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United States Department of State  
and the Broadcasting Board of Governors  
Office of Inspector General

# Report of Inspection

Embassy Lima, Peru

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## KEY JUDGMENTS

- The Ambassador and his newly arrived deputy chief of mission (DCM) are effectively leading the mission forward on an array of difficult U.S. foreign policy challenges.
- The public affairs section (PAS) plays a lead role in informing Peruvians of the impact of narcotrafficking on Peru's civic and private institutions. At the same time, the section is conducting highly successful democracy-building mutual understanding programs.
- Embassy Lima has access to several well-structured binational centers throughout the country that it uses for public diplomacy-related mutual understanding programs in English teaching, educational exchange, and library outreach.
- The consular operation in Lima is efficient and well managed, but its poor physical layout limits its ability to address a growing immigrant visa (IV) workload and to prepare for a return to higher levels of nonimmigrant visa (NIV) processing. A professional space planner is needed to reconfigure existing space.
- The consular agency in Cusco does not provide a full range of services nor does it maintain regular office hours or professional recordkeeping for its emergency services to American citizens in the area. The embassy needs to address the consular agency's shortcomings and make its operations more professional.
- The narcotics affairs section (NAS) is focused on ending Peru's status as the second-largest producer of cocaine in the world, but its effectiveness is constrained by the limitations of the Peruvian government and the lack of political support for aerial eradication of drug crops. Varied efforts over the past four years to get a nonlethal aerial eradication program off the ground have had little success.

- The political section does an excellent job of keeping the mission and the Department abreast of current political developments in Peru. The section's large and varied portfolios enable the officers to develop valuable contacts at many levels of the host government and local community.
- The economic section focuses well on current bilateral and regional issues. The section's officers can expand their portfolios as regional economic pressures force Peru to take the lead on issues affecting the region, such as energy production and environmental protection.
- The security program is well run and enjoys support from the Ambassador and DCM. The dangers of serving in Peru are always close to the surface, and the Ambassador takes seriously his responsibility to ensure that all possible precautions are taken to safeguard the staff.
- Embassy Lima continues to experience problems with various doors. It attributes the problem to the age of the embassy, the area's high seismic activity, and the doors' high usage. In addition to the 53 doors identified by the Bureau of Overseas Buildings Operations (OBO) as needing repair, there are doors on each of the compound access controls in need of repair and, in some cases, replacement.
- Embassy Lima's management section has achieved notable cost savings without compromising service standards to the embassy community.

The inspection took place in Washington, DC, between September 14 and 30, 2005, and in Lima, Peru, between October 31 and November 17, 2005. Ambassador Eileen A. Malloy (team leader), James Dandridge, II (deputy team leader), Arne Baker, Renate Coleshill, Leslie Gerson, Vickie Huss, John Jones, Marjorie Lynch, Jennifer Noisette, Janis Scorpio, and Robert Torres conducted the inspection.

## CONTEXT

Peru is bordered by five countries and is the third-largest country in South America. The nation is three times the size of California and home to 27 million



people, half of them living below the Peruvian government's poverty line. Peru has fewer paved roads than Rhode Island, leaving large parts of the eastern and Amazon regions under scant central government control. These areas are mostly controlled by narcotrafficking cartels. The economy of Peru, while expanding in each of the past four years, does not produce enough revenue for the government's social welfare responsibilities. The party of

President Toledo controls only a quarter of the seats in the Congress, hobbling central government efforts to promote much-needed economic and political reforms.

An important U.S. partner for promoting regional stability, Peru is pursuing a regional free trade agreement (FTA) with the United States to encourage economic growth. The mission believes that U.S. national security is best served by helping to develop the infrastructure of democracy, creating a transparent commercial environment that abides by rule of law, and promoting sustainable development. Until the government of Peru can carry out these functions on its own, substantial U.S. assistance will be needed to keep these bilateral programs in operation.

The United States works closely with the Peruvian government to counter narcoterrorism. The U.S. narcotics assistance program has a three-prong approach: eradication, interdiction, and alternative development. Eradication efforts are constrained by the lack of political support among the Peruvian population, particularly for aerial eradication. All eradication efforts are conducted on the ground

by Peruvian National Police (PNP). The Peruvian government has conducted a number of recent interdictions at major air and sea ports, yielding large quantities of drugs that would otherwise have entered international markets. The Air Bridge Denial program is currently dormant, pending development of a new Regional Aerial Interdiction Initiative that is nonlethal. Interdiction on maritime routes is a huge challenge due to the 10,000 plus river routes out of the Amazon region. Alternative development programs run by United States Agency for International Development (USAID) have had some success in creating pockets of legal enterprise around core coca-growing areas. Violent resistance to alternative development programs by narcoterrorists and local coca growers remains the greatest challenge.

Peru's recent election to a seat on the United Nations Security Council for the 2006-2007 term will add a new dimension to the bilateral relationship. The mission will have an expanded role in U.S. efforts to influence the approach taken by the Peruvians in the Security Council on issues of key importance to U.S. interests worldwide.

The mission employs 247 direct-hire American employees, 523 locally employed staff (LES), and 32 personal services contract employees. Total funding provided to the U.S. agencies based in Peru is over \$175 million<sup>1</sup> with funds from the Andean Counterdrug Initiative (ACI) for counternarcotics programs constituting the largest share (approximately \$115 million) and USAID funds totaling almost \$30 million. Another substantial assistance program provides food assistance related to Public Law 480 and is worth \$12 million.

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<sup>1</sup>A minimum figure since some federal agency figures were not available at the time of the inspection.

## EXECUTIVE DIRECTION

The Ambassador and DCM are able stewards of U.S. government interests in Peru. Their work is vastly complicated by the fact that they must both work for the U.S. government and navigate the Peruvian government's bureaucracies if they are to make any headway on key Mission Performance Plan (MPP) goals. Those goals are: promoting democratic institutions, defeating narcoterrorism, and promoting sustainable development. As in many developing countries, bilateral programs in Peru must transfer significant resources to host-government institutions, for the Peruvians to carry out their assigned bilateral roles. The Ambassador and DCM understand the importance of providing transparent briefings to visiting congressional delegations and their staff, and therefore this post contributes to a positive relationship with the U.S. Congress.

The Ambassador uses weekly country team meetings and targeted issue-specific meetings to ensure that the country team's efforts are directed to MPP goals. Heads of agencies interviewed by the Office of Inspector General (OIG) said they had an active role in the development of the MPP and, in turn, share their agency's reporting and analysis plan with post management. Once the goals are established, each section uses this document as a roadmap in allocating scarce resources. The MPP reflects the American direct-hire positions that the post believes should be added to the staffing mix, but the plan does not discuss any rightsizing initiative. The chancery is large and spacious, and few office suites with controlled access areas have space problems. Therefore, there has been little incentive to control growth, especially of Foreign Service national (FSN) staff.

One section chief said this is the best-run mid-size embassy he has seen. The embassy front office has made headway in promoting good interagency coordination among country team members. The political section appreciates the Ambassador's support for its aim of more closely working with USAID on operational aspects of USAID programs that affect MPP objectives. The NAS, U.S. Commercial Service, economic section, and USAID now work more closely in the design and implementation of alternative development projects.

The interagency coordination challenges include the need to develop a single strategy for "branding" U.S. assistance programs. Although USAID plays a formidable role in long-range strategies of accomplishing U.S. objectives in Peru, it is

obligated by its Washington headquarters to "brand" its development programs in Peru. Similarly, the Drug Enforcement Administration (DEA), the lead law enforcement agency on counternarcotics at the mission, said it has found it more credible to brand some of its law enforcement activities in Peru by juxtaposing the DEA logo with that of the PNP on public announcements. However, the perception of parallel programs could detract from the "single mission approach" to the ultimate objective of nationalizing counternarcotics programs in Peru.

A second interagency coordination issue involves the substantial U.S. military footprint in Peru. Direct military counterpart relations are good, but operational activities are periodically stymied by the Peruvian government's bureaucratic inefficiencies. There is no Status of Forces Agreement, nor has the Peruvian government signed Article 98 (International Tribunal Exemptions). OIG requested a copy of the memorandum of agreement between the Chief of Mission and the commander of the U.S. Southern Command, which should spell out security responsibilities for U.S. military personnel deployed to Peru. The mission did not have a copy, but recalled having seen a draft approximately 18 months prior to the OIG's visit. Mission personnel did not recall finalizing and signing the agreement. These issues were discussed with the mission, and OIG shared its observations on U.S. military deployment to Peru with the Inspector General of the Southern Command. OIG later learned an agreement had been signed and was last revised in 2003.

**Recommendation 1:** The Office of Rightsizing the U.S. Government Overseas Presence, in coordination with the Bureau of Western Hemisphere Affairs and Embassy Lima, should request that the Commander, U.S. Southern Command, initiate an annual review of the memorandum of agreement with the Ambassador in Lima, pursuant to the memorandum of understanding between the Departments of State and Defense on the security of Department of Defense elements and personnel. (Action: M/R, in coordination with WHA and Embassy Lima)

While this Ambassador has his priorities, he does not slight other goals and ensures that each mission element gets all due attention and support. The front office ensures that each section is kept well informed on all crosscutting issues. One way this is done is through structured weekly meetings based on specific issue baskets. While this serves information flow well, some participants in these meetings find there are too many "set piece" meetings. (One officer has up to 27 such meetings a month.) This leaves them with insufficient time to engage with host-government interlocutors. OIG informally suggested ways for set piece meetings to



be arranged more efficiently, to ensure that country team members are free for their core duties by mid-mornings at the latest.

The Ambassador has been very supportive of public diplomacy and has instructed all mission elements to work closely with PAS on coordination of public messages and development of communication strategies, especially on key issues such as USAID's alternative development initiatives. The PAS, USAID, and NAS have close working relationships and their joint public diplomacy equities are well documented throughout the MPP.

Embassy Lima has good morale. Employees are pleased with post management, find their work rewarding and meaningful, and enjoy their housing and the support of the management section. FSNs have job tenures that are exceptionally long. The entry-level officer (ELO) program has improved considerably since the arrival of the new DCM, and the ELO's, generalists and specialists, report satisfaction with the mentoring and guidance received from their section chiefs and the front office. OIG did not discern any Equal Employment Opportunity (EEO) issues at this post, but found the country team has a strong representation of female and Hispanic officers that is mirrored by the general staff.

The security program is well run and enjoys support from the Ambassador and the DCM. The dangers of serving in Peru are always close to the surface, and the Ambassador takes seriously his responsibility to ensure that all possible precautions are taken to safeguard the lives of his staff.



## POLICY AND PROGRAM IMPLEMENTATION

### PUBLIC DIPLOMACY

#### Planning and Assessment

PAS is fully integrated into all mission operations and is successfully meeting its public diplomacy objectives. Public diplomacy tools and tactics are central to many of the MPP goals. The Ambassador said there is a public diplomacy dimension in the mission's major outreach programs on counternarcotics, counterterrorism, and the FTA. On the latter issue, poll results reflect the success of efforts by PAS and others in the mission. In January 2005, only 48 percent of Peruvians were familiar with the FTA. In June 2005, this number rose to 83 percent. The mission has an excellent relationship with Peruvian colleges and universities. Whenever embassy officers travel, they are encouraged to speak to students at universities. In fact, one of the embassy's political officers is a former history professor and has offered U.S. history courses at two Lima universities.

#### Staffing and Administrative Coordination

PAS has three Foreign Service officers, including a senior officer and 22 FSNs. This staffing reflects an earlier more robust mission engagement in what were then larger counternarcotics programs. Now that the relative regional dimensions of the Peruvian counternarcotics programs have been reduced, and the focus of mission outreach programs is more diverse, PAS staff could be restructured and reduced. There are six LES in PAS who will be eligible for retirement within the next year. OIG discussed taking advantage of these retirements to reduce staffing through attrition and restructuring upon the departure of these LES.

**Recommendation 2:** Embassy Lima should initiate a staff reduction, through attrition and restructuring, to bring public affairs section staffing into line with new program and outreach realities. (Action: Embassy Lima)

PAS has a \$1.4 million budget, which is inadequate to support all agencies' outreach programs on counternarcotics and counterterrorism. As a result, public affairs communication strategies are supplemented through program grants from the NAS and USAID. The Department of Defense (DOD) also provides military information resources for the conduct of focused law enforcement public affairs communication strategies and campaigns.

The mission's American officers are all professionally proficient in Spanish and are trained in their public diplomacy specializations. The public affairs officer is the grants officer and also provides grant support to other sections, although he has not been called upon to do so during his tenure. More training in grants management would help the cultural affairs officer and assistant cultural affairs officer in managing the preponderance of the programs supported by grants. OIG discussed this with the public affairs officer.

