

Mr. HICE. All right. And with the DS—and let me go a little bit further with what you were just saying—did your recommendation to DS include that they have controls in place to make sure that any building is fully vetted so that it is adequate for security purposes?

Mr. LINICK. Yeah. And more precisely, that any required testing be done before certification.

Mr. HICE. Okay.

Mr. LINICK. So that there is—so that safe—so they can establish that safety is adequate.

Mr. HICE. All right. In your recommendations, from your perspective, from the office—OIG's office—would a letter from an architectural firm be adequate, or did you want more than just a letter?

Mr. LINICK. Well, they had always—they were clearly—DS was clearly not satisfied with the safety of the glass curtain wall until blast testing was to occur. In fact, they were concerned about it as early as November 2012 all the way to December 6, just a few days before certification. So a letter in that circumstance wouldn't have sufficed. They had to do the blast testing that was a required test. So, no.

Mr. HICE. So you're saying that the blast testing was required.

Mr. LINICK. I'm saying—that's right—I'm saying that if they're going to certify it safe, they ought to do the blast testing before they certify it safe, especially since blast testing was something they were very concerned about, because if it failed, then what?

Mr. HICE. Then all failed. And we've heard today from Mr. Starr that in his opinion blast testing was not required, but in your opinion that's the only way to adequately ensure that it was equipped to endure a potential blast.

Mr. LINICK. Yeah, what's required under the law is that before undertaking any new construction, they certify that adequate and appropriate steps have been taken to ensure the security of the project, the construction project.

Like I said, in my view, the blast testing had to be completed, otherwise what's the point of certifying.

Mr. HICE. Otherwise, all you have is a letter.

All right, so, in your opinion, the recommendations that came from your office were not fulfilled. Is that true?

Mr. LINICK. Well, the Department actually has agreed in theory to comply with our recommendations, but we haven't closed them yet, those two recommendations, the one I just mentioned, until we see documentation. We haven't seen any controls.

Mr. HICE. So the recommendations are still outstanding?

Mr. LINICK. That's correct.

Mr. HICE. All right. In your words, did you receive pushback from OBO or DS on the recommendations?

Mr. LINICK. Well, initially—initially, we received pushback, but during the compliance process they have appeared to agree to comply with our recommendations.

Mr. HICE. Although that has not yet taken place.

Mr. LINICK. No, but we're still in the process of following through with this.

Mr. HICE. Is there any reason, any valid reason that you can think of as to why OBO and DS would not comply, would refuse, deny to implement your recommendations initially?

Mr. LINICK. Well, they're not—our recommendations are simply that, recommendations. We can't require them to. They have to agree to it. So other than that——

Mr. HICE. Right, but is there any valid reason you can think of why they would not proceed with fulfilling your recommendations?

Mr. LINICK. No, we made our recommendations, we made our findings, and we stand by them.

Mr. HICE. Okay. Is there anything legislatively that can be done that would help?

Mr. LINICK. I think Congress might want to consider clarifying what it means to undertake, initiate construction prior to certification. I think that would help. Because, after all, you've heard that there are various definitions of what construction is, and I think some clarity on what construction is and, you know, exactly when blast testing, if required testing has to occur, would help.

Because when Congress received the certification package in December, it's not clear to me what Congress knew, it's not clear to me that Congress realized that the Department was relying on an internal memorandum of understanding, which is not law. And, ultimately, we've got to rely on the laws and our official interpretations of them. That's the problem, from our point of view.

Mr. HICE. Okay. Thank you.

And thank you, Mr. Chairman. I yield back.

Chairman CHAFFETZ. Thank you. That was very helpful.

Ms. Norton, you're now recognized for 5 minutes.

Ms. NORTON. Thank you very much, Mr. Chairman.

I must say, Mr. Starr, it must be difficult today to be a diplomat abroad in light of what we're seeing. After the Paris attacks, I wonder if there are specific changes that the State Department feels are necessary in light of those attacks.

Mr. STARR. We're looking closely at the Paris attacks. We are looking for lessons learned from the Paris attacks. I don't think that there's anything necessarily going to come out of that that's going to affect how we build buildings or how we construct facilities.

What we are looking at, from the Consular Section and from other methods, is how to best warn Americans overseas even faster than we do, and I think we do a very good job of it now. We encourage all Americans that are overseas to register with embassies and consulates who are in the region. You can do that online now. We're taking advantage of more online tools. Many embassies——

Ms. NORTON. All Americans, did you say?

Mr. STARR. We encourage all Americans that are overseas to register and let us know that they're traveling overseas. Many embassies nowadays have automatic SMS messaging, and if an American citizen provides their telephone number or an email address to us, if something is going on in their location, we can message them immediately and warn them to either, you know, shelter-in-place or evacuate or things like that.

So I think one of the lessons from Paris that we're learning is that, as I think, quite honestly, as many of us had feared for many years, that terrorism that we had seen in places like the Middle East and African countries was eventually going to evolve through Europe and to other countries. And these are countries that have many, many, many American expatriates and many American visitors and tourists. So we are looking at how we can better warn American citizens overseas.

As I say, I think we do a very good job of it already, but in the aftermath of Paris we're even taking another look at it and see whether there's even better ways that we can do it.

Ms. NORTON. Mr. Starr, you probably get it coming both ways. There were recent reports in the press that some diplomats feel hampered in their diplomatic activity because of the kinds of security that you apparently have had to place on them.

Have you had such complaints? And have you considered how diplomacy, which has to be done everywhere, is or can be carried on in light of diplomats who are hellbent on doing what they came to do but the Department may feel that there are dangers if they proceed? How do you reconcile the dangers with people feeling that they're not always able to do their job?

Mr. STARR. Congresswoman, that is an excellent question. It's something that we thrash with very often, and we've had a lot of questions about it.

One of the reasons we build safe and secure facilities is so that when our embassy officers and our local staff are in the embassy, working out of the embassy, it's a safe and secure facility and we don't lose it or everybody in one attack. To the absolute maximum extent, we don't want to lose an embassy like in Dar es Salaam or Nairobi when the bombings took place. We want to make sure that we never lose the embassy proper, so that we don't lose our platform for diplomacy and law enforcement and justice and intelligence and aid programs.

