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Report of Inspection

Embassy Tbilisi, Georgia

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KEY JUDGMENTS

- Embassy Tbilisi is succeeding in helping Georgia transform its government and society and become a model in the region. The Ambassador and the deputy chief of mission (DCM) work productively with the Georgian leadership to keep democratic and economic reforms on track, and to moderate the government's response to the separatist conflicts. These objectives, along with Georgia's integration with the West and the promotion of common values, constitute the Mission Strategic Plan (MSP) priorities.
- The extensive U.S. assistance program in Georgia is carefully organized, nonduplicative, and targeted towards MSP objectives. Frequent coordination and working group meetings provide direction as well as rationalization of the assistance activities, both within the U.S. government and among international donors.
- Embassy Tbilisi needs additional personnel in the political and economic section in order to match the embassy's MSP goals, which all require sustained attention from that section. The Office of Inspector General (OIG) team endorses the FY 2009 MSP request for an additional economic officer and an office management specialist (OMS).
- Management's focus on the MSP goals and the move to the new embassy compound (NEC) has unintentionally pushed attention to morale particularly locally employed (LE) staff morale to the background. Embassy leadership needs to give priority to workforce retention through a number of initiatives including the resolution of the real loss in earnings over the past few years.
- Some embassy personnel have witnessed incidences of cultural insensitivity
 and inattention to Equal Employment Opportunity (EEO) principles.
 Although embassy leadership counseled responsible parties as appropriate,
 there is a need to showcase these principles more broadly for both
 U.S. direct-hire and LE staff, as well as to community family members.

The inspection took place in Washington, DC, between April 2 and 27, 2007; in Frankfurt, Germany, between April 25 and 27, 2007; and in Tbilisi, Georgia, between May 18 and June 7, 2007. Ambassador Pamela Smith (team leader), Leslie Gerson (deputy team leader), Alan Berenson, Thomas Carmichael, Renee Francis, Vickie Huss, Michael Kirby, Dennis Matthews, and Charles Rowcliffe conducted the inspection.

CONTEXT

Bordered by Russia to the north, the Black Sea to the west, Turkey and Armenia to the south, and Azerbaijan to the east, Georgia sits on the strategic crossroads of



Europe and Asia and sees itself as European. Its diverse population of over four million lives amid rugged mountains, rocky plateaus, fertile river valleys, semideserts, and a subtropical seacoast.

After gaining independence from the Soviet Union in 1991, Georgia's economy virtually collapsed, and the country faced political strife and war in the

breakaway regions of Abkhazia and South Ossetia, bringing Georgia to the brink of becoming a failed state. The "Rose Revolution" sought to reverse that decline, and the Georgian leaders who came to power in 2003 began rebuilding their country as a modern, democratic nation, fully integrated into Western institutions. Today, nearly four years later, Georgia is making rapid progress and has become a leader in democratic and economic reform among the states of the former Soviet Union. The economy is strengthening, with gross domestic product growth reaching nine percent per year and foreign direct investment beginning to flow into the country. The government has clamped down on corruption, overseen reforms in law enforcement and education, refurbished roadways and public services, and improved public finances. Georgia cooperates with the United States in the Global War on Terror and contributes troops to Iraq and Afghanistan as well as to operations in Kosovo. By 2009, Georgia hopes its comprehensive reform program will deliver its preeminent foreign policy goal: membership in the North Atlantic Treaty Organization (NATO).

The last 18 months have seen a steady rise in economic and political pressure from Russia. Russian bans on Georgian wines and agricultural produce have cut off the Russian market from Georgia's principal exports, costing hundreds of millions of dollars in export losses. After Georgia arrested Russian officers on espionage charges in 2006, Russia moved to sever all transportation and postal links between the two nations and began deporting and putting other pressure on Georgians living in Russia. Russian behavior has also called into question Russia's commitment to Georgia's territorial integrity and raised tensions in the separatist regions of Abkazia and South Ossetia; portrayals of Georgia in the Russian press have created mistrust among the peoples of both nations. Many see Russia's actions as a way to punish Georgia for its aspirations to join NATO.