## Program Coordination

Although the mission's policy projections focus on counternarcotics, counterterrorism, and negotiating an FTA, the public affairs strategies are complex and far reaching. As mentioned, public diplomacy activities are fully integrated into mission goals, and PAS works closely with all agencies and sections in the mission. The public affairs officer is a working member of all of the principal committees, and the information officer - the press attaché - is the Ambassador's alter ego for policy. However, the interagency public diplomacy program's support needs exceed PAS resources. As mentioned, the NAS and USAID have their own public affairs grants and communication strategies. Meanwhile, a DOD military information support team develops information strategies and communication support activities for the law enforcement agencies at post. Although PAS signs off on individual campaigns, there is limited direct coordination between these agencies and sections. There is commendable coordination with PAS, but without a formal mechanism to facilitate direct interagency coordination, the mission runs the risk of generating splintered messages and conflicting public affairs priorities. OIG discussed enhancing coordination of public affairs strategies by including them as agenda items in relevant MPP interagency committee meetings.

There are no constituent posts in Peru, but PAS has expanded its outreach through seven cooperating binational centers throughout Peru. The section assists them with their English teaching and cultural programs, as discussed below.

## Information Advocacy

The PAS programs encourage increased women's participation and expanded women's economic opportunities. For instance, 42 percent of participants in the FY 2005 International Visitors program were women and seven of the 15 recommended Peruvian Fulbright grant recipients for academic year 2005-2006 were women.

The PAS' information section is led by an agile press attaché who has the complete confidence of the Ambassador. PAS information outreach extends beyond the major Lima media and resident foreign media to the provincial media. In this regard, PAS manages a grant with a Lima-based public policy research organization to examine and report on the impact of narcotics trafficking on Peruvian society, including the media. Once the national media became aware of how it had been manipulated by the narco-trafficking industry, editorials changed and there was more realistic reporting on drug-trafficking's impact on Peruvian institutions and society. This research is now focusing on trafficking's impact on political institutions. The professional quality of the research makes it a prime candidate to be shared.

**Recommendation 3:** Embassy Lima should report more broadly within the United States the results of ongoing research conducted under a public affairs section grant by a Lima-based public policy research organization regarding the impact of narcotics trafficking on Peruvian society and media. (Action: Embassy Lima)

The MPP includes plans for opinion surveys. The PAS also regularly uses polling funded by USAID and coordinates its results into an overall assessment of Peruvian predispositions toward key mission policy initiatives.

All of the products of the Bureau of International Information Programs are used by the mission. The bureau's printed publications are distributed through the binational center network to various program grantees. The bureau's digital videoconferences are also popular programming tools; in FY 2005, there were 51 such conferences, 16 supported by the bureau.

## Information Resource Center

The information resource center (IRC) is the information officer's responsibility and is the main tool for regular outreach to the post's key contacts. The IRC also directly supports the embassy web site. The IRC annual plan is up to date and is coordinated with MPP objectives. The IRC effectively serves the internal mission community through several products. Due to its location within the embassy and the attendant security restrictions, the IRC does not effectively serve broader key audiences, however. Public use of IRC facilities is by invitation only and this limits public access.

**Recommendation 4:** Embassy Lima should close the information resource center on the main floor and relocate its offices to the second floor in the public affairs section. (Action: Embassy Lima)

The IRC's arrangement inhibits its effectiveness and public access to information on U.S. policy issues. OIG discussed the possibility of relocating some IRC resources outside of the embassy while IRC staff members would continue to be housed in the chancery. IRC staff could then periodically visit remote locations in Lima and other sites in Peru such as binational centers and educational institutions to assist with web searches and the distribution of IRC materials and products.

Every Friday, the IRC distributes an internal "weekly reader" to all American mission officers to keep them informed of U.S. policy issues and aware of IRC services. OIG suggested converting the publication to electronic distribution.

## Exchange Programs

All of the exchange programs directly support MPP objectives. Although PAS monitors all mission exchange programs to avoid duplication, there is no established mission exchange program selection committee. (There are good exchange programs supported by other agencies, such as USAID and DOD.) However, without a selection committee chaired by the PAO, according to 10 FAM 216.6-3, the mission risks failing to place the most appropriate participant in the most beneficial exchange program. Because participants are barred from accepting additional government-sponsored invitations for five years, they could be precluded from being chosen for the most appropriate mission exchange program. Due to the infrequency of the selection of government-sponsored visitors to the United States,

OIG informally recommended establishing a standing committee to serve as an all-agency coordinating committee for candidates for government-sponsored visits.

## English Language Programs

Peru has very active English language programs. These are conducted in the provincial binational centers and the Lima binational center. In the six provincial binational centers, there are 60,868 students, 959 teachers, and 528 classrooms. The Lima binational center is one of the largest in the Americas with an enrollment of over 30,000. The PAS is very engaged with the binational centers' English language programs and its IRC and library outreach programs. However, the regional English language officer (RELO) in Brazil has not visited Peru during her tenure, which began in 2004. Furthermore, most reports and inquiries sent to the RELO for comment have received no reply. Nevertheless, the RELO did approve the mission's requests for a senior English language fellow and English language specialists. There remains an urgent need to engage a younger, broader audience through this important mutual understanding and democracy-building program. OIG's report on Embassy Bogotá also found a need to assign a RELO for the Andean countries to work with regional PASs in development and standardization of English language programs through the vast network of binational centers, universities, and Colombian Ministry Of Education programs. That report recommended that the Bureau of Western Hemisphere Affairs designate and assign an Andean RELO to work with regional missions in the standardization of English language programs. The mission in Peru also urgently needs and will benefit from the assignment of a RELO for the region.

## Fulbright Commission

The Commission for Educational Exchange between the United States and Peru, known as the Fulbright Commission, was signed in May 1956 and ratified in January 1965. The Commission is not a binational entity in that the United States approves the annual budget, with donations from the Peruvian government and other sources. The honorary chairman, the Ambassador, appoints the board of directors, which has eight members (four U.S. citizens, including two from the mission, and four Peruvians). The chairperson and the treasurer are also Foreign Service officers.

The commission participates in the full range of Fulbright educational exchange programs and constantly reviews its mix of grants, which are distributed to diverse audiences throughout Peru.

The commission's educational advising unit is active and has accumulated an excessively large surplus of more than \$300,000 from fees collected for translation, testing, and educational advisory services. OIG attended a board meeting that addressed strategies to recycle these profits. PAS is also working with the Fulbright program's executive director to develop written standard operating procedures for controlling petty cash. OIG advised the public affairs officer of the provisions of 10 FAM 227.8 regarding the support of educational advising. The officer said the regional educational advising coordinator said the provisions of 10 FAM 227.8 are not applicable because educational advising does not take place on U.S. property. Under 10 FAM 227.8, the reference to recycling specifically addresses procedures within the United States. However, the regulation also mentions educational advisory services abroad and does not make further reference to the disposition of funds collected from advisory services. This leaves the post to its own interpretation of the appropriate disposition of these funds. Although the commission's approach to expand and improve educational advisory services at the binational centers in outlying provinces is commendable, the commission is also developing strategies to expand Fulbright educational exchange programs using these excess funds.

**Recommendation 5:** Embassy Lima should ask the Department for guidance on its planned strategies for the appropriate use of funds generated through educational advising services. (Action: Embassy Lima)

**Recommendation 6:** The Bureau of Educational and Cultural Affairs, in coordination with Embassy Lima and the Bureau of Western Hemisphere Affairs, should clarify the regulations on the proper use of funds that were acquired through advising services and provide guidance to the embassy on the proper disposition of these funds. (Action: ECA, in coordination with Embassy Lima and WHA)

## Broadcasting Board of Governors and Voice of America

PAS is in contact with the Broadcasting Board of Governors and Voice of America, as needed. Voice of America maintains direct contact with its affiliate



stations, but PAS facilitates technical support, as needed. In FY 2005, PAS programmed a visit by Broadcasting Board of Governors and Voice of America executives to establish an affiliate relationship with Peru's largest radio network.

## POLITICAL AFFAIRS

The political section's major themes are democracy, counternarcotics, and anticorruption. The section has four reporting officers who provide excellent coverage of the current Peruvian and regional political scenes. Section members have easy access to contacts at all levels of the government of Peru. They work closely with the economic section, NAS, DEA, USAID, and other offices. The front office provides excellent support, and the section generates timely and substantive reporting cables.

### Human Rights

The section has a full-time political officer covering human rights. A major part of his portfolio is the preparation of the yearly Trafficking In Person's (TIP) report for the Department and Congress. The section is proactive in handling this sensitive issue. While reporting on human rights conditions, the section gathers statistics on the number of persons trafficked through Peru and has successfully convinced the Peruvian government to seriously examine actual conditions. Until two years ago, the Peruvian government denied that a TIP problem existed. Following extensive information gathering and reporting by the political section, Peru admitted a TIP problem existed and took serious steps to address it. The government started a national program to fight child prostitution, created a shelter for underage prostitutes, and empowered nongovernmental organizations to start a tracking system for TIP-related cases. The Department found this approach to be innovative and cited the reporting officer and the section for their contributions in convincing the Peruvian government to address the TIP issue. The TIP office of the Bureau of Global Affairs also has highlighted the section's reporting as an example for other posts.

The human rights officer coordinates with other embassy offices to vet the names of persons recommended for U.S.-financed training. In accordance with the requirements of the Leahy Amendment, members of the Peruvian military, police, or civilians, must have their names vetted to ensure that they have not been human rights offenders before they can be proposed for U.S.-financed training.

## Reporting

The section reports on an extensive cross-section of issues relating to the Peruvian government nationally and in the regions. Widespread contacts within the Peruvian government and local diplomatic missions enable the section to gather first-hand information about the recent activities of a highly controversial former Peruvian president, who could be a key factor in the upcoming elections and whose appearance in Peru could cause political upheavals. The section's reporting on this political development was extensive, detailed, and timely.

The section reports on labor activities, geographic issues, outreach to local nongovernmental organizations, and religious groups, and it has active outreach initiatives to the diplomatic, political, university, and religious communities in Peru. These activities stretch the current officers but provide an excellent opportunity for ELOs from other sections.

## Illegal Drug Activity

In addition to the presence of NAS, DEA, and USAID counternarcotics programs, the political section provides a nexus for reporting on antidrug activities. Although Peru is a source country for cocaine, the United States receives sustained cooperation from the Peruvian government in counternarcotics activities. The Peruvian people are committed to strengthening their democracy. Supporting counternarcotics efforts in Peru is a major U.S. national security interest. By providing training and technical assistance, the United States is helping shore up key institutions, improve the administration of justice and the rule of law, strengthen local governments, encourage greater citizen participation in decisionmaking, and promote political party building.

ACI funds provide training, equipment, and technical assistance to the Peruvian government's counternarcotics programs. The ACI funds the Alternative Development Program, which does interventions in communities where coca is produced. In addition, Development Assistance and Economic Support Fund monies enable the Peruvian government to decrease coca cultivation in key areas and decrease coca and cocaine movement in source and transit zones. These programs help lower the risk of instability in areas with minimal presence of the central government that are facing the related threats of increased coca cultivation, narcotrafficking, and terrorism. These efforts face the growing challenge of an alliance between the narcotraffickers and the indigenous terrorist organization, Sendero Luminoso, which threatens democratic stability in Peru.

## ECONOMIC AFFAIRS

The economic section concentrates on the proposed FTA, property disputes such as intellectual property rights matters, and environmental issues. The five reporting officers provide excellent coverage of national and regional economic issues. The section chief has been lauded by the front office for consistent excellent economic reporting. He concentrates on FTA negotiations and related issues. Intellectual property rights disputes involving American citizens and corporations, environmental awareness, and money laundering are rapidly growing in importance. The Peruvian government is expected to complete its FTA requirements by the end of 2005. Future economic developments such as the completion of the natural gas pipeline, expansion of the mining sector, and enforcement of existing laws against illegal logging will provide the section with additional reporting opportunities. The section works closely with other mission agencies, and the front office provides it with excellent support.

## Trade Promotion

Trade promotion is a major embassy policy initiative. The front office, the economic section, and the U.S. Commercial Service have coordinated to build an understanding in the Peruvian trade and export communities of the benefits derived from FTA approval and sought to remove a major hurdle to Peru's participation. They pointed out that, to take advantage of the FTA, Peru would have to resolve existing trade disputes involving U.S. corporations and individuals. The embassy team repeatedly brought disputed cases to the attention of key Peruvian officials and encouraged quick resolution. It coordinated with the Bureau of Economic and Business Affairs, the Department of Commerce, and the United States Trade Representative to maximize leverage and bring a consistent message to the Peruvian government. As a result, six of the nine cases filed under the Andean Trade Promotion and Drug Eradication Act in 2002 were resolved. These efforts made it likely the Peruvian negotiations would be completed before the end of 2005.