But the flip side of this is that diplomats have to get out of the building. Diplomats, by their very nature, don't work just inside that building. They need to get out. They need to talk with legislators. They need to talk with human rights advocates. They need to talk with people that are running aid programs and humanitarian affairs. They need to talk with the people that are running the country in power. They need to talk with the opposition.

Well, in order to do that, we have other programs besides just the embassy building program. This is why we provide armored cars. This is why we have Diplomatic Security agents and bodyguards in some cases. This is, of all cases, why we are now engaging in training our diplomats in FACT training, Foreign Affairs Counter Threat training, for 5 days before they go overseas, to give them medical skills, countersurveillance skills, driving skills, rudimentary understandings of weapons and explosives.

These are the types of things that are the flip side of, you know, creating a safe and secure embassy when they're there, but also understanding that their job is to get out and to meet people and talk with people and represent the United States. So we have both types of programs that we're running simultaneously.

Ms. NORTON. Thank you, Mr. Chairman. I just want to say, I think perhaps Benghazi, more than Paris, may have taught about eager democrats trying to go to places that aren't safe. Perhaps one learned more from Benghazi than even from Paris.

So thank you very much, Mr. Chairman.

Chairman CHAFFETZ. I thank the gentlewoman.

We'll now recognize Mr. Carter of Georgia for 5 minutes.

Mr. CARTER. Thank you, Mr. Chairman.

Thank you all for being here.

Mr. Starr, correct me if I'm wrong, but I believe this is the third time you've been here before this committee this year. Is that correct, yes or no?

Mr. STARR. Yes, sir.

Mr. CARTER. Yes, third. That's what I thought. That's what my calculations showed. You appeared here before this full committee in July to review the cost overruns of the U.S. Embassy in Kabul, and again in September to discuss both security concerns and cost overruns with the two U.S. consulates in Mexico. Is that correct?

Mr. STARR. Yes, sir.

Mr. CARTER. And that's just two examples, two examples that you've had to answer for this year. Other examples would include the State Department paying a construction company $18.5 million for renovations to a prison in Afghanistan originally slated to cost $16 million, and then the firm only completed half of the work over 5 years. And now the State Department calculates it's going to cost another $16 million to finish the project.

The State Department has spent $5 million on fancy glassware—$5 million on fancy glassware—at U.S. embassies?

The new embassy in Papua New Guinea had to be entirely scrapped, entirely scrapped and started over. That resulted in almost quadrupling the cost of the project. Is that correct, Mr. Starr, yes or no.

Mr. STARR. I believe that's correct, sir.

Mr. CARTER. So here we find ourselves here today. So today we see that the State Department has decided to act contrary, as we've been told, contrary to Federal law and State Department policies by starting construction on the London embassy before the required blast testing was completed. We've established that point, that's why we're here today.

The State Department has blatantly ignored its own policies, it's ignored Federal law and numerous recommendations. Poor decisionmaking has exposed the State Department to millions, millions of dollars in cost overruns. And now you're trying to push ahead and start the project, as we've seen, so that there's no turning back.

Does that sound familiar? Does that sound familiar to anything? Does that sound familiar to the Foreign Affairs Security Training Center that you're trying to build in Virginia right now? Does that——

Mr. STARR. No, sir, it does not sound familiar to me.

Mr. CARTER. It does not.

Mr. STARR. And I think you're misstating a lot of the facts.

Mr. CARTER. And, Mr. Starr, I'm following your example, because you've misstated a lot of the facts all day long. You could have renovated and you could have redone the current London embassy for less than a billion dollars if you'd only slowed down and made sure it was done correctly. We've established that here today. We've established that.

And then you know what bothers me so much about this? Is that we're making the same mistake all over again. All you have to do is look at what you're trying to do with the Foreign Affairs Security Training Center. That's all we've got to do. You look at what was done. You compared FLETC, the Federal Law Enforcement Training Center down in Glynco, Georgia. They submitted a bid of $243 million. You went to Fort Pickett. They submitted a bid of $950 million. And you went back to Fort Pickett and said, "Aw, come on,

can't you do better than that?" They said, "Okay, we'll come down to $450 million. We'll just eliminate the dormitories, the cafeterias, all the things that already exist at FLETC, we'll eliminate all those and we'll get the price down."

You know, why don't we do this? I tell you what let's do, Ms. Muniz and Mr. Starr. Let's just go ahead and schedule, Mr. Chairman, let's go ahead and schedule the next hearing on the cost overruns at FASTC? You want to go ahead and do that? It'll just save us a lot of time.

Because we know you're going to be right back here. We've seen it already.

Let me tell you, when you get back here on the cost overruns on that, if I'm still on that committee, don't count on my support.

Mr. Chairman, I yield back.

Chairman CHAFFETZ. Thank the gentleman.

Mr. STARR. Is there a question you'd like me to answer, Congressman?

Chairman CHAFFETZ. The gentleman——

Mr. CARTER. Mr. Starr, I don't——

Chairman CHAFFETZ. The gentleman yields back. The gentleman yields back.

The gentleman from North Carolina, Mr. Meadows, is now recognized for 5 minutes.

Mr. MEADOWS. Thank you all for being here. It's good to see you back, a few of you.

Mr. Starr, I think part of the frustration is that you answer with such specificity and inclusiveness that it's hard for any of us to take some of your testimony seriously that everything is okay. Now, I've talked with your colleague a number of times, have a good relationship, I believe, with her in terms of trying to find areas to address the embassy and diplomatic needs that we have.

So I guess the question I have for you is, I heard Mr. Linick talking to Mr. Hice about the need for clarity. So would you say that some of the "not following the rules" is because of ambiguity in the law?

Mr. STARR. No, sir, I don't believe so. First——

Mr. MEADOWS. So why are we not following?