The peaceful resolution of Georgia's separatist conflicts remains elusive, and the situation in both South Ossetia and Abkhazia is tense. A Georgian proposal for a peace plan in South Ossetia and a willingness by the Georgians to meet the Abkhaz have failed to produce progress toward a political solution, and a low but steady level of violence in both regions risks escalating into a broader conflict. Human rights violations against ethnic Georgians in Abkhazia, as well as frequent kidnappings and shootings in both separatist regions, are endemic. Georgians view the existing negotiating formats as well as the Russian peacekeeping forces as unbalanced and ultimately unhelpful in the resolution of the separatist conflicts.

Georgia's reform successes have been led by the executive branch. It is critical that the legislative and judicial branches of power and local government capitalize on reforms to their institutions and play a more prominent oversight role in order to balance the distribution of government power. The opposition and civil society, which lost much of their leadership to the government after the Rose Revolution, also need to evolve into effective forces. Finally, anticorruption and antiinflation efforts will have to continue as large amounts of investment enter the country.

Georgia has long been a focus of U.S. policy among the states created from the former Soviet Union. Today, sustaining Georgia's success is a high priority for the United States. Bilateral relations are excellent, and the Georgian government, led by President Mikheil Saakashvili and his largely U.S.-educated team, welcomes and uses U.S. support and guidance.

In November 2005, the embassy, including representatives of most other federal agencies, with the notable exception of the U.S. Agency for International Development (USAID), moved to a NEC north of the city. During the inspection, construction of a USAID annex began on the same site and is scheduled for FY 2008 completion. The embassy estimates that its staff has doubled since 1999 with the

increased U.S. government focus on the region and Georgia's democratic reforms. In fact, Embassy Tbilisi is the third largest mission in the former Soviet Union after Moscow and Kyiv. Approximately one-half of its 89 U.S. direct-hire staff represent non-Department of State (Department) entities. Of the 540 LE staff, approximately 200 are local guards. Embassy Tbilisi's multiagency FY 2007 budget was over \$15 million. In FY 2006, Georgia received an estimated \$115 million in foreign assistance from all U.S. government agencies, not including Millennium Challenge Corporation contributions.¹

¹The Millennium Challenge Corporation signed a compact with Georgia in September 2005 totaling \$295 million over a five year period.

EXECUTIVE DIRECTION

Embassy Tbilisi is succeeding in helping Georgia transform its government and society and become a model in the region. Using his experience and steady hand to sustain the Georgian government's best instincts, the Ambassador has earned the leadership's confidence and has become President Saakashvili's *de facto* mentor; the Ambassador's advice to the president and other leaders helps keep reforms on track and prevents impetuous, potentially fatal Georgian responses to Russian provocations. The Ambassador maintains a very positive reputation among government leaders despite the fact that he often must advise that leadership to restrain their initial impulses. The DCM has also developed productive relations with Georgia's leaders and uses them to advance U.S. interests in concert with the Ambassador.

Georgia's embrace of efficient democratic governance constitutes the U.S.'s first objective for the country. Other key objectives include: cementing Georgia's integration with the West, especially NATO; resolution of the separatist conflicts in Abkhazia and South Ossetia; consolidation of economic stability and growth; and promotion of common values. The MSP articulates U.S. goals clearly, and the MSP process, led by the DCM, effectively draws on the input of key sections of the embassy. Embassy work appeared to the OIG team to align exactly with MSP priorities.

The Ambassador and DCM manage several crises per week, as violent incidents in Georgia's separatist regions have the potential to escalate into more wide-ranging conflicts. The OIG team witnessed what is a typical weekend drill: the DCM and Ambassador conferred about a shooting in South Ossetia, after which the Ambassador counseled restraint with Georgian government contacts and then alerted Washington that this flare-up was in hand. The embassy's leadership team understands how to work with the policy process in Washington, keep things calm in Tbilisi, and maintain the discipline that allows them to be ceaselessly on alert; they are valuable assets for the United States in a visible and important place.