## CONSULAR AFFAIRS

### Overview

Consular work in Lima is complex and rife with the potential for fraud. The consular staff works in a poorly configured, serpentine maze of high-walled cubicles, file cabinets, and storage units. The number of ELOs in the two visa units has doubled since 2001, with no increase in workspace. One of the two mid-level supervisory positions responsible for the oversight and training of the increased number of visa adjudicators will remain unfilled for nearly a year. Despite these conditions, the section is well run and has addressed its geometric increase in IV workload with existing staff, running no backlog in its NIV appointments. This is a record for high-fraud posts of similar size.

### Consular Management

The consul general, who arrived just a month before the inspection, has reactivated a previously moribund weekly meeting schedule for all American personnel. He participates in the unit meetings led by the various unit chiefs, where he has articulated support for ELO involvement in broader embassy activities as part of ELOs development. The consul general is anxious to tackle the troublesome space issues that have plagued the section for the past few years and that could limit its ability to cope with sustained growth in the IV workload and a return to higher levels of NIV demand.

Two very able mid-level managers support the consul general. The FS-2 American citizens services (ACS) chief serves as the deputy section chief in addition to his oversight of the ACS unit and its high visibility issues. The visa chief was initially assigned to Lima as the FS-3 IV unit chief and fraud prevention officer. With the precipitous departure of the FS-2 deputy section chief of the NIV unit, the IV unit chief assumed leadership of both visa units, as well as overseeing the antifraud program. To accomplish this, she identified second-tour ELOs to serve as de facto NIV and IV line chiefs on a rotating basis. She also specified that another officer, also on a rotating basis, would oversee the fraud prevention program until a mid-level fraud prevention manager arrives.

Within the past year, the consular section has produced a two-volume training manual that outlines the first two weeks of post-specific training activities and is a compendium of useful standardized guidance for adjudicators. Each week, the

combined visa units and the antifraud officer participate in a "visas only" meeting, during which officers review processes and regulations. Both the consul general and the visa chief are accessible for spot guidance. Those officers who are not yet fully conversant in Spanish are encouraged to attend the post's language training, conducted during noninterview hours, but OIG found all officers to be interviewing successfully in Spanish. In short, there is no dearth of training or oversight in Lima.

Unlike many other large visa-processing posts, Lima has no ELO rotational positions, and all consular officers serve a full two years in the consular section, which has an excellent rotational program. All officers rotate through at least three of the four units in the section and also organize month-long familiarization stints in another section of the embassy in the off-peak season. Each officer has one or more portfolios to manage, in addition to his or her adjudicating responsibilities.

Like many other good-sized consular operations, this one is in its own corner of a large embassy. This means many of the consular officers experience isolation or disconnection from broader embassy priorities. Much of consular management's recent focus has been on reducing the NIV appointment backlog, which was generated by processes arising after September 11, 2001. The section's success in this is due to the efforts of a well-trained and dedicated staff and a temporary decrease in NIV demand, following pre-September 11, 2001, highs. At the time of the inspection, preliminary workload statistics indicated a higher-than-anticipated NIV volume for FY 2005. The FY 2004 statistics also show a 10 percent increase over the FY 2003 workload, indicating that the workload is steadily returning to higher levels. At present, however, there is no wait for an NIV appointment in Lima.

The exceptionally professional consular management team can take advantage of its efficiency and the absence of an appointment backlog to focus on the one area that needs greater attention--the empowerment and broader development of its ELOs. OIG informally recommended ways to take advantage of the efficient appointment system and the lower NIV volume to allow ELOs to undertake projects that enhance consular processing or assist in other sections of the embassy on a more formal basis.

## Space Issues

At first glance, the consular section appears cramped and ill suited for its heavy NIV and IV workloads. To accommodate its growing staff, the section's managers had even considered relocating the entire section to the basement of the embassy

annex, but the costs for doing so exceeded Consular Improvement Initiative resources, and that program has ended. After serious consideration of the options, OIG believes that the existing consular space may, in fact, be suitable for several years if modified. Such a reconfiguration would cost far less than the estimates of from \$1.5 million to \$3.8 million for a Consular Improvement Initiative -funded relocation, and this would also ensure appropriate workspace for this high-fraud, high-volume post.

The embassy chancery is one of the earliest Inman-era buildings, and the design of its sinuous consular section reflects outdated concepts. Instead of open workspaces, low partitions, and clear lines of sight to interview windows, the section has tall, fixed dividers behind the banks of interview windows. It also has high cubicle partitions and dozens of old-style file cabinets lining every spare wall. Some officer workstations are crammed three to a traditional office, rather than modularized. There are no large capacity file systems for the considerable amount of IV files. Essential NIV records that need to be consulted several times a week are stored remotely on the chancery grounds in a lift container. In addition, excess supplies and nonessential miscellaneous items are scattered throughout the section in cupboards and closets that double as room dividers.

Consular management earmarked \$40,000 from the biometric program funding from the Bureau of Consular Affairs in FY 2005 to create additional officer cubicles and to reconfigure a conference room into an appropriate fraud prevention unit, preparing for arrival of the section's first fraud prevention manager (FPM). These are important initial steps, but there are several additional options for securing more and better space in the consular section such as incorporation of an adjacent underutilized protocol waiting room into the consular section.

**Recommendation 7:** Embassy Lima, in coordination with the Bureau of Overseas Buildings Operations and the Bureau of Consular Affairs, should review the configuration of its consular section with a professional space planner to adapt and modernize existing space to accommodate a growing staff and the required file holdings. (Action: Embassy Lima, in coordination with OBO and CA)

## Cusco Consular Agency

The most frequently visited tourist site in all of South America is in a remote semi-Amazonian area of Peru. This area, the Incan ruins at Machu Picchu, attracts 600,000 visitors a year, many of them Americans. The sacred valley and surrounding areas, including the colonial town of Cusco, also attracts longer term American residents, including missionaries, health professionals, and a range of volunteers and young people seeking adventure or enlightenment. Cusco, the site of the airport serving the entire area, has a consular agency that has provided emergency services to Americans in the area for over 30 years.

Until a year ago, the Peruvian citizen consular agent in Cusco operated out of the American binational center, where she was also the director. Since her departure from the binational center, she has provided consular services out of her home on an ad hoc basis. The mission recently identified a small office space in the center of Cusco, leased it, upgraded its security, and purchased furnishings for it. The post is awaiting a response to an October 2005 request for a setback waiver before opening the office as a permanent consular agency. The space should be adequate for the level of services being provided at present but might become insufficient in coming years if the workload increases due to some of the changes discussed below.

Although the consular agent has held that position for the past 22 years, she has never provided the full range of consular agency services. The agency has no history of accepting passport applications or consular reports of birth, nor does it perform notarial services. The agent is well known in the community and has outstanding access to local officials, having taught most of them at the local university 40 years earlier. Consequently, in arrest, rape, and welfare and whereabouts cases, she has provided excellent service.

A review of the agent's notes on recent and historical cases suggests that, at present, she is not spending anywhere near 75 percent of her workweek on agency work, although she is remunerated at that level. In addition, even during OIG's two-day visit to the region, there was some demand for the fee-generating passport and notarial services typically provided by consular agencies. The agent does not professionally document or maintain records on the emergency cases, and during the inspection, she acknowledged the need to prepare for a successor in the near future.

**Recommendation 8:** Embassy Lima, in coordination with the Bureau of Consular Affairs, should review the actual workload of the Cusco consular agency and estimate the expanded workload, if the agency performs a wider range of consular services. (Action: Embassy Lima, in coordination with CA)

**Recommendation 9:** Having determined the actual workload of the Cusco consular agency, Embassy Lima should determine whether the agent's remuneration at the 75-percent level is appropriate. (Action: Embassy Lima, in coordination with CA)

**Recommendation 10:** Embassy Lima, in coordination with the Bureau of Consular Affairs, should formulate a plan within the next six months to initiate the full range of consular agency services in Cusco through the identification, hiring, and training of a consular agent capable of providing passport and notarial services and the emergency services required by Americans in Cusco. (Action: Embassy Lima, in coordination with CA)

## Visas Services

In FY 2004, Lima had the twelfth-largest NIV workload worldwide.<sup>2</sup> Both its IV workload and its Diversity Visa workload were in the top 20 worldwide for the same period. Although the total number of interviewing officers has doubled in the past four years, the number of LES was virtually unchanged during that period. Both the NIV and IV units are very efficient, and LES staffing levels have remained quite low. As discussed, both units are hampered by poor space configurations. The applicant waiting area is outside the chancery building and covered, but it is substandard and ill designed. Neither consular section management nor the staff has let these drawbacks affect productivity or morale, but they have found creative ways to work around the drawbacks, pending permanent improvements.

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<sup>2</sup>Workload statistics for FY 2005 were not available at the time of the inspection.



All of the LES, with the exception of the very recently hired, have completed the consular correspondence courses, and the post has also ensured that all LES staff cross-train in both types of visa work. This aggressive cross-training program has allowed the section's management to redirect LES in the NIV unit to the IV unit as the latter's workload soared and the former's dipped. The post has requested in its consular package, and OIG supports, an increase of two LES staff for the IV unit in FY 2006 to ensure that LES levels keep pace with officer capacity and significant IV workload increases.

Both visa units are overrun with files. On-site priority is given to the pending IV files, whose growth threatens to displace passable aisles and workstations. The storage of NIV case records for the standard period of three years has also overwhelmed the section, and excess files are stored in locked, second-story lift vans that are not climate-controlled and are in a corner of the chancery compound. When there is insufficient space for the most recent files in the consular section, the oldest file cabinets are simply locked and moved to the lift vans. During the inspection, the Bureau of Consular Affairs (CA) authorized the post to retain a reduced number of NIV files and retire the remainder for archiving earlier than required. The post also intends to address the advisability of replacing its traditional, space-consuming files with "electriever" systems.

The post handles a significant number of exchange visit or visa applications for youth work-study programs and temporary worker "H" visas for seasonal and professional workers. There are excellent processes in place to expedite these interviews and simultaneously review them for fraud. ELOs in the section are developing expertise in these areas and participate in the management of the workload.

The embassy has an officer from the Bureau of Citizenship and Immigration Services (CIS) of the Department of Homeland Security (DHS). The officer provides such services as IV petition acceptance, waivers of ineligibility, and transportation letters in lieu of lost alien registration cards. These are services that the IV section would have to provide in addition to their normal work if CIS is not present. The value to the consular section of the CIS officer, in terms of workload and expertise, is immeasurable, and cooperation is excellent. The officer interviews in the consular section three afternoons a week and uses the consular cashier to collect fees for DHS services. The consular section is also eager to attract a DHS representative from the Bureau of Immigration and Customs Enforcement to address such nonservice-related issues as trafficking in persons and other criminal activities.

## American Citizens Services

ACS work in this region can be complicated and attracts considerable public attention. Not long ago, Peru was seen by foreign tourists as the home of Sendero Luminoso, and one of the ACS unit's longest standing and most-sensitive arrest cases stems from that period. There are about 18 long-term American prisoners in Peru, and the ACS unit visits most of them quarterly, providing essential vitamins and basic hygiene supplies donated by American companies and coordinated by a consular associate.

In addition to routine passport and notarial services, the ACS staff devotes considerable attention to extraditions. Although there is a mutual legal assistance treaty between Peru and the United States, the Peruvian judicial system is ponderous and sometimes corrupt. The only person extradited to the United States recently decided to return for trial voluntarily; other higher-profile cases, including that of a person wanted for murdering a policeman, languish in the system for one reason or another. The ACS unit tracks these cases vigilantly, coordinates with U.S. judicial authorities, and involves embassy executives as needed. However, progress is slow at best.

Embassy Lima has a growing federal benefits workload but is not a claims-taking post. Basically, the ACS unit provides information to first-time federal benefits applicants, forwards their applications to Baltimore, MD, for processing, and works under the tutelage of the Social Security Administration's office in Buenos Aires. However the ACS cashier also takes fees three afternoons a week for the CIS and is the federal benefits assistant. OIG discussed how the ACS unit could channel its federal benefits clients so that the clients do not clog the cashier window during peak business hours when other clients must pay quickly for routine services. There are several alternatives to improve cashier effectiveness, enhance service to federal benefits clients, and provide for LES cross-training in this critical area.

## Fraud Prevention

Embassy Lima is a high-fraud visa post. With Peru's high subscription to the Diversity Visa lottery program, its high rate of immigration to the United States, and the high NIV refusal rate (averaging 50 percent), the ploys used to gain visas are sophisticated and inevitable. Lima was one of the first posts to receive an assistant regional security officer for investigations (A/RSO-I), when the joint

program of CA and the Bureau of Diplomatic Security was established two years ago. Unfortunately, Lima has never had a mid-level FPM, and the previous A/RSO-I consequently dedicated much of his time to general regional security officer duties, rather than consular fraud investigations.