Mr. STARR. I don't think this committee—I don't think we have had the opportunity to spend the time with the staff of this committee that we spent in years past with the Senate Foreign Relations Committee and the House Committee on Foreign Affairs on the building program.

Mr. MEADOWS. So whose fault is that? This committee? Because I'm willing to take this committee to task if they haven't made themselves available.

Mr. STARR. No, sir. I think this hearing and briefings that we're trying to do, I think, are valuable. I think they help the committee understand things. This is a tough business, and we do make choices.

Mr. MEADOWS. Well, but let me get back to the question. I only have 5 minutes. Because I've been able to spend time with Ms. Muniz in my office. She came after a hearing and said, you know, "Is there anything that we can offer?" We've had follow-ups since then. You know, it's that dialogue. And while we may not agree on

everything, we were able to come to an understanding on a number of issues.

And so I guess my question is, if there is not a lack after ambiguity, other than informing us, what's the problem, Mr. Starr? Are we going to come in under budget? Are we going to come in? Are you going to——

Mr. STARR. Well, the budget, sir, I can't really tell you about. What I can tell you is——

Mr. MEADOWS. So we may require appropriations to finish things?

Mr. STARR. This building, I don't believe so. If you'd like to ask Director Muniz. But the security of this building, I can tell you, we are building a building that meets our standards.

Mr. MEADOWS. But does the ends justify the means?

Mr. STARR. No, sir. It's a question that you have to look at.

Mr. MEADOWS. Well, it's not a question that you have to look at. It's a question of law. And what Mr. Linick——

Mr. STARR. Yes.

Mr. MEADOWS. —has pointed out is, is that there seems to be either ambiguity or the lack of following what has been laid out. Which is it?

Mr. STARR. I don't believe there's a lack of ambiguity in the law, sir. We are required——

Mr. MEADOWS. All right. So there's a lack of following——

Mr. STARR. No. And certainly no lack of following it. I certify——

Mr. MEADOWS. So everything's okay?

Ms. MUNIZ. If I could jump in.

Mr. STARR. Sir, this building is—we promised——

Mr. MEADOWS. All right. Hold on. Let me let her——

Mr. STARR. But, sir, just, we promised Congress——

Mr. MEADOWS. You've been talking a lot. Let me let her jump in. She wanted to jump in. So let me——

Ms. MUNIZ. I'm sorry. I just want to jump in and give my interpretation of the issue.

I really believe that, first of all, the work that OBO does and DS' certification of our projects is highly technical. You're familiar with construction. It is a very technical field.

I believe the crux of this discussion is a difference of interpretation. We are very clear and believe that the law provides us the right to certify based on designs and on calculations, which is done commonly across the industry. The IG has interpreted that a blast test was necessary before confirming that.

I would argue that blast tests are done commonly—not blast tests—testing of components of buildings are done commonly during the construction phases, and when developers, whether it's a State Department government developer or in private industry, when there is an understanding that any kind of a course correction can be made and all of the standards can still be met, construction proceeds from the beginning with adjustments made during construction so we finish on schedule and we certify.

Mr. MEADOWS. And as you know, I understand that. I guess the real question is the American taxpayer dollars. At what point are we so sure that those standards are met? Because Mr. Starr has indicated there are a number of waivers that they have continued

to give, maybe not on London, but on other projects, and yet he says that we're following all the standards, and those were your words in quotes, all the standards. So why would you need a waiver if you're following all the standards?

Mr. STARR. Sir, the law requires that we inform Congress. For new construction——

Mr. MEADOWS. That's not the question.

Mr. STARR. For new construction, I can't even remember the last time we've asked for any waiver for setback——

Mr. MEADOWS. I didn't ask that.

Mr. STARR. —or for co-location or for any of our——

Mr. MEADOWS. Mr. Starr——

Mr. STARR. —or for any of our standards.

Mr. MEADOWS. Mr. Starr, it's your testimony that suggested that there's waivers and that you followed all the rules. Those two are mutually exclusive. It couldn't happen.

Mr. STARR. Sir, when we have to take a facility that's already built, when we go into a city that we have to accept, we're never going to meet the standards, and we do issue a waiver for those.

Mr. MEADOWS. Mr. Starr, with all due respect, that's apples and oranges. We were talking about new construction. Have you done any waivers with new construction?

Mr. STARR. I think the only—we have a waiver in Jakarta for the swing space and for a historic building that's on the compound. I can't remember another waiver that we've issued for new construction.

Mr. MEADOWS. On new construction? All right. Will you get that to this committee?

Mr. STARR. Yes. I promise, sir.

Mr. MEADOWS. Thank you. I'll yield back.

Chairman CHAFFETZ. Before the gentleman yields back, this is why I have a problem when you make sweeping generalizations, saying we never issue waivers. And we know there's two examples right there. You make this infinitely more complex in your testimony. That's my personal opinion.

And to suggest that we haven't made staff available, well, here's my frustration. June 23, 2014, we sent a list of questions still outstanding, have not gotten a full and complete response to that. July 21 we sent a letter, production is still going on.

We sent another letter dealing with Maputo, Harare, and Saudi Arabia, sent August 6, still outstanding. We sent a letter to you on October 16 regarding danger pay, still outstanding. Sent another letter on October 7, due October 21, production has not even started on that, nor was it even started on danger pay.

So you say it's a lack of communication, but when I send you a letter and this committee wants to get some answers, even when we've given you, you know, nearly 6 months, you can't seem to respond to us. And that leads us to beg the question of what is it that they're hiding, why will they not comply with this? We're asking, I think, some very basic, simple questions.

Other committees—or other agencies don't have this problem. Some do, but others don't. And it's compounded by the fact that we have the greatest respect to the inspector general community, and when these professionals, without their partisan hats on, without—

come in and look and do an analysis and say impartially that there's a problem here, it gets our attention.

We're irresponsible if we just ignore it and put it on a shelf. My biggest fear is these 13,000 people throughout the inspector general community, they do good work, they'll look at it sometimes for a year or 2, and that we don't respond to it. That's my concern.