The OIG team observed a high degree of cooperation that the Ambassador and DCM have fostered among the embassy's elements. Georgia is one of the highest per-capita recipients of U.S. assistance in the world, and many agencies operate programs there; under the Ambassador's guidance and the DCM's close supervision and leadership, this wealth of good intentions is carefully organized, nonduplicative,

and aimed at achieving the objectives outlined in the MSP. The implementers of assistance programs and policy-focused officers from the political-economic section sit on assistance working groups, ensuring a cohesive result. The DCM chairs frequent coordination and working group meetings and provides direction as well as rationalization of the assistance activities, both within the U.S. government and among international donors. Washington assistance coordinators use Embassy Tbilisi as a model for how to manage a complex assistance portfolio.

The Ambassador's outreach activities have made him a media star in Georgia. The OIG team noted how he uses the celebrity status granted U.S. ambassadors to articulate U.S. policy and shine light on the Peace Corps, public diplomacy, assistance, military, and other programs that endear the United States to ordinary and influential Georgians alike, as the team witnessed repeatedly. Representational events are focused, extensive, and yet well within budgetary limits, and the Ambassador and DCM generously use their own funds for events with staff, Peace Corps volunteers, and important visitors.

The OIG team was impressed by the degree to which American staff in the embassy respond to the Ambassador's leadership style. Other agency and Department section heads all value his support, availability, and guidance, and they credit him for letting them carry their programs and issues forward, while coming to their aid whenever they need it. The Ambassador demonstrates a comprehensive understanding of Georgia, and he effectively mines each section's potential for advancing U.S. objectives. The U.S. members of Team Tbilisi demonstrate a sense of high purpose and personal worth. The OIG team noted the air of collegiality and trust among these officers; this is especially evident in the country team and other group meetings, where the Ambassador generously hands out praise, helpful observations, and offers of assistance.

The DCM, acting as chief operating officer and drawing on his management experience, leads the internal running of the embassy. The DCM spearheaded the complex process of moving the embassy into a new compound, a state-of-the-art but not quite turn-key facility. Mechanical, budgetary, security, and procedural issues gradually are resolving, but continue to require attention. The DCM has also turned around a difficult management situation, reorganizing fiscal controls, improving International Cooperative Administrative Support Services (ICASS) operations, and increasing efficiency overall. Many ICASS customers – and the OIG team – credit the DCM for taking a number of tough decisions that have made the embassy a very well-run operation.

Embassy Tbilisi relies on a large number of first- and second-tour officers to accomplish its work, giving them substantive responsibilities and valuable learning experiences from the outset. The DCM has conducted helpful counseling sessions when needed to address performance issues and also holds regular, open-ended sessions with the entry-level officers (ELOs), which they told the OIG team they value. Several section chiefs commented on how much they appreciated the DCM's guidance, especially where his management experience helped first-time supervisors.

LE staff at the embassy are experiencing a number of disincentives, which taken together have produced a serious talent-retention problem since the move to the NEC in late 2005. Pay increases for the LE staff have fallen far short of inflation, while at the same time the buying power of the local staff's dollar-denominated wages has plummeted as the dollar devalues against the local currency. Buying power is an estimated 40 percent of what it was in 2004, and the one pay increase in the past three years was only approximately six percent. (b) (2)(b) (2)(b) (2)(b) (2)(b) (2) (b) (2)(b) (2)(b (b) (2)(b) (2)(b (b) (2)(b) (2)(b (b) (2)(b) (2) (b) (2)(b) (2) (b) (2)(b) (2)(b (b) (2)(b) (2)(b (b) (2)(b) (2) (b) (2