The fraud unit, however, is on the eve of a renaissance. A new A/RSO-I with considerable investigative and prosecutorial experience, as well as consular training, arrived during the inspection and immediately took over some pending cases. The ELO handling the antifraud portfolio has already spent time on the development of a police squad at the international airport that will share U.S. priorities in combating fraud and regularly engage in liaison with the A/RSO-I and the fraud unit. A full-time, mid-level FPM is expected to arrive in FY 2006, and in the meantime, the outgoing ELO currently managing the fraud portfolio will hand it over to another second-tour ELO who has considerable antifraud experience. OIG supports the post's request for an LES clerk position, who will manage paperwork for the FPM, the A/RSO-I, and the two field investigators. In short, consular management has taken important steps to ensure appropriate attention to fraud prevention. When the new FPM arrives, the incumbent will report to the consul general since that position serves the entire consular section, not just the visa units.

## Management Controls

OIG reviewed the consular section's internal control procedures. The accountable consular officer for all fees is the experienced ACS chief who oversees two consular cashiers. Recordkeeping appears to be accurate. The consular section previously had problems with the embassy Class B cashier's timely preparation of daily receipts for consular cash deposits. These receipts are to be prepared as soon as possible and sent directly to the accountable consular officer. Instead, receipts would arrive in bundles that included several days of deposits, making the investigation of discrepancies difficult. This situation improved remarkably in the weeks leading up to the inspection, and the receipts now arrive daily as required.

Each unit has an accountable consular officer for controlled items, such as the passports and visa foils used by that unit. The post follows the standard guidance on accountability for these items. All print stations are carefully located to permit line of sight viewing from an officer's workstation, and attention to the security of these high-value items is exemplary.

## LAW ENFORCEMENT COORDINATION AND NARCOTICS ASSISTANCE

### Overview

The NAS works diligently and is focused on ending Peru's status as the second-largest cocaine producer in the world and eliminating the nation's nascent opium poppy industry. NAS goals are integral to the MPP, but the effectiveness of the U.S. counternarcotics program is hampered by the limitations of the Peruvian government, which does not have a security presence in most core coca-source zones, has a limited budget, and faces elections in the spring of 2006. There is limited political support for eradication in Peru and no support for aerial eradication using herbicides. Eradication by labor-intensive manual removal of coca plants is, therefore, the only legal means, and the quantities of coca that can be eliminated are constrained. Despite the challenges, the Peruvian government is working actively to stop coca and opium poppy cultivation and deter drug trafficking. The NAS pursues a variety of programs, chiefly in eradication, interdiction, and demand reduction.

### Resources

NAS morale is high, due to such factors as training opportunities and an active awards program. An all-hands staff meeting is held monthly, and an employee is recognized at each meeting for his or her contributions during the prior month. The NAS has 78 authorized positions, of which 37 are held by Peruvian employees. Financial resources are the fourth largest for any NAS programs of the Bureau of International Narcotics and Law Enforcement Affairs (INL). For FY 2005, funding was about \$115 million, including approximately \$54 million for alternative development programs conducted by USAID.

### Coca Eradication

The NAS achieved its 2005 goal of assisting the Peruvian government in eradicating 8,000 hectares of coca by November 2005 and may well exceed the goal by an additional 1,000 hectares. Another 3,000 hectares were converted to legal crops through voluntary programs operated by USAID, eliminating a total of 11,000 hectares of coca by November 2005. In 2004, 7,600 hectares were eradicated and another 2,500 converted through voluntary means.

Approximately 300 Peruvians employed by the Ministry of Interior actually conduct the manual eradication missions. Peruvians' political acceptance of this program requires that the eradicators be Peruvians citizens and work directly for the Peruvian government. NAS advisors visit eradication operations, but are not always present. Field supervisors responsible for the success of the missions are Peruvian citizens. About 200 PNP protect the eradicators while they are in the field. Selection of coca fields for eradication is a crosscutting issue largely dictated by political considerations. For example, it is not possible to work in some prime coca-source zones because the PNP cannot provide adequate protection.

To increase protection and to expand areas of operation, NAS built and equipped two police academies in prime coca-source zones so that the academies could train counternarcotics officers who are native to these zones. A third academy began training in November 2005. The courses focus on counternarcotics activities and last 18 months. These vetted and trained officers will provide the program with an essential police presence east of the Andes in regions with little central government presence. They are already supporting eradicators and their presence allows the eradicators to remain in the field overnight. The first 200 such officers graduated in May 2005. Their training included both combating illicit drug trafficking and supporting eradication activities and had a strong ethics and human rights component.

Estimates of coca cultivation vary. The U.S. Crime and Narcotics Center estimates that in 2004 Peruvians cultivated coca on 27,500 hectares. For the same time frame, Peruvian government and United Nations' estimates show coca production in Peru on 50,300 hectares. Embassy Lima considers the latter figures more accurate because the Crime and Narcotics Center surveyed traditional growing areas, not new areas of cultivation. The 2004 Crime and Narcotics Center report did not include newly established fields outside of traditional growing areas and said its 2005 survey would include many of these areas to assess possible changes in cultivation patterns.

With cultivated areas increasing, the challenge to NAS is growing. Graduates from the new police academies are expected to expand the reach of eradicators, helping eliminate more coca. In addition, USAID's Alternative Development portfolio supported legal crops on 20,000 hectares and built schools, roads, health units, and water systems and brought electricity to designated coca-free zones in 2004. A major problem in developing coca-free zones is obtaining clear land titles. Due to bureaucratic hurdles, titles sometimes cannot be obtained and projects must be suspended. USAID has enlisted the Ambassador to raise this problem to the highest levels of the Peruvian government.

## Coca Interdiction

Narcotics traffickers move coca products out of Peru by land, air, rivers, and the sea, and move opium poppy products across northern land borders. Most of the narcotics exported from Peru are destined for South America, Europe, and Russia. Maritime smuggling is the primary method of transporting multi-ton loads of cocaine out of Peru. In 2004, Peru seized four tons of cocaine at sea and seized two tons of cocaine packed in frozen squid at seaports. Peruvian seizures for 2004 totaled approximately 5.7 metric tons of cocaine base and 7.11 metric tons of cocaine. In the same year, the PNP destroyed about 800 rural cocaine laboratories.

Approximately, \$1 billion worth of goods are exported from the ports of Peru to the United States. The NAS is working closely with the Peruvian government to improve cargo security, and sponsors and supports a manifest review unit at the port of Callao that has a cargo inspection facility, an analysis center, and a K-9 unit. The NAS plans to help extend this unit to major Peruvian ports.

## Aviation Support

Peru is mountainous and has few roads east of the Andes, making eradication and interdiction operations in drug-source areas possible only with aviation support. The NAS and INL make helicopters available to the Peruvian government on a no-cost basis, and the Peruvian Aviation Police provide pilots, crew, and maintenance and support personnel. There are 19 aircraft in Peru, and by May 2006 there will be 24. The Peruvians also have the use of a Cessna 208 fixed-wing aircraft. The NAS operates a Beech 1900 D fixed-wing plane to move NAS personnel to forward bases and to conduct counternarcotics activities.

## Opium Poppy Cultivation

Opium poppy cultivation and opium trafficking are an incipient industry in Peru. Poppy cultivation takes place mostly in remote areas, and the NAS has limited intelligence on locations and transit routes. In 2004, the PNP eradicated about 100 hectares of opium poppy and seized several shipments of low-quality opium latex.

## Demand Reduction

The NAS collaborates with the Peruvian government and seven nongovernmental organizations to promote drug awareness, prevention, and treatment. At present, a large portion of the funding goes to support training. As the effectiveness of these efforts is difficult to measure, NAS is shifting focus. NAS is initiating new programs that establish community coalitions that will host meetings to discuss problems and work to empower people. Performance measures required by the Government Performance and Results Act are being included in these activities. The challenge is that 59 percent of Peruvians believe drug consumption is a serious problem, but a large number also are uncertain about eradicating illicit coca. PAS has focused on attitude surveys and advising the Peruvian public of the adverse impact of drug production and marketing. The development of realistic performance measures is a positive step.

## Regional Air Interdiction Initiative

In April 2001, a Peruvian Air Force plane shot down an unarmed Cessna floatplane carrying American missionaries, and the U.S. government suspended its Peruvian Air Bridge Denial Program. Since then, the NAS has worked on plans for a nonlethal aerial interdiction program called the Regional Air Interdiction Initiative that would make Peru able to detect aircraft carrying drugs and prevent the aircraft from leaving by nonlethal means or hand the aircraft off to law enforcement authorities in Colombia and Brazil as the planes cross international borders.

To date, efforts over the last four years to refocus and restart the Air Bridge Denial Program as a nonlethal program have had little success. In addition, the Regional Air Interdiction Initiative is not an integral part of MPP goals and objectives. Although INL provided guidance for a substitute program, this guidance was not evident during OIG's site visit since there was an unfilled position for manager of the program. With many competing priorities and limited resources, Embassy Lima and INL should determine whether the Regional Air Interdiction Initiative is worth pursuing. If it is, the program must have a definitive plan of action. A major factor for consideration is funding because, at this time, INL does not foresee further financial support for the initiative.

**Recommendation 11:** Embassy Lima, in coordination with the Bureau of International Narcotics and Law Enforcement Affairs, should evaluate whether continuation of the Regional Air Interdiction program is worthwhile, and, if so, develop a definitive plan with target dates and specific performance measures and funding sources. (Action: Embassy Lima, in coordination with INL)

## Trafficking in Persons

In December 2003, the Peruvian government agreed to the United Nations Protocol to Prevent, Suppress, and Punish Trafficking in Persons, especially women and children. Subsequently, the government addressed seriously these issues. In Peru, these problems are primarily local and have links to narcotrafficking. The NAS is responsible for mission efforts to help Peru on these matters. During FY 2005, the NAS worked with the host government to strengthen sexual exploitation laws. The NAS plans to fund a project to develop a database to track victims and to train police in its use.

## Management

A Foreign Service management officer and an eligible family member deputy head the management section, supported by about 28 American personal service contract employees and 42 LES. The officer was scheduled to retire at the end of December 2005, and the deputy will fill the position for the next 18 months. NAS managers must adhere to the provisions of the Foreign Assistance Act of 1961, as amended, in addition to Department management procedures and regulations. The Foreign Assistance Act contains authorities for international counternarcotics control programs. The management section performs financial management (except certification), procurement (except contracting), inventory control, and motor pool functions.

Coordination and cooperation with INL is good and INL and the Bureau of Resource Management conducted a management assistance visit during July 2005 to assess NAS administration. INL found the section well run and closely supervised and made recommendations regarding program management, office organization, and financial administration, recommendations the NAS has implemented.



The NAS has been chosen as a pilot post for INL's newly developed local financial management system, a subsidiary financial system based on an Embassy Bogotá prototype, and the post expects to start using it early in 2006. The system is designed to enhance financial recording because INL has financial recording and reporting requirements that differ from the rest of the Department. The Department's core financial systems, the Regional Financial Management System and the Central Financial Management System, do not fully address the post's needs. Therefore, INL and each NAS maintain separate cuff records to track program expenses and the status of funds for each of these appropriations. These cuff records must be reconciled continuously with the Department's core financial systems.

INL routinely obligates funds under letters of agreement executed between the Department and host countries and interagency agreements between the Department and other government agencies. It does so during the fiscal year that the agreements are provided. When these agreements are signed and the funds (normally no-year funds) are provided, INL performs a bulk obligation for the total amount of the agreement. As parts of the program are executed, INL must de-obligate and sub-obligate funds, as needed, to provide goods and services required under the different agreements. Neither of the Department's core financial systems can link the original obligation with the subsequent sub-obligations. OIG addressed this issue in its 2005 report on INL, and the Bureau of Resource Management is aware of the problem.



## RESOURCE MANAGEMENT

Agency	U.S. Direct-hire Staff	Personal Services Contractors	Locally Employed Staff*	Total Funding (\$ thousands)
Department of State				
ACI				115,370
Foreign Military Financing				992
International Military Education and Training program				300
Nonproliferation, Anti terrorism, Demining, and Related Programs				200
ICASS**	21		171	6,433
Bureau of Diplomatic Security				1,902
OBO				1,869
Public Diplomacy	4		23	1,340
Program**	86		56	3,289
Machine-readable visas				206
P.L. 480				12,291
NAS	4	28	42	Not available
Navy Medical Research Center Detachment	14		79	Not available
DHS	2		3	Not available
DEA	54		9	Not available
Department of Agriculture	1		7	Not available
Peace Corps	4		2	2,225
U.S. Commercial Service	1		7	Not available
Military Assistance and Advisory Group	21		8	Not available
USAID <sup>3</sup>	23	4	113	29,649
Defense attaché office	10		3	Not available
Other government agencies	2			
<b>Totals</b>	<b>247</b>	<b>32</b>	<b>523</b>	<b>176,066</b>

<sup>3</sup>Includes Democracy Assistance, Economic Support Fund, and Childhood, Survival, Health and Nutrition accounts only.