And so the situation here with the blast wall is different and unique because it's never been used. Not only has it never been used by us as the United States Government, when I went to London, the people on the ground, good, hard-working people committed to making the very best, safest product they can, and I asked them, "Is there an example somewhere in the universe that we can look at this?" They said, "No, nobody's ever done this before." They were proud of the fact that we were blazing new trails. That kind of begs the question that maybe we should do a testing.

And then you come before our committee today and suggest that all the engineers were all lined up behind us. That's not true. That is fundamentally not true.

And so I think Mr. Linick makes a very good point, the certification we give to Congress, I mean, you can play, you know, hide the rabbit, and we've got to try to figure out which hole it's under, but there's an expectation, I think, in the law that that certification tells us that the tests have been done and that you—and you say it's not a lack of clarity, but you have the inspector general disagreeing with you. That's why we're here today.

So I appreciate the gentleman letting me use some of his time. Let's now recognize Mr. Russell for 5 minutes.

Mr. RUSSELL. Thank you, Mr. Chairman. And, again, thanks for addressing this important issue.

We all realize it doesn't matter which embassy a threat may get. The symbology of just getting one. We saw the destruction of the Beirut embassy that resulted in many of the security standards that we now live by. We saw the loss of the Tanzania and Kenyan embassies that furthered under Secretary of State then Colin Powell to make standard embassy design so that we could have something that would economize the dollars that we have and also provide security in all of the foreign missions that we possess.

And therein lies the problem. We've seen in recent years a deviation, some for needs of topography or needs of the country or needs of the mission, but some just for purely different, political reasons.

And I guess, you know, Director Muniz, you know, you bring not only integrity and a great work ethic and reputation that I think both sides respect, and you've certainly earned that, but my question, and we see it here even with the London embassy, what do you think would be the most important, spending hundreds of millions of dollars beyond the scope of what's needed in nonstandard designs with renewable energy projects and initiatives or building proven secure embassies that will maybe alter for esthetics or for culture in our most vulnerable missions overseas? Which is more important dealing with the terror threats that we face globally today?

Ms. MUNIZ. Thank you for your question.

I think I would argue that we don't have to choose one. We can do both. So I think London is a great example of, as I explained earlier, the Department was faced with a situation where we could have spent $550 million at the time of that estimate. Today that would be $730 million we could have invested in renovating the existing Chancery and it still would not have met security standards. So we had to look at alternatives. We sold existing functional properties in London to finance the current project.

Many of the sustainability requirements of the embassy, the public art requirements for that embassy, were put on us by the city of London and by the borough in London in which we're developing that building. So part of it is, is what we need to do satisfy the local government's requirements for us to build, much like——

Mr. RUSSELL. And I do appreciate the——

Ms. MUNIZ. —we meet local requirements——

Mr. RUSSELL. Sure.

Ms. MUNIZ. —here.

Mr. RUSSELL. Sure. And I understand the cultural needs. I mean, we are representing our country in theirs around the globe. I've had the privilege to travel as a member of this committee to many countries examining embassies. But I don't think that we are having security and thrift as the greatest thing in view.

And then to hear you, Mr. Starr, say that, in essence, it's all unicorns and rainbows and it's perfect out there, and then now we need to spend hundreds of millions of more dollars on a training facility that, quite frankly, our Armed Forces could probably cooperate and provide many of those needs.

And I guess, you know, just from infantryman's point of view and having been in a number of embassies in my military career over more than two decades, I saw a lot of glaring things that you don't even seem to be caring to address. And so I'd like to address so some of them since we have here you here.

Security detachments. Basic stuff. You're complaining about not having tens of millions of dollars or hundreds of millions of dollars for this or that security. Well, I've got some questions for you. Night vision devices, aiming aids for our security detachments, we're talking four figures here could fix these in any given embassy.

Power generation, water storage on the periphery walls, very vulnerable. They said, "Well, we can hold out for 30 days." Not if it's out there on the wall and it's already taken, which usually is the first thing that gets assaulted at an embassy, is the outer wall.

And then we see sewer and underground vulnerabilities. You ask, "Okay, where does this go, what's the access here?" "Well, we think there are some bars down here that would prohibit people getting up."

I mean, these are consistent things that I've seen on my trips. And we're not talking hundreds of millions of dollars, sir, we're talking single-digit millions could fix a great many of these things.

My question to you, if you are so dedicated to security, what are you doing to address those things?

Mr. STARR. Thank you, Congressman. There are thousands of things that are wants and there are things that are needs. Working closely with the inspector general, who goes out and looks at our

posts, and then we put together multiagency teams that include the Department of Defense and the Marine Corps that look at our embassies and DS agents that go out——

Mr. RUSSELL. And they tell me they need these things.

Mr. STARR. We look at these things—no, sir, I have no request from the Marine Corps for night vision devices. I have specialized units.

Mr. RUSSELL. You should get out to your embassies more and talk to those security teams that are out there.

Mr. STARR. Sir, I have been to Afghanistan, Iraq——

Mr. RUSSELL. No, I'm not talking Afghanistan and Iraq. I'm talking countries that largely have peaceful populations.

Mr. STARR. I've been to many of those places as well, sir.

Mr. RUSSELL. Well, I have no doubt that you have. And I would suggest, in fact I would like a report back on how you're addressing—when you have basic marine riflemen that don't even have an aiming aid on their rifle per rifleman, when you don't even have in a, say, six-and-one security detachment and they don't have seven total night vision devices, these are very, very simple fixes.

When you're talking about peripheral water storage and electrical generation that could be brought interior, much more close, and allows these legations to survive in the critical hours where they could maintain their communications and continue, I would say we have much, much more work to do.

And, quite frankly, Mr. Starr, I've not been impressed with a lot of the initiatives and the bright rosy picture that you portray, because in very simple, correct fixes, we can do so much more than we're doing now in practical terms without asking the American taxpayer for hundreds of millions of dollars.

And, Mr. Chairman, thank you for indulging me beyond my time. I yield back.

Chairman CHAFFETZ. Before the gentleman yields back, I want to follow up on his question. Are you suggesting to us that there are no outstanding requests for anything from the Marines?