Source: Embassy Lima \*Includes family member appointments \*\*Includes Diplomatic Security positions

## Overview

Embassy respondents' scores on OIG's questionnaires are higher than average for the last 34 OIG inspections, some significantly so. During the inspection, OIG verified that the scores were warranted, and that the management section provides good customer service across the range of administrative services. The Ambassador's commitment to the community, the community liaison office (CLO), and the health unit are the cornerstones of the high morale. Embassy Lima is rated as having a *critical* crime threat and has a 15-percent pay differential.

The management counselor is supported by two general services officers (GSO), a facilities maintenance manager, a financial management officer, a human resources officer (HRO), an office management specialist, a full-time CLO coordinator, an assistant CLO position that is job-shared, and an information management officer with four American subordinates. There is a highly competent local staff of 171 that includes six eligible family members, 77 trade workers and gardeners, and 19 drivers.

## Rightsizing and Regionalization

Since OIG's last inspection in 2001, Embassy Lima's total staffing has grown 13 percent, to 802 authorized direct-hire and LES positions. The construction of a USAID annex building on the compound in 2002 relieved immediate pressure for additional office space.

Because the mission is not suffering from space problems, it has not systematically examined whether its operations meet the objectives of rightsizing U.S. government personnel on the basis of policy, cost, and security considerations. The post's FY 2007 MPP does not contain a section on rightsizing, although 04 State 272246 calls for posts to include a discussion of rightsizing issues in their MPPs. The reviews should, at a minimum, justify current and projected staffing operations for all agencies under Chief of Mission authority. The reviews should also examine opportunities for consolidating management support functions between agencies, regionalizing support services, reducing redundant policy functions between agencies, and streamlining business practices. The operations under Chief of Mission authority in Lima include such unusual functions such as a tropical medicine research center with 93 employees. Some regional positions are also resident at post, including a regional psychiatrist and regional security engineering employees. Although such functions may be necessary to overall U.S. interests in Lima, formal documentation of these requirements is still required by the Department.



Embassy Lima has developed an appropriate strategy for engaging the Peruvian government on seeking exemptions from the 19-percent value-added tax applied to most embassy purchases. An OIG audit team is reviewing value-added tax refund procedures for eligible purchases.<sup>4</sup> Embassy Lima should also review its banking agreement to explore the possibility of electronic funds transfer payments for local vendors. Implementation of such payments would likely allow for the reprogramming or abolition of one position in the cashiering unit. OIG informally recommended that the post survey the local banking market to determine whether electronic funds transfer payment capability could be implemented. OIG also informally recommended consolidating accounts receivable functions to a single employee. Currently, four individuals generate invoices and maintain accounts receivable records, which is inefficient and potentially confusing to customers.

## General Services

The general services office provides quality services. It uses the Embassy Support System software to take electronic requests for motor pool, housing work orders, expeditor services, and expendable supply services. This software allows end users to track their work orders, reducing the need for the user to call about the status of a work order. The section has a supervisory GSO, an assistant GSO, and 59 LES.

The section performs well in most areas, but some units need strengthening. The customs and shipping unit provides personalized information to all incoming personnel. A commercial contractor under a General Services Administration contract provides travel services. The property unit is performing satisfactory work. OIG discussed the use of an automated procurement tracking system for the procurement unit for better efficiency. Although housing is good in Lima, it has been a challenge for the embassy to make agencies that are outside of the housing pool follow Department regulations. The motor pool unit provides good services but is being reviewed by the GSO, and rightsizing personnel and reduction of services are expected. Other operational weaknesses were identified and addressed with appropriate informal recommendations.

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<sup>4</sup>Currently, Embassy Lima cannot claim reimbursement for the value-added tax charged on embassy operational expenditures, but can claim refunds for funds expended for foreign assistance programs that benefit Peru.

## Consolidation Issues

There is duplication of administrative services between the agencies at post. Embassy Lima and USAID maintain separate warehouses. USAID provides warehousing services to the DEA and to the Defense attaché office. The USAID warehouse is located off-premises and is leased until 2013. OIG does not propose immediate consolidation, as the costs of terminating the lease and finding alternative facilities would not offset the prospective savings. When the USAID warehouse lease eventually expires, the embassy should consider consolidating warehouse activities.

Seven agencies maintain separate motor pools. Consolidation of motor pools would likely result in more efficient use and reduce vehicle requirements, driver hours, and fuel consumption. Procurement and contracting services could also be consolidated. The NAS, USAID, Naval Medical Research Center Detachment, and ICASS each employ procurement staffs whose responsibilities for local procurements are broadly similar. The NAS maintains a procurement and contracting staff of six LES, and USAID employs nine. The Naval Medical Research Center Detachment has three, and ICASS has a section of five employees assigned to procurement. This total does not include the minimum of four direct-hire Americans at the embassy authorized to act as U.S. government contracting officers. Another area of duplicative service is facilities maintenance. USAID and ICASS maintain separate facilities maintenance staffs. USAID provides residential maintenance to properties it manages, although those properties are in the embassy housing pool. Consolidating the maintenance operations could make operations more efficient. Embassy Lima does not have furniture or appliance pools among its represented agencies, although the majority of the agencies purchase and provide similar furniture and appliances for their employees. Consolidation of services could lead to improved service quality, reduced costs, and more efficient use of resources.

**Recommendation 13:** Embassy Lima should identify areas where consolidation of administrative services is possible and make necessary adjustments. (Action: Embassy Lima)

## Housing

The embassy staff is relatively pleased with housing, and the short-term-leased apartments and houses are appropriately sized and well furnished. The embassy manages 147 short-term leases. Almost 60 percent of the post's leases were at or

above \$25,000 annual rent. Although the post has received the appropriate OBO waivers, the number of leases close to and above the allowed cost is too high. To the embassy's credit, it has reduced the rental cost of 40 leases at an average saving of about \$40,000 a year since 2003. OIG encourages further reductions of the high-cost leases.

The housing board meets monthly and as needed. Although the mission inter-agency housing board is active, there are weaknesses in its operations and procedures. According to 15 FAM 212.2-2 (B), larger agencies such as the Department may have one permanent representative on the board, and the Department "should be represented by an officer outside of the management section." There are three Department representatives on the housing board. OIG found that the housing board has accepted appeals based upon circumstances that are contrary to the provisions in the embassy's housing handbook. Reassignments have been made due to noise, traffic, the need for additional parking space, or the lack of a sidewalk to walk a dog. The housing board appeals process needs to be strengthened. The housing questionnaire and the housing handbook need to be updated. The housing questionnaire does not provide sufficient information about the different neighborhoods where the housing is located and has no disclaimer that preferences are not guaranteed at time of arrival. The handbook needs to reflect new Department regulations. OIG made informal recommendations on these issues.

Four agencies use the living quarters allowance or the overseas housing allowance. For at least three years, the embassy has been trying to bring those agencies into compliance with Department regulations and under the purview of the inter-agency housing board. According to 15 FAM 200, "units proposed for private leases must be approved in advance by the post interagency housing board since they are governed by the same space standards as U.S. government housing." Although some compliance progress has been made with three agencies, one agency, the Military Assistance and Advisory Group, is not in compliance. The group has refused to provide the interagency housing board with information about its properties. Since the interagency housing board has not approved Military Assistance and Advisory Group housing, the facilities maintenance office has not safety-inspected any of the group's houses. Since 2001, the post has requested confirmation that the properties that the group leases meet safety and space standards. The embassy's management counselor is the sole real property manager at post.



**Recommendation 14:** Embassy Lima should enforce Department regulations to ensure that all agencies under the living quarters allowance or overseas housing allowance seek housing board approval for their residences before signing leases and comply with the embassy's housing handbook and Department regulations. (Action: Embassy Lima)

## Real Property

The U.S.-owned chancery, constructed in 1995 for \$64 million, is an Inman-standard structure located on a 19-acre property just outside of Lima's business center. There are seven government-owned properties, including the Ambassador and DCM residences, the Marine security guard house, and four other residences. OBO has authorized the sale of three U.S. government-owned residences in San Borja that do not meet seismic standards and are in a neighborhood where crime is steadily increasing. At the time of the inspection, OBO was selecting a real estate agent to market and sell these properties.

During the inspection, OIG was told that Lima was experiencing overcrowding in the chancery, reportedly due to an increase in the personnel required to reduce the backlog of IV petitions and handle the visa demand. However, during the inspection, the OIG found that Embassy Lima's office space is adequate; in fact, some offices have spacious waiting areas, and other agencies have empty offices that are used by temporary duty personnel. Should there be an overcrowding issue in the future, the embassy could use the annex basement for office space. However, major repairs would be needed to make it optimal. To the embassy's credit, it has reconfigured space within the chancery, addressing the space needs of the other agencies.

## Warehouse Space

The embassy warehouse on the chancery compound houses expendable and nonexpendable supplies, NAS furniture sets, and facilities maintenance spare parts. The spacious warehouse has a proper receiving area. In addition to the chancery warehouse, the embassy uses a temporary structure that was leftover from the construction of the annex to maintain items scheduled for disposal and uses the annex basement to store other agencies' furniture and appliances.

The warehouse space is not being used efficiently. The warehouse has a large area of filing cabinets solely for archiving documents. Active documents not ready

for retirement should be maintained by the sections, except for consular files since the consular section does not have sufficient space. The metal storage shelves are vertical, not horizontal, limiting the use of upper space. A cage reserved for disposal items also does not make use of an upper level. The receiving area could benefit from an extended second floor area, maximizing the use of the higher area of the warehouse. The expendable supplies are located in the mezzanine of the warehouse. To move heavy office supplies to the ground floor, a lift without protective guardrails is used. OIG recommended installing protective guardrails on the lift. Although this issue was not highlighted in the embassy's last safety inspection report, OIG believes this is a safety hazard that will be addressed once the expendable supplies are relocated. The expendable supplies should be relocated to a different area of the warehouse, preferably where the facilities maintenance spare parts are located. The move and reconfiguration of the expendable supplies and facilities maintenance spares would require major changes in the warehouse, but it would make the warehouse more efficient. There are other small areas within the warehouse that are underutilized because of the current configuration.

**Recommendation 15:** Embassy Lima should request, and the Bureau of Overseas Buildings Operations should provide, a space planner to determine how to use available space more efficiently and effectively at the embassy warehouse. (Action: Embassy Lima, in coordination with OBO)

## Property Management

Embassy Lima's inventory process is efficient. There are periodic, unannounced spot-checks of expendable and nonexpendable property by the accountable property officer. There are minor weaknesses in the inventory process, and OIG left informal recommendations addressing these issues. Inventory overages are not documented and recorded in the property records. Some residential files show there are minor discrepancies in the housing inventory.

## Motor Pool

The motor pool is responsive. The post, including ICASS and program operations, has 46 vehicles, including full-armored, light-armored, and standard passenger vehicles. The office has a motor pool supervisor, a dispatcher, two mechanics, and 19 drivers, including four dedicated to the Marine security guards. The embassy maintains proper controls over fuel and fuel consumption. Prior to the

inspection, the embassy switched from 97-octane to 90-octane gasoline. OIG noted and encourages the post to continue identifying cost-saving opportunities.

Motor pool usage is somewhat low with such a high driver ratio. Prior to the inspection, the GSO performed a motor pool usage study. During the five-month test period for an average of 15 drivers, actual driving time was only 35 percent of total hours worked. The embassy provides 24-hour motor pool services, with drivers working a 44-hour workweek. At the time of the inspection, the embassy was closely reviewing motor pool operations with an eye to reducing the number of drivers and working hours.

The embassy has authorized the use of official vehicles for home-to-office transportation. The embassy offers round-trip shuttle services to embassy residences in San Isidro, Miraflores, San Borja, Camacho, and La Molina. The charge is \$5.40 round-trip per day per person. The service is limited to agencies signed up for direct motor-vehicle services under ICASS. OIG's review of the use of shuttle services found only six direct-hire and four temporary-duty employees use the home-to-office shuttles. OIG did not find appropriate justification for providing shuttle services to direct-hire employees. Radio taxis are widely available and safe, and the cost of using taxis would average two dollars more roundtrip than the embassy's shuttle service.

**Recommendation 16:** Embassy Lima should terminate its regular home-to-office shuttle service for employees. (Action: Embassy Lima)

Three of the 10 employees who use the shuttle are waiting for their privately owned vehicles to arrive at the post. The embassy may continue to provide home-to-office transportation, according to 14 FAM 418.2-3 (D) for all "other authorized use" including home-to-office transportation, for arriving employees if a privately owned vehicle being shipped at U.S. expense is in transit or the employees are departing at an assignment's end and their vehicle has been shipped. The embassy offers this home-to-office transportation for 30 days for free, but according to 14 FAM 418.2-4 the embassy must charge for this service. OIG informally recommended that the embassy start to charge for this service.