Mr. STARR. Sir, the Marine Corps is responsible for providing weapons for the marine detachments. I am not aware that there are unfulfilled requests from the marine detachments through their MCOs to the Marine Corps. The Marine Corps sets the specifications for what weapons they get, what gear they have. That is up to the Marine Corps, not up to Diplomatic Security.

The larger question about other things that we have——

Chairman CHAFFETZ. When, when, wait, I want to get to the marines here, okay.

If they need material, if they need equipment, they're to make——

Mr. STARR. Requisition through the Marine Corps.

Chairman CHAFFETZ. Through the Marine Corps.

Mr. STARR. Yes, sir.

Chairman CHAFFETZ. And they're to get that from the Marine Corps?

Mr. STARR. Yes, sir.

Chairman CHAFFETZ. So if they need night vision capability, they need to be able—they're sitting there in the booth and they want to be able to see the perimeter, whose responsibility is that?

Mr. STARR. That would—if there's a need for night vision equipment, it would come from the Marine Corps.

I would tell you, sir——

Chairman CHAFFETZ. Wait a second. Now, there's individual goggles.

Mr. STARR. Right.

Chairman CHAFFETZ. But then there are cameras.

Mr. STARR. Right, which is ours. All of our cameras have night vision capabilities.

Chairman CHAFFETZ. That is absolutely not true.

Mr. STARR. Sir, we——

Chairman CHAFFETZ. You are so full of it, I can't even begin to tell you. That is not true. You come before this committee, you come before Congress, and you keep representing that we have all this in. They do not.

Mr. STARR. Sir, we have spent the last 3 years——

Chairman CHAFFETZ. Don't bark back at me. No, Mr. Starr, you are not——

Mr. STARR. We have spent the last 3——

Chairman CHAFFETZ. Mr. Starr, Mr. Starr, the time—when I ask you a question, then you can answer it.

This is the problem with you in this position. You cannot tell me that there is night vision capability at each of our embassies and consulates. Is that what you're testifying to?

Mr. STARR. Sir, all of our cameras, even our lowest and oldest cameras, have enhanced resolution.

Chairman CHAFFETZ. Do they have a night vision capability?

Mr. STARR. They are capable of seeing what is going on in the compound at night, sir.

Chairman CHAFFETZ. In the dark?

Mr. STARR. If—if—we lose all power and if we lose all generators, there are certain posts that will not be able to do that. But we have low light capability, and we've had that since the early '90s.

Chairman CHAFFETZ. You are misrepresenting the facts, Mr. Starr.

Mr. STARR. Sir, we have low light capability cameras, and we have engaged, since Benghazi, in an upgrade program starting with all of our——

Chairman CHAFFETZ. It's not complete. You've wanted us to believe, if I didn't question you, that every one of our posts can see at night. They can't.

Mr. STARR. Sir——

Chairman CHAFFETZ. And you don't understand that. You are the assistant secretary, Bureau of Diplomatic Security, and you don't know that our people can't see at night.

Mr. STARR. Our marines and our agents can see at night.

Mr. RUSSELL. Well, I would tell you this, Mr. Starr, if I may, Mr. Chairman, the regional security officers are the ones that provide, as you well know, the security for each of the compounds. State funds the RSO's request.

Mr. STARR. Correct.

Mr. RUSSELL. And that includes many of the pieces of equipment that they ask for. Now, either the integrity of the Marine Corps is at stake here, where they say that they can't get the equipment be-

cause it's funded through the RSOs, or maybe somebody else's integrity is at question here.

Chairman CHAFFETZ. I think the picture is really clear. You can understand why these RSOs are having so many problems. I walk into every embassy I go into now and ask them if I can see at night. One of the most recent embassies I walked into, they said, "Well, if the lights are on."

I said, "Well, what happens if it's dark, what happens if they shoot out the lights?" "No, then we couldn't see a thing. We'd be in the pitch dark."

How you, in that position, have the arrogance to come before us and say everybody has the ability to see at night, I'm telling you, Mr. Starr, you are beyond, beyond belief here. This is why we keep coming back here, because that is fundamentally and totally not true. And I'm dedicating my life running around the world to make sure that they get the equipment that they have. The problem is, the person who is in position to do it, who could go down to Home Depot and buy this stuff, isn't doing it, doesn't even think it's a problem.

I would love to see a list. Are you able to provide a list to us of all the outstanding requests by the regional security officers? Can you provide us that list?

Mr. STARR. I believe I can, sir.

Chairman CHAFFETZ. When will you provide it?

Mr. STARR. Give me 2 weeks, sir.

Chairman CHAFFETZ. Two weeks it is.

Chairman CHAFFETZ. Now I recognize the gentleman from Alabama, Mr. Palmer——

Mr. STARR. May I comment, sir?

Chairman CHAFFETZ. Sure.

Mr. STARR. Sir, we have embassies all across the world. We have embassies in Third World countries and First World countries. We have embassies where we have never lost power, and we have embassies where we do lose power and we run on generators. We have some of the most comprehensive security standards for any facility in the world.

Now, I'm not saying that our buildings are built better than the protection for nuclear facilities, but in comparison to a regular office building, our facilities are built to a standard that is very safe and secure. Our embassies in Sudan and in Tunis withstood 8–1/2 hours of crowds pounding on them when the police wouldn't come and rescue our people. Our marines and our RSOs had the equipment to defend those embassies during that time. Nobody got in. Nobody was injured.

We have comprehensive programs. They're not perfect. There is no such thing as a perfect program, and we continue to run reasonable risks overseas. But we will do our absolute best to ensure that our people are safe and secure.

Chairman CHAFFETZ. I appreciate you getting that list to this committee. I do appreciate it. We look forward to seeing it in 2 weeks.

Mr. Palmer from Alabama is now recognized.

Mr. PALMER. Thank you, Mr. Chairman.

Ms. Muniz, Mr. Starr, why does the Overseas Buildings Operations and the Bureau of Diplomatic Security rely on unpublished draft memorandum rather than Federal law and the Foreign Affairs Manual to determine when to begin construction on facilities?