## Facilities Management

The facilities maintenance office is working well. The facilities maintenance manager reports to the management counselor, but the facilities maintenance office

and general services section do not coordinate well. Prior to the inspection, the embassy revitalized its safety, health, and environmental management (SHEM) program, and an administrative notice was sent to all employees with information about the SHEM program. The SHEM committee, chaired by the DCM, committed to meet frequently and foster safe and healthful working conditions for all embassy personnel. In addition, the embassy has implemented most of the recommendations from the 2003 SHEM report.

At the time of the inspection, the facilities manager was addressing safety conditions of swimming pools at some residences and the children's playground at the chancery. Another area of concern was the need for proper facilities for trade workers to shower and change uniforms. Currently, facilities maintenance employees share lockers and showers with embassy employees who use the commissary's gym. OIG suggested that the post explore expanding the current changing facility or build proper facilities for facilities maintenance workers.

## Cafeteria Services

There were many complaints on the OIG questionnaires regarding cafeteria operations. Direct-hire and LES employees said they thought the quality and selection of food were poor. The embassy is aware of the dissatisfaction with the cafeteria, which is provided through a license between the embassy and a commercial vendor, Dulceria Charlotte. The license agreement will expire in April 2006, at which time alternate vendors should be considered.

## Travel

Embassy Lima has a General Services Administration contract with Carlson Wagonlit Travel. The contractor provides six employees who make travel arrangements for all official and personal travel for all embassy personnel. In addition, the embassy has an employee who prepares official travel orders and coordinates other travel issues. Travel services received the lowest score on the OIG questionnaires for Lima, showing that American personnel are dissatisfied with the high prices that Carlson Wagonlit charges for personal travel. The post issued an administrative notice stating that mission employees planning personal travel may use any travel agency and/or airline. Embassy Lima has taken a number of steps to improve travel operations, including asking the travel contractor to return to the embassy the commission airlines pay to travel agencies. OIG endorses this action.

For purchasing airline tickets for official travel, Embassy Lima accepts government transportation requests and government credit cards. Department or ICASS travel is paid for with a travel credit card. The embassy travel office has asked other agencies to use a government credit card for payment, but only two agencies at post have switched to the more efficient and secure government credit cards. An embassy employee spends a significant amount of time preparing government transportation requests. OIG informally recommended that Embassy Lima request all agencies at post to migrate to a government credit card as their sole authorized method for buying official airline tickets.

## Human Resources

Embassy Lima has a newly arrived HRO who is in her fourth HRO position. She works with nine LES; some have reputations as the most knowledgeable human resources specialists in the bureau. The HRO began her tour by reviewing and updating the Foreign Service Employee Handbook and other relevant mission policies and practices and developing standard performance management policies.

## Bureau of Western Hemisphere Affairs Recruitment Pilot

The Office of Overseas Employment, in conjunction with WHA, has a recruitment pilot program to ensure that qualified eligible family members and U.S. veterans become the preferred candidates for all LES positions. Embassy Lima has fully implemented the pilot program's hiring policies and is developing standard language tests in English and Spanish to assess language skills equitably.

## Family Member Employment

The scores for family member employment on the OIG questionnaire were in the lower quarter for responses on this topic generally. Of the 84 adult family members at post, 37 are employed within the mission and seven work elsewhere. Five or six are also actively looking for positions.

## Locally Employed Staff

The FSN committee praised the new HRO for republishing the standard operating procedures but expressed concern that the enforcement of policies was not always consistent. Committee members said FSN evaluations are often late or sometimes ignored. OIG's review of outstanding employee evaluation reports

indicated that reports for six FSNs were six weeks overdue. The post is sending a copy of the second reminder, when there is an overdue evaluation report, to the rating officer's supervisor. A copy of the third reminder is sent to the DCM.

Importantly, the FSN committee did not raise the issue of salaries. OIG discussed salaries with a number of FSNs, who consistently reported that although the embassy is not the highest paying employer in Lima it pays a fair wage, treats employees professionally and equitably, offers an excellent work environment, and, most importantly, honors its salary and benefits commitments every other week like clockwork.

## Wage Survey Issues

Mission management is very concerned about the equity and transparency of the wage survey process. As the bulk of Peru's economic activity is in the informal sector, all of the comparator companies in the United Nations Development Program survey are the top employers. This direct-comparison type of salary survey has resulted in what post management believes is an artificially high salary adjustment. The embassy has spent ICASS resources to supplement market survey research to define accurately market conditions. The embassy believes a salary survey that measures the breadth of the economy would more accurately allow it to target its desired position in the market, allowing for fair and equitable salaries without needing to take draconian budget measures. The post's low attrition rate (less than three percent) and high response rate to job announcements would seem to confirm management's suspicion that Embassy Lima is a top employer.

The wage survey methodology and salary guidance seem inadequate to make informed salary decisions and leaves post management without clear direction. As a result, salary decisions are based solely on budget limitations. However, the Department is aware of the shortcomings of the United Nation's data and is preparing a new contract solicitation to acquire a more market-based survey.

## Equal Employment Opportunity

Embassy Lima has a qualified, fully trained EEO counselor and a Federal Women's Program coordinator, and their names and contact information are prominently displayed in various places in the embassy. The embassy intranet has a wealth of information on both programs and the EEO complaint process. Arriving employees call on the EEO counselor as part of the check-in process, giving the counselor the opportunity to introduce herself, provide contact information,

highlight the EEO section of the embassy's web site, and hand out the EEO timeline for addressing allegations. The post's antiharassment policies are clearly defined in the FSN Handbook in English and Spanish. Both counselors are also proactive in presenting programs for mission staff. For example, the EEO counselor recently facilitated a sexual harassment training program and a presentation on EEO and hiring. The Women's Program coordinator organizes an activity approximately every three months. Her programs have covered such topics as career development for Foreign Service women and eldercare and health issues.





## QUALITY OF LIFE

Embassy Lima received high marks from staff in most of the quality of life areas. The morale of American employees is good, with many employees extending their assignments based on the good schooling available for dependents and the pleasant housing. However, Lima's environmental factors affect morale, including the city's gray winters, the year-round humidity, and air and noise pollution. Moreover, the increase in crime, the erratic traffic patterns, and the lack of traffic law enforcement make life in Lima somewhat stressful and dangerous. Despite these problems, Lima offers numerous entertainment options and opportunities to travel to ancient sites. Significant recreational facilities in the chancery are available to embassy personnel.

## OVERSEAS SCHOOL

The majority of embassy children at post attend (b) (6)(b) (6), also known as the (b) (6)(b) (6)(b) (6)(b) (6). About 90 family members of U.S. government employees attend the Department-sponsored school.

Other embassy families have chosen to use either the (b) (6)(b) (6)(b) (6) (b) (6) or the (b) (6)(b) (6) and a few families use other international schools. Some employees expressed dissatisfaction with the educational quality of the American school or with the fact that, prior to arrival, they received little information from the post about the different schools. The embassy provides information about all schools in Lima through its web site and its welcome telegram. OIG encouraged the post to hold town hall meetings with parents of children attending the American school to hear their concerns and convey them to school officials.

## MEDICAL UNIT

The health unit has a regional medical officer, a regional psychiatrist, one full-time and two part-time American registered nurses, and a receptionist.

The health unit provides comprehensive health care services that include physical examinations; prenatal, well-baby, and well-child care; treatment of acute illnesses; and management of chronic problems. It administers all recommended immunizations. In addition to primary health care services, there is an active disease-prevention and health-education program. A regional psychiatrist posted to Lima and is available for individual, marital, and family counseling. The nursing staff provides health consultation, immunizations, health education, and treatment of various illnesses and minor injuries.

The three most common health issues at this mission are traffic accidents, respiratory problems, and parasites. Although the health unit encourages appointments, it takes walk-ins and emergency visits and provides same-day service. The health unit handbook is up to date, given to each new arrival, and can be found on the embassy's intranet web site. The high scores on OIG's questionnaire for overall management of the medical unit attest to the quality of its services.

Local medical resources are reasonably good. There are three or four small private hospitals with good physicians, but there is a gap in some specialties. Ambulances come within ten minutes and have a paramedical nurse or doctor. Local drugs are not subject to good quality control, however. The health unit dispenses some short-time-use medications, but for regular-use medications employees must mail order their prescriptions. The health unit strongly discourages elective surgery in Peru. Six American citizens died in the last five years during or after plastic surgery.

Narcotics are appropriately controlled, inventoried, and destroyed after their expiration dates. The post has a system for reimbursements for hospitalizations.

## COMMUNITY LIAISON OFFICE

The CLO received high scores on the OIG questionnaire, reflecting its excellent services. Overall community morale, for which the CLO can take some credit, is higher than at the 34 posts OIG most recently inspected. The office has a full-time CLO coordinator, two assistants who job-share, and an administrative assistant. The contracted newsletter editor works from home.

The CLO is an excellent source of information and an advocate for the needs of the mission families. It focuses on orientation and welcoming, liaison with the mission and community, information and resource management, guidance and referral, security liaison, event planning, education, and family member employment. The CLO has an advisory board of 12 members from a cross-section of the community, and key stakeholders have helped align services with community needs.

The CLO's biggest success was obtaining Family Liaison Office (Washington) funding for two years to establish two part-time positions as part of the Strategic Networking Assistance Program, which helps family members identify work opportunities locally. Two candidates have been selected; one will network with nongovernmental organizations and multinational companies to help identify employment possibilities beyond the mission, and the other will provide career counseling and skills development to spouses.

## POST EMPLOYEE SERVICES ASSOCIATION

The American Employees Community Association operates a commissary, gift shop, dry cleaning service, and a small gymnasium. The commissary has lost money for the past two years, including \$20,000 to date in 2005. An assistance visit from the Department in May 2005 identified weaknesses in inventory controls, employee contracts, unannounced cash counts, and accounting practices. A new association manager was hired during OIG's visit, creating an opportunity to implement needed improvements. Although the solvency of the association is not in question, continued close monitoring of operations by embassy management is warranted until financial stability is achieved.



## MANAGEMENT CONTROLS

Embassy Lima maintains a comprehensive system of management controls to guard against waste, fraud, and abuse. The annual memorandum by the Chief of Mission was signed June 27, 2005, and identified no reportable internal controls weaknesses. Similarly, the Bureau of Resource Management questionnaire completed by the post did not require corrective action in any areas. The DCM is the designated management controls officer, and the required lists of designations of management control responsibilities were complete and current at the time of OIG's visit. OIG found issues in grants management and the housing policy that require corrective action, however.

## PROCUREMENT AND CONTRACTING

Embassy Lima effectively manages petty cash, purchase card, and simplified-acquisition purchase orders. OIG informally recommended that the GSO conduct annual reviews of blanket purchase agreements, as required by Federal Acquisition Regulation 13.303; some high-dollar agreements have not been reviewed in years. As mentioned in this report's general services section, the embassy's procurement operations could be made more efficient through use of electronic procurement tools such as, at a minimum, a spreadsheet for purchase orders. The Department's automated procurement application would also be useful in automating procurement.

The embassy's contracts require better acquisition planning and coordination. To promote competition and decrease prices, Federal Acquisition Regulation 7.104 requires advance planning for acquisition of goods and services. For example, a 2003 telecommunications contract for \$1.4 million was not advertised and did not contain a required price reasonableness determination. The contract was signed less than 30 days from the date of the solicitation because of a lack of advance acquisition planning. In addition, the post's \$9.56 million local guard contract expired after five years. Planning for a new local guard contract solicitation is behind schedule, potentially exposing the U.S. government to higher costs in the

likely event that a bridge contract will be required. In both instances, formal acquisition planning with the offices requiring services and full adherence to deadlines by all parties would ensure successful acquisitions.

**Recommendation 17:** Embassy Lima should coordinate with offices that require services to develop acquisition-planning milestones for post contracts that exceed \$250,000. (Action: Embassy Lima)

## GRANTS MANAGEMENT

The mission issues three types of grants: traditional grants and cooperative agreements related to educational and cultural exchange programs executed by PAS, TIP grants executed by NAS, and international school grants executed by the management section.

### Public Affairs Section Grants

The public affairs officer has a grants warrant for up to \$100,000 per grant and the information officer has a warrant for up to \$10,000 per grant. The regional bureau must approve any grant in excess of \$10,000. OIG reviewed PAS grants for the past three years, finding that they supported invitational travel, binational centers, PAS programs, and the donation of equipment, and all were in excellent order. In FY 2005, PAS processed almost 100 grants totaling nearly \$300,000. The post ensures that each grant meets an MPP objective. The post has a meticulous follow-up system to track partial payments and the receipt of financial and program reports. The post uses the DS-4012 grant folder and had entered all grants into the Grant Management Database System well before the system's deadline. Grant recipients are vetted against the excluded parties list web site ([www.epls.gov](http://www.epls.gov)) to ensure that no grant is awarded to a terrorist. OIG made an informal recommendation that will help close pending equipment donation grant files.