Ms. MUNIZ. I'm not sure I understood your question correctly. I think it was, why do we rely on our published policy versus law?

Mr. PALMER. Unpublished, on unpublished draft memorandum.

Ms. MUNIZ. I would say that we rely on the law when it comes to certifications to Congress. I would turn this over to Mr. Starr.

Mr. STARR. Sir, in terms of certification, I agree with the inspector general that we have a section of the FAM that's out of date that does not—is actually saying something that's different than public law. If there's any question about what takes precedence, it's public law over the Foreign Affairs Manual.

Mr. PALMER. Then what is your response to the OIG's finding that the use of the draft memorandum, without telling anyone, is likely to mislead audiences, including Congress, who expect the Department to follow its published policies?

Mr. STARR. Sir, the public law requires us to certify to Congress that the facility resulting from the construction project is going to be safe and secure for our national security activities, our classified information, and our people, our personnel. We are providing a facility in line with that certification that is safe and secure for our people, our national security activities, and our classified information.

Mr. PALMER. Well, my concern is, as the OIG's report points out, is that it's likely to mislead people, including Congress.

And I want to go—put the slides back up that Mr. Chairman had up at the very beginning of hearing on the construction project.

Ms. Muniz, you've made the argument that that's not construction. I worked for two international engineering companies, engineering construction companies, and it is—there are times when you could separate the site work from the overall contract where it could be contracted out. But having worked in engineering construction, I can assure you that site work is part of the construction. But even more importantly, when you're setting piles, it's absolutely critical to the construction process.

And I think you made the assertion that that's not construction. Frankly, I was astounded when you said that. It raises questions, in my mind, your competence in your position.

Ms. MUNIZ. I would like to be clear about the Department's position on this. So, first of all, with respect to this photo, this photo was taken after certification.

Mr. PALMER. Before you go any further, are you saying this is the Department's position, that setting the piles and doing the basic foundation work is not part of the construction?

Ms. MUNIZ. The Department—what I explained is that the Department has allowed for years, since 2003, the construction of piles up to pile caps in advance of certification. That has been common practice for over 10 years.

Mr. PALMER. If you do that, does this not result in substantial numbers of change orders when you haven't certified the building and you find out later that the foundations are not sufficient? I think there has been some issues with that.

Ms. MUNIZ. We have not found that. And we certainly have not found that in the case of London.

Mr. PALMER. I'm talking about overall, because I think there are issues with exceeding the budgets, having numerous change orders. I think there was some issue with a couple of things you wanted to put in the building that you couldn't put in because you found out that the building wouldn't support it.

Ms. MUNIZ. I'm not sure which project you're referring to. That's certainly not the case in London.

Mr. PALMER. Well, my point about this is, is that you come in and, listening to the chairman's questioning, and you argued that or assert that the setting of the piles is not part of the construction progress and that you admit that you have done a lot of this work without certification of the building, which raises questions to me that if the building has not been certified that it leaves the door open for design changes that do impact the construction costs.

And I think that's one of the problems that we have in trying to make sure that the taxpayers' interests are protected, not only that our employees who depend on these facilities for their protection are taken care of, but that we take care of the fiscal aspect of this as well. I mean, you know, we're deficit spending every year, and certainly not—it is not totally due to cost overruns.

And this is something that I'm finding throughout the Federal Government. But it is a problem here. And listening to some of the other questions that have been asked about some of the inadequacies that are not being addressed, and we're spending, I think, millions of dollars having to address issues of design changes and change orders and other aspects of construction projects.

And, again, frankly, for someone to assert that setting the foundations and driving the piles is not part of the construction process raises serious questions in my mind about the qualifications of the individuals that make those assertions.

I've gone over my time, Mr. Chairman. Thank you. I yield back.

Chairman CHAFFETZ. Thank you.

As a follow-up here, I now have a number of issues and questions I need to go through.

So that picture that was just up on the screen, that is one of our concerns. I think it's a legitimate concern, it's something that the IG is seeing, something that we're seeing. If we can put that picture back up there, that same one, which the most recent one.

If I hear right, OBO is saying that's not construction, that has been the practice for 10 years, predated what you had done. And we're looking at that, saying, well, we think that does meet the standard of construction.

And one last line, then I'll give you a chance to answer. In the IG report, it says, quote, "The Department must provide certification to Congress that the project design will meet security standards prior to undertaking construction." And I think this is the disconnect. We may not be able to resolve it today, but I think we've understood where the disconnect, in part, is.

Ms. Muniz.

Ms. MUNIZ. So my comment about this photo is only that this photo shows work beyond the piles. So what we have argued is that it has been common practice in the Department to award a con-

struction contract, I'll be very clear about that, for years, award a construction contract and to allow the beginning of the construction of the piles to the pile cap. We stop prior to the foundation and certainly prior to coming out of the ground. This photograph was taken about 5 months after certification, which is why you do see the building coming out of the ground in this photo.

Again, I want to be very clear about awarding the construction contract. It's clear to me why that would be viewed as commencing construction. And that is a practice that the Department has undertaken for 12-plus years and is simply a practice that we continue to progress with.

I do agree there is this—there is this ambiguity between awarding the construction contract and the certification. But I really believe that we should work together to resolve the issue, because the advances in speed that we have been able to make awarding design-build contracts or awarding contracts and having those piles come out of the ground, and those have benefited the program for over 10 years, have been because we have gone forward with that practice.

So I think we should work to find a methodology that everybody is comfortable with where we can move those projects forward.

Chairman CHAFFETZ. Sounds good. The problem is the inspector general is also not convinced. And I think we would have a greater level of confidence, but the inspector general still 5 months out is still saying this is an outstanding recommendation.

And I think it is also materially different when you have such a design element that is dramatically different. It's not something we've ever done before, nobody has ever done before. And it's not a little, hey, we're going to try a new air conditioner. We're talking about the whole facade, the whole blast wall of the entire building in this day and age where safety and security is so paramount.

We have surrounded it. I'm just saying we want to work with you on that. But I also want you to work with the inspector general. I think our issue is not just pulled out of thin air, it is well founded, and that the IG is really the one that pointed this out.

Along with that is there are four outstanding recommendations? Or two of those have been closed? Help me, Mr. Linick, as to where we're at with this.

Mr. LINICK. Yes, Congressman. Two of those have been closed, those relating to the $42 million. The two recommendations were that the Department put together policies and procedures to make sure people understand the contracting, the ECI method, and also that there's training. And both of those have been closed. We've seen documentation indicating the Department has completely followed those recommendations.

Chairman CHAFFETZ. What's outstanding?

Mr. LINICK. The other two that are outstanding are the ones to DS and OBO regarding making sure there are controls in place to ensure that construction is not initiated before certification and that required testing is done before certification.

Chairman CHAFFETZ. And I think it would be helpful if State could provide sort of a definition of what construction is, because I think this is where there is a disconnect between the three dif-

ferent entities here, between State, the IG, and certainly us in Congress. So I hope you find that favorable. We'll work towards that.

Mr. CUMMINGS. Will the gentleman yield just for a second?

Chairman CHAFFETZ. Sure. Sure.

Mr. CUMMINGS. Mr. Chairman, you just hit on a very important point. It seems as if you have one understanding and you have another, Mr. Linick. And some kind of way, we've got to come together or we're going to be going through this process over and over again. It seems—would you agree, Mr. Chairman?

Chairman CHAFFETZ. Yes. That's why we're 5 months later after these recommendations and we're having to call a hearing.

Mr. CUMMINGS. I think that's very important that we figure out how do we get on the same page with regard to understanding the law and the regulations.

Is that—Ms. Muniz?

Ms. MUNIZ. I think that's fair. And I think there is a way that we can come to an understanding and brief the committee so that we are all very clear about when construction contracts are awarded, when certification happens, and all of the steps in between. I do think that's something that's achievable.

Mr. CUMMINGS. Thank you for yielding.

Chairman CHAFFETZ. Taking photos of buildings under construction, what is—is there a State Department policy on that? We do it? We don't do it? I'm getting conflicts here.

Mr. STARR. We actually can't prevent it. I mean, you canbe outside of our perimeter and take photographs of it as it's going up. We have certain things, certain places, and certain sections inside that we don't allow photographs.

Chairman CHAFFETZ. When I was in Jakarta touring that facility, you know, I'm on the Oversight Committee, I'm the chairman of this committee, and they didn't want me—I took some, but they didn't want me to take any photos of those buildings in a very raw state. And then we come back and we look online and you got Flickr accounts.

And go to the other one. This is all public, you know. And I really do question, based on the security side, I don't know if you all are having to look at this, but there's another photo, hopefully we have it, from the inside of the building, where I really question whether—whose best interest is that? I mean, I know we want to get our Facebook posts up and get more people following us on Instagram. But we'll show you these.

And this is a sensitive post. We got a lot of classified information that's going to be flowing through there. And we're showing the duct, you know. We just passed a law, an energy bill that doesn't allow for us to show how electricity flows and where, and, yet, we're out there taking pictures and posting them up and trying to promote, hey, look at how the construction is coming along.

And I think it is a security question. And I think we should—I just encourage you to go back and look at that, because I don't think it's in anybody's best interest to actually have the intimate details. From the street, afar, anybody, you know, their hotel, is taking a picture, I mean, you're right, not much we can do about that. But when we do it internally, I think that's somewhat of a problem.

The glass. I do question the whole blast wall and why we picked such an opulent-looking facade. What is the cost of taking this and shipping it? I believe it's constructed in Germany, right, goes to Connecticut, then it's got to go back over to Europe. What does that cost to do? Because now we're starting to see it blossomand going into other facilities, like Jakarta and other places.

So why this? And what is the actual cost of this?

Ms. MUNIZ. So we could get back to you on the detailed cost of the curtain wall as separated from the rest of the building.

Ms. MUNIZ. I don't have that off the top of my head.

I do know that, as you pointed out, on the London embassy, the glass is manufactured in Germany, is shipped to the U.S. for security reasons to be reassembled with the frames, which are manufactured here, and then shipped back.

We, when letting a contract, don't control what we call the means and methods in that construction contract. So we let the contractor find the best provider of any material. My hope is that we will be able to, and Jakarta is an example where we are using a U.S. manufacturer of the glass, as well as the frame. And I think that's the ideal scenario.

Chairman CHAFFETZ. The cost of the glass, the production, the shipment, all of that, my understanding this is in the range of, you know, this alone is about $100 million dollars of the expense. So when is a reasonable time to get that information?

Ms. MUNIZ. Given the holidays, I'm being conservative——

Chairman CHAFFETZ. Understood.

Ms. MUNIZ. Given the holidays, why don't we give you something early January. We'll try to see if we could break out the cost. Some of this will require us to go to the contractor and ask for their number.

Chairman CHAFFETZ. Fair enough. Fair enough. Let's keep going because I want to——

Ms. MUNIZ. But we could work on it.

Chairman CHAFFETZ. Fair enough. I want to get through this.

There's an issue with the VAT tax. I don't know where we're at in this process. I've read news reports. Locally they were going to charge us a VAT tax. State said no. Then we were on again. What is the status of the VAT tax obligation?

Ms. MUNIZ. We have resolved the VAT tax discussions, and we would be happy to have more detailed conversations in a closed-door setting about the resolution of the agreement. But the conversation——

Chairman CHAFFETZ. Why can't you share that, at least the tax bill?

Ms. MUNIZ. The conversation has been resolved with the British authorities and we are within our budget and actually below our budget, which had included an estimate for VAT.

Chairman CHAFFETZ. Why is that? Is there some classified, something classified about this? Or is it just embarrassing?

Ms. MUNIZ. It's not just embarrassing, but our bilateral conversations and agreements on VAT with different countries are occasionally privileged. And in this instance, that is the case. But, again, we would be happy to have a more detailed briefing in a closed-door setting.