## Narcotics Affairs Section Grants

The NAS deputy management officer is a warranted grants officer for grants up to \$100,000. She has received appropriate grants training and has issued one grant to a nongovernmental organization to develop a statistical data collection system for a trafficking in persons project. The post had INL's approval to issue a grant exceeding \$10,000.

The embassy's counternarcotics program includes \$1.16 million in FY 2005 funding for demand-reduction program grants. These programs include payment of funds to seven nongovernmental organizations. Payments to nonprofit organizations require execution of a foreign assistance grant signed by a warranted grants officer, according to INL guidance (02 State 227615). Grants to nongovernmental organizations are expressly subject to Office of Management and Budget uniform rules and cost-allowability circulars, as well as to Department grant regulations concerning grant award, monitoring, and closeout procedures. Embassy Lima has not executed grants agreements with demand-reduction grantees, citing the countrywide letter of agreement as its obligating document. It is not clear whether the appropriate assistance instrument for these programs should be grants, cooperative agreements, the letter of agreement with the Peruvian government, or in some cases, contracts. Grantees have submitted claims for reimbursement for services that may not be allowable under Office of Management and Budget regulations if grant requirements apply, as appears to be the case.

**Recommendation 18:** Embassy Lima, in coordination with the Bureau of Administration and International Narcotics and Law Enforcement Affairs, should report to the Department its procedures for providing funding to nongovernmental organizations and should seek clarification on whether this funding requires execution of grant documents and associated reporting. (Action: Embassy Lima, in coordination with A and INL)

## International School Grants

(b) (6)(b) (6) also known as the (b) (6)(b) (6)(b) (6) (6) , has received Department grants for security enhancements and educational expenses. OIG made an informal recommendation regarding proper payment of grant expenses.

## Local Guard Contract

Embassy Lima manages a \$9.56 million local guard contract. OIG's review of billing invoices submitted under the contract found that the post does not use Guards Electronic Monitoring Systems (GEMS) reports to verify actual hours worked by local guards. Reviewing local guard contract billings and using deduct schedules is required by 12-FAH-7 H-434. Without this, there is no assurance that billings reflect services rendered. Substantial cost savings and better contractor performance may be achieved by closer oversight of the guard contract. Although the exact dollar amounts of possible savings cannot be documented, other embassies have realized thousands of dollars in savings through use of the guard contract deduct schedule.

**Recommendation 19:** Embassy Lima should reconcile monthly guard contract invoices with electronic guard monitoring reports to verify delivery of all services and deduct from contract payments services that are not delivered. (Action: Embassy Lima)



## INFORMATION MANAGEMENT AND INFORMATION TECHNOLOGY SECURITY

Embassy Lima's information resource management office provides good support to approximately 460 users. The office's responsibilities include managing and securing a dedicated Internet network and Department classified and Sensitive But Unclassified (SBU) networks. The office is also responsible for embassy switchboard operations, telephone and radio management, reproduction services, and classified and unclassified pouch. OIG found that the staff follows most Department policies and guidelines and generally meets customer needs. Areas that require immediate attention are: removing unauthorized software from the SBU network, correcting inadequate separation of duties in information systems security, and improving patch management. OIG also left informal recommendations regarding software development, e-mail management, LES overtime hours, security configuration management, and file permissions.

### INFORMATION MANAGEMENT

The information management officer oversees the information systems center (ISC) and information-processing center (IPC) of the information resource management office. The information systems officer (ISO) manages day-to-day ISC operations with seven LES. The ISC staff supports the SBU network of 470 workstations and 16 servers. The information program officer manages day-to-day operations and has American information management specialists in the IPC and 14 LES who provide operator and switchboard support, telephone and radio support, reproduction services, and pouch operations support. The IPC supports the classified network, which consists of 67 workstations and five servers for approximately 135 users.

### Unauthorized Software Installations

On the SBU network, the embassy has two applications developed by local contractors. This is contrary to State 91204 issued in April 2004. The Residential Security Database System and the Customs and Shipping Export/Import applica-

tion were installed on the SBU network in 2000 and 2004 respectively. The Department directive says "software development by nonmission staff and/or on nonmission systems is not authorized regardless of the local technical and/or Human Intelligence threat level, e.g., development by a local contractor is not authorized." These applications should be removed from the SBU network and can be migrated to stand-alone systems, if necessary.

**Recommendation 20:** Embassy Lima should remove the Residential Security Database System and the Customs and Shipping Export/Import application from the Department's Sensitive But Unclassified network. (Action: Embassy Lima)

## Software Development Initiatives

The ISC staff spends an exorbitant amount of time developing and supporting local applications for individual embassy offices, and two LES primarily develop and support local applications. Applications are being developed without considering tools that are readily available in the Department or the use of commercial off-the-shelf solutions. For instance, OIG commends the ISO for understanding the need for a work order-tracking system, but cannot agree with the extensive development and support needed to maintain the locally developed tool, given that the Department's Universal Trouble Ticket solution would suffice at no additional cost. Additionally, supporting local applications becomes cumbersome because of staff turnover. An embassy office's needs may change as the American staff rotates every other year. OIG informally recommended the ISC limit the development of local applications and use available Department applications or commercial off-the-shelf solutions for embassy software needs.

## Information Systems Center Locally Employed Staff Work Hours

Embassy Lima spent approximately \$48,000 in FY 2005 on information management office LES overtime pay. Adjusting the work hours of the ISC's LES can reduce this amount. Currently, the office has more than enough staff to ensure coverage without overtime, barring any technical emergencies. The ISC's hours are Monday through Friday from 8:00 a.m. to 5:00 p.m. One LES arrives at 7:00 a.m. to support the consular section, and the rest arrive at 8:00 a.m. All LES work until 5:00 p.m. OIG informally recommended that Embassy Lima stagger the ISC's LES

work hours to create shifts that support daily operations and network maintenance without incurring excessive overtime.

## Narcotics Affairs Section Access to the SBU Network

NAS employees based at Lima International Airport do not have access to the SBU network. The embassy has installed an unsecured Internet network that does not provide the employees with access to many job-related resources. OIG informally recommended that the embassy explore ways to provide SBU access to the NAS employees at the airport within existing security guidelines.

## E-mail Management

SBU network users send much e-mail throughout the day to the entire Embassy Lima distribution list. These e-mails range from items of general interest to those containing embassy policies. For example, each week 470 mailboxes receive approximately 20 e-mails of general interest. To alleviate this unnecessary traffic, OIG informally recommended that these notices be placed on the embassy's Intranet site and that the embassy send an e-mail to the users once a day with Intranet links to the latest updates.

## INFORMATION TECHNOLOGY SECURITY

The ISC and IPC effectively maintain the security of their networks and proactively respond to computer incidents, educate users, and adhere to many Department directives. Issues concerning the information systems security officer (ISSO) designation, patch management, security configuration management, and file permissions were addressed with informal recommendations.

## Information Systems Security Officer Internal Controls Weakness

ISSO functions are not appropriately separated at Embassy Lima, an internal control weakness. The management counselor designated the ISO, who manages the SBU network, as the ISSO on the SBU network, and the classified systems administrator is the alternate ISSO. The classified systems administrator is designated as the classified ISSO, and the ISO is the alternate classified ISSO. The individuals who manage the system cannot also police the system.



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## Security Configuration Management

Embassy Lima's ISC staff sufficiently implements the Department's security configuration policies on the majority of workstations and servers. Many of the security policies on most workstations are more stringent than these guidelines, and the majority of the workstations received high marks from the Department's security configuration validation tool, the Baseline Toolkit. (b) (2)(b) (2)(b) (2)  
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## FORMAL RECOMMENDATIONS

**Recommendation 1:** The Office of Rightsizing the U.S. Government Overseas Presence, in coordination with the Bureau of Western Hemisphere Affairs and Embassy Lima, should request that the Commander, U. S. Southern Command, initiate an annual review of the memorandum of agreement with the Ambassador in Lima, pursuant to the memorandum of understanding between the Departments of State and Defense on the security of Department of Defense elements and personnel. (Action: M/R, in coordination with WHA and Embassy Lima)

**Recommendation 2:** Embassy Lima should initiate a staff reduction, through attrition and restructuring, to bring public affairs section staffing into line with new program and outreach realities. (Action: Embassy Lima)

**Recommendation 3:** Embassy Lima should report more broadly within the United States the results of ongoing research conducted under a public affairs section grant by a Lima-based public policy research organization regarding the impact of narcotics trafficking on Peruvian society and media. (Action: Embassy Lima)

**Recommendation 4:** Embassy Lima should close the information resource center on the main floor and relocate its offices to the second floor in the public affairs section. (Action: Embassy Lima)

**Recommendation 5:** Embassy Lima should ask the Department for guidance on its planned strategies for the appropriate use of funds generated through educational advising services. (Action: Embassy Lima)

**Recommendation 6:** The Bureau of Educational and Cultural Affairs, in coordination with Embassy Lima and the Bureau of Western Hemisphere Affairs, should clarify the regulations on the proper use of funds that were acquired through advising services and provide guidance to the embassy on the proper disposition of these funds. (Action: ECA, in coordination with Embassy Lima and WHA)

**Recommendation 7:** Embassy Lima, in coordination with the Bureau of Overseas Buildings Operations and the Bureau of Consular Affairs, should review the configuration of its consular section with a professional space planner to adapt and modernize existing space to accommodate a growing staff and the required file holdings. (Action: Embassy Lima, in coordination with OBO and CA)

**Recommendation 8:** Embassy Lima, in coordination with the Bureau of Consular Affairs, should review the actual workload of the Cusco consular agency and estimate the expanded workload, if the agency performs a wider range of consular services. (Action: Embassy Lima, in coordination with CA)

**Recommendation 9:** Having determined the actual workload of the Cusco consular agency, Embassy Lima should determine whether the agent's remuneration at the 75-percent level is appropriate. (Action: Embassy Lima, in coordination with CA)

**Recommendation 10:** Embassy Lima, in coordination with the Bureau of Consular Affairs, should formulate a plan within the next six months to initiate the full range of consular agency services in Cusco through the identification, hiring, and training of a consular agent capable of providing passport and notarial services and the emergency services required by Americans in Cusco. (Action: Embassy Lima, in coordination with CA)

**Recommendation 11:** Embassy Lima, in coordination with the Bureau of International Narcotics and Law Enforcement Affairs, should evaluate whether continuation of the Regional Air Interdiction program is worthwhile, and, if so, develop a definitive plan with target dates and specific performance measures and funding sources. (Action: Embassy Lima, in coordination with INL)

**Recommendation 12:** Embassy Lima, in coordination with the Bureau of Resource Management, should develop a rightsizing analysis paper for inclusion as a supplement to the 2007 Mission Performance Plan, consistent with instructions issued by the Department and the International Cooperative Administrative Support Services Executive Board. (Action: Embassy Lima, in coordination with RM)

**Recommendation 13:** Embassy Lima should identify areas where consolidation of administrative services is possible and make necessary adjustments. (Action: Embassy Lima)



**Recommendation 14:** Embassy Lima should enforce Department regulations to ensure that all agencies under the living quarters allowance or overseas housing allowance seek housing board approval for their residences before signing leases and comply with the embassy's housing handbook and Department regulations. (Action: Embassy Lima)

**Recommendation 15:** Embassy Lima should request, and the Bureau of Overseas Buildings Operations should provide, a space planner to determine how to use available space more efficiently and effectively at the embassy warehouse. (Action: Embassy Lima, in coordination with OBO)

**Recommendation 16:** Embassy Lima should terminate its regular home-to-office shuttle service for employees. (Action: Embassy Lima)

**Recommendation 17:** Embassy Lima should coordinate with offices that require services to develop acquisition-planning milestones for post contracts that exceed \$250,000. (Action: Embassy Lima)

**Recommendation 18:** Embassy Lima, in coordination with the Bureaus of Administration and International Narcotics and Law Enforcement Affairs, should report to the Department its procedures for providing funding to nongovernmental organizations and should seek clarification on whether this funding requires execution of grant documents and associated reporting. (Action: Embassy Lima, in coordination with A and INL)

**Recommendation 19:** Embassy Lima should reconcile monthly guard contract invoices with electronic guard monitoring reports to verify delivery of all services and deduct from contract payments services that are not delivered. (Action: Embassy Lima)

**Recommendation 20:** Embassy Lima should remove the Residential Security Database System and the Customs and Shipping Export/Import application from the Department's Sensitive But Unclassified network. (Action: Embassy Lima)

**Recommendation 21:** Embassy Lima should designate the information program officer as the information systems security officer for the Sensitive But Unclassified network, designate the information systems officer as the information systems security officer for the classified network, and designate an information management specialist in the information-processing center as the alternate information systems security officer for both networks. (Action: Embassy Lima)



## INFORMAL RECOMMENDATIONS

Informal recommendations cover matters not requiring action by organizations other than the inspected unit and/or the parent regional bureau and are not subject to the OIG compliance process. However, any subsequent OIG inspection or onsite compliance review will assess the mission's progress in implementing the informal recommendations.