Chairman CHAFFETZ. Okay. I'll trust you on that.

Ms. MUNIZ. But the issue is resolved, you will be happy to know. The discussions are closed and we are within the budget.

Chairman CHAFFETZ. There was a news report that you had spent a million dollars on some slabs, I don't know how to describe it other than slabs of cement that were supposed to adorn the embassy. It was a million-dollar expenditure. The artist's last name, I think, is Scully. But then it was discovered, at least according to one news report, that it was too heavy to move and certainly too heavy to be in the embassy. What is the latest on that fiasco?

Ms. MUNIZ. So the latest on the art acquisitions is we had, you are quite right, contracted with a gallery to provide a monumental sculpture for the outside of the embassy. As you'll recall, we were required in order to get permitting for the building to invest 1 million pounds in public—what would be considered public art, not unusual in large, developed cities. That went towards that contribution.

It is true that the sculpture, as envisioned, was solid granite blocks and my understanding is was too heavy for the position where it was going to be. But we are going to replace it with other public works. The piece in question was not purchased, and the piece was not manufactured, and we have an agreement with the gallery to work out other arrangements for that public art.

Chairman CHAFFETZ. How much are we going to spend on art in this embassy?

Ms. MUNIZ. So the total art budget is a little over $4 million. As you know, we provide 0.5 percent of all of our construction contract amounts for art programs in our new buildings, new embassies and new consulates. In this instance, because of the 1 million pound requirement to add public arts, we added that, because all of that will be focused on the exterior of the embassy to get our permits.

Chairman CHAFFETZ. Was that a London city request or was that——

Ms. MUNIZ. We can get back to you on whether it was the Borough of Wandsworth or the city of London, but it was certainly a local requirement.

Chairman CHAFFETZ. Mr. Starr, have you had, and I'm talking broadly here, there been any data breaches of our information systems at the State Department in the last 12 months?

Mr. STARR. Yes.

Chairman CHAFFETZ. How many?

Mr. STARR. I know of only one that any data was exfiltrated.

Chairman CHAFFETZ. And was that different than the Office of Personnel Management?

Mr. STARR. Yes.

Chairman CHAFFETZ. And how many people did it affect?

Mr. STARR. There was no PII released, sir, no personal identifiable information. It wasn't that type of breach.

Chairman CHAFFETZ. Was there any classified information released?

Mr. STARR. No, we don't believe there was any classified released either.

Chairman CHAFFETZ. Within the structure, who's responsible for the security of those systems?

Mr. STARR. Diplomatic Security runs a computer virus, computer cybersecurity center for IRM, which runs the infrastructure, the pipes, does all the communications, and all oF that. They're responsible for the system. We help protect from the outside, looking at things that are coming in. We work closely with US–CERT and with Homeland Security and other agencies to make sure that we have the right types of protection on the outside of the system.

Chairman CHAFFETZ. Internally, what sort of operating systems are you using? Microsoft products?

Mr. STARR. Yes. It is mostly Microsoft based, although there's a tremendous amount of other applications on the system. But it's a Microsoft-based system.

Chairman CHAFFETZ. Like Windows what?

Mr. STARR. Sir, there are—there are—I'm actually not the best one to tell you this. IRM would be the one to tell you. I can tell you what is on my screen, which is I think Windows 7, when it comes up on the unclassified system.

Chairman CHAFFETZ. Windows 97 or Windows——

Mr. STARR. I think it's Windows 7.

Chairman CHAFFETZ. It's old, isn't it?

Mr. STARR. It's fairly new. State has made a significant investment in trying to upgrade the unclassified systems. But I would be very pleased to come up and—some of this gets into sensitive information, particularly about that breach. I'd be very pleased to come up and talk with you. But I would also, if I was, I would like to bring the head of IRM with me.

Chairman CHAFFETZ. Okay.

Mr. Cummings.

Mr. CUMMINGS. I just want to make sure we're clear now. You all—Mr. Starr, you're going to be providing us—I was out of the room in a meeting when you, apparently, said this—that you were going to be providing us with all the security requests from the regional security offices within the next 2 weeks. Is that right?

Mr. STARR. I will try my absolute best to do that, sir, yes.

Mr. CUMMINGS. Okay. And you all are also going to try to see if you can get on the same page here.

How do you plan to try to do that, Ms. Muniz?

Ms. MUNIZ. I think the old-fashioned way. We'll have a conversation. We'll map something out. And then we'll come brief to the Hill and to others who are sort of outside the process to make sure that it's clear and makes sense.

Mr. CUMMINGS. And are you agreeable to try to do that, Mr. Linick?

Mr. LINICK. Absolutely.

Mr. CUMMINGS. Very well.

I want to thank you all for being here today. I appreciate your testimony. We, of course, have our concerns. We are always concerned about cost, even though we know how this is pretty much paid for by the swap or whatever you want to call it, but the fact—the sale of the properties, our properties overseas over in London, in England. But we're also very concerned, as always, about security. And I think the frustration that you heard from the chairman, I think a lot of that is about the frustration of trying to make sure that we're doing it right, so that cross all our t's and dot our i's.

So, anyway, but thank you all for being here, and I look forward to working with you.

Chairman CHAFFETZ. I thank you all. This is one of the, as I've said a couple times before, this is one of the things that makes this country so unique and so sought after, is we have heated discussions about things we care about in an open and transparent way.

We have people, the inspector general community, who dedicate their lives, and we appreciate them and their efforts. I want them to know how much we care about their work product and the time and effort that they take, sometimes gone for long periods of time, traveling around the world.

Those that serve in Diplomatic Security and the OBO office, I've had the pleasure of meeting these oftentimes very young people who are out there dedicating their lives. They are very patriotic people, they work hard, and serving their Nation, and they're proud of what they're doing. And that is the spirit in which we approach this as well, as I know the both of you do.

So we appreciate this hearing, look forward to the interaction.

And with that, the hearing stands adjourned.

[Whereupon, at 12:21 p.m., the committee was adjourned.]

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