### *Public Diplomacy*

There are no mechanisms for public affairs operators to coordinate their campaigns directly on a regular basis.

**Informal Recommendation 1:** Embassy Lima should enhance coordination of public affairs strategies, campaigns, and outreach activities by including this as an agenda item for each of the relevant interagency committee meetings regarding the Mission Performance Plan. (Action: Embassy Lima)

IRC programs have restricted public access due to the chancery's security requirements.

**Informal Recommendation 2:** Embassy Lima should relocate some information resource center programs to sites outside of the embassy to make them more accessible to the public. (Action: Embassy Lima)

There is no all-agency coordinating committee for government-sponsored exchange visit candidates.

**Informal Recommendation 3:** Embassy Lima should establish a permanent exchange selection committee, chaired by the deputy chief of mission, to review all mission exchange programs. (Action: Embassy Lima)

The public affairs officer is the principal grants management officer. The majority of grants support cultural programs, which are managed by the cultural affairs officer and the assistant cultural affairs officer.

**Informal Recommendation 4:** Embassy Lima should provide the cultural affairs officer and the assistant cultural affairs officer with grants management training to assist in managing cultural programs.

PAS publishes a weekly summary of policy highlights, the Weekly Reader, and distributes it in printed form to the American staff.

**Informal Recommendation 5:** Embassy Lima should discontinue hardcopy distribution of the Weekly Reader and switch to distributing it via e-mail.

***Consular Issues***

The NIV section has no appointment backlog, and all adjudicating officers are available to process visa applications each morning. All portfolio or other professional development activities are reserved for the three afternoons per week when no appointments are scheduled.

**Informal Recommendation 6:** Embassy Lima should use its appointment system to manipulate the nonimmigrant visa interview schedule so that adjudicating officers can undertake other professional activities during morning hours when the opportunities arise.

The ACS cashier is also the unit's sole federal benefits assistant. The cashier must be available to take fees four mornings a week, in addition to the three afternoons when she takes CIS fees. If she is involved with a federal benefits case, most of which require considerable patience and attention, a backlog of clients waiting to pay routine fees can develop, and cases pile up awaiting officer attention.

**Informal Recommendation 7:** Embassy Lima should either assign cashiering duties to another of the American citizens services unit's locally employed staff or establish federal benefits office hours on the afternoons when the unit is not open for other business.

***Management Issues***

***Financial Management***

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The current banking agreement is beneficial in that it offers no-cost fee collection for machine-readable visas and has accommodation exchange features. However, at the time of the agreement in 2001, the local bank could not make electronic funds transfer payments to local vendors.

**Informal Recommendation 9:** Embassy Lima should survey local banks to determine whether electronic funds transfer capabilities are available locally.

Four individuals in the financial management unit are responsible for accounts receivable functions such as transportation charges, travel advance repayment, damaged furniture payments, and salary overpayments. This is inefficient and potentially confusing to customers.

**Informal Recommendation 10:** Embassy Lima should consolidate accounts receivable responsibilities in a single employee in the financial management unit.

### *Customs and Shipping*

The embassy web site does not have general information about customs and shipping procedures for newcomers. It relies heavily on incoming personnel contacting the unit.

**Informal Recommendation 11:** Embassy Lima should place on its web site a link having general information for newcomers about customs and shipping procedures.

### *Housing*

The interagency housing board has three representatives from the Department. According to 15 FAM 212.2-2b, larger agencies such as the Department may have one permanent representative on the board.

**Informal Recommendation 12:** Embassy Lima should have one State Department representative in the interagency housing board.

The interagency housing board reassigns houses readily, based on circumstances that are sometimes contrary on the embassy's housing handbook.

**Informal Recommendation 13:** Embassy Lima's interagency housing board should follow the circumstances stated in the embassy's housing handbook regarding the reassignments of housing.

Embassy Lima's housing questionnaire asks for housing preferences but does not explain that the preferences for a particular type of housing and neighborhood are not guaranteed. Also, the questionnaire does not explain space standards.

**Informal Recommendation 14:** Embassy Lima should update its housing questionnaire to state that space standards are based on position, not pay grade; the space provided in the FAM is a maximum, not an entitlement; and that a preference for a type of housing and a neighborhood is not guaranteed.

The housing handbook does not reflect the 15 FAM changes.

**Informal Recommendation 15:** Embassy Lima should update its housing handbook to reflect new Department regulations.

The management counselor's house has one of the embassy's most expensive leases. The embassy obtained a waiver from OBO in FY 2004 for this property. This is the only house in the housing pool that has an outdoor Jacuzzi and a dry sauna in the bathroom. The embassy is scheduled to drop this house from its housing pool when the incumbent leaves the post in 2007.

**Informal Recommendation 16:** Embassy Lima should terminate lease number S-135-OBO-681 from the housing pool in 2007.

### *Warehouse*

The warehouse uses a lift that does not have protective guardrails.

**Informal Recommendation 17:** Embassy Lima should install protective rails on the lift at the embassy warehouse.

### *Property Management*

Embassy Lima does not have inventory overage documentation.

**Informal Recommendation 18:** Embassy Lima should prepare an inventory overage document and keep it with the annual property management report.

There were discrepancies in some of the embassy's residential files.

**Informal Recommendation 19:** Embassy Lima should update residential files, especially household inventories.

### *Motor Pool*

The embassy's draft policy on use of official vehicles was not discussed with other ranking officers at post.

**Informal Recommendation 20:** The Ambassador, in consultation with ranking officers of agency elements at post, should prescribe countrywide policies for business and other authorized use of vehicles, in accordance with 14 FAM 418.1-2f.

Some agencies at post do not follow the vehicle policy.

**Informal Recommendation 21:** Embassy Lima should ensure that all agencies follow the mission vehicle policy and document any circumstances that preclude adhering to the policy.

### *Travel*

The embassy accepts government transportation requests and government credit cards for the purchase of official travel tickets.

**Informal Recommendation 22:** Embassy Lima should request that all agencies at post migrate to using a government credit card to purchase official travel tickets.

### **Procurement and Contracting**

The GSO, as required by Federal Acquisition Regulation 13.303, does not review blanket purchase agreements annually. In some cases, the lists of individuals authorized to place orders are also out of date.

**Informal Recommendation 23:** Embassy Lima should require the general services officer to review all blanket purchase agreements on an annual basis.

The procurement function is partially automated, but some functions (notably the maintenance of a procurement log) are still done on paper. As a result, paper documents must be passed between the GSO and financial management officer.

**Informal Recommendation 24:** Embassy Lima should implement the Department's standard Post Administrative Software Suite for procurements.

### *Grants Management*

PAS prepares a DS-0132, the Property Disposal Authorization and Survey Reports Form, to dispose of excess equipment through a grant. Survey board members sign the form, which is used to remove the surplus equipment from the inventory. The signed and executed form is filed in the general services office. PAS maintains the original, unsigned form in the grants file and keeps that file open until it receives a copy of the executed form.

**Informal Recommendation 25:** Embassy Lima should require the general services officer to forward signed and executed copies of Property Disposal Authorization and Survey Reports (DS-0132) to the public affairs section in a timely manner.

In 2000 and 2001, the Department's Office of Overseas Schools gave over \$100,000 in grants to (b) (6)(b) (6) which submitted invoices for expenditures made against the grant funds after expiration of the grant. There was no amendment extending the grant period.

**Informal Recommendation 26:** Embassy Lima should not accept invoices submitted for payment after the grant time period expires unless there is an amendment.

### *Information Management*

Embassy Lima spends much time and resources developing and supporting locally developed applications without evaluating the suitability of existing Department and commercial off-the-shelf applications.

**Informal Recommendation 27:** Embassy Lima should develop a plan to use available Department applications or commercial off-the-shelf solutions for embassy software needs to the greatest extent practicable.

The LES in the ISC are working unnecessary overtime.

**Informal Recommendation 28:** Embassy Lima should stagger the work hours of locally employed staff in the information systems center to create shifts that provide daily coverage and network maintenance without incurring excessive overtime.



Several NAS employees who work at the NAS facility at Lima airport do not have access to the Department's SBU network.

**Informal Recommendation 29:** Embassy Lima should explore providing Sensitive But Unclassified network access to the narcotics affairs section employees at Lima airport, within the constraints of the Department's security procedures.

Embassy Lima uses excessive e-mail traffic to disseminate general information and notices.

**Informal Recommendation 30:** Embassy Lima should post general notices on the embassy's Intranet site and send an e-mail to users once a day containing Intranet links to the latest updates.

### ***Information Technology Security***

Several of the servers on the SBU and classified networks lack required security patches.

**Informal Recommendation 31:** Embassy Lima should ensure that all workstations and servers are patched according to Department requirements.

Embassy Lima's consular workstations do not meet the Department's security configuration standards.

**Informal Recommendation 32:** Embassy Lima should ensure that all workstations, including the consular section workstations, meet Department security configuration requirements.

The file permissions applied to user directories on the SBU network are not consistent with need-to-know information security and Privacy Act requirements. The permissions are set so that anyone within an office can view and modify any documents that belong to anyone else in the office.

**Informal Recommendation 33:** Embassy Lima should restructure the file permissions on the Sensitive But Unclassified network so that user directories only give read-write access to the owner of that directory.



## PRINCIPAL OFFICIALS

	<b>Name</b>	<b>Arrival Date</b>
Ambassador	J. Curtis Struble	1/2004
Deputy Chief of Mission	Phyllis M. Powers	8/2005
<b>Chiefs of Section</b>		
Consular	Ray Baca	10/2005
Economic	Timothy Stater	8/2002
Management	Robert E. Davis	8/2003
Narcotics	Susan Keogh	8/2004
Political	Alexander H. Marguiles	7/2002
Public Affairs	Van S. Wunder, III	7/2005
Regional Affairs	Juan O. Cruz	7/2003
Security	James D. Lemarie	7/2005
<b>Other Agencies</b>		
Defense Intelligence Agency	Col. Leopoldo Rivas	9/2005
Drug Enforcement		
Administration	Lawrence Beck	4/2005
Foreign Agricultural Service	Melinda Sallyards	9/2003
Foreign Commercial Service	Margaret Hanson-Muse	8/2004
Department of Homeland		
Security	Alonso C. Gonzalez	5/2001
Military Assistance and		
Advisory Group	Col. Jeffrey H. Fargo	7/2004

National Geospatial-Intelligence Agency	John M. Tomasovich	1/2005
Naval Medical Research Center Detachment	Capt. Gregory J. Martin	4/2004
Peace Corps	Michael H. Hirsh	2/2005
U.S. Agency for International Development	Hilda Arellano	Not Available

## ABBREVIATIONS

A	Bureau of Administration
ACI	Andean Counterdrug Initiative
ACS	American citizens services
A/RSO-I	Assistant regional security officer -investigator
CA	Bureau of Consular Affairs
CIS	DHS Bureau of Citizenship and Immigration Services
CLO	Community liaison office
DCM	Deputy chief of mission
DEA	Drug Enforcement Administration
DHS	Department of Homeland Security
DOD	Department of Defense
ECA	Educational and Cultural Affairs
EEO	Equal Employment Opportunity
ELO	Entry-level officer
FPM	Fraud prevention manager
FSN	Foreign Service national
FTA	Free Trade Agreement
GSO	General services officer
HRO	Human resources officer
ICASS	International Cooperative Administrative Support Services
INL	Bureau of International Narcotics and Law Enforcement Affairs

INR	Bureau of Intelligence and Research
IPC	Information processing center
IRC	Information resource center
ISC	Information systems center
ISO	Information systems officer
ISSO	Information systems security officer
IV	Immigrant visa
LES	Locally employed staff
MPP	Mission Performance Plan
NAS	Narcotics affairs section
NIV	Nonimmigrant visa
OBO	Bureau of Overseas Buildings Operations
OIG	Office of Inspector General
PAS	Public affairs section
PNP	Peruvian National Police
RELO	Regional English language officer
SBU	Sensitive But Unclassified
SHEM	Safety health and environment management
TIP	Trafficking In Persons
USAID	United States Agency for International Development

~~SENSITIVE BUT UNCLASSIFIED~~

~~SENSITIVE BUT UNCLASSIFIED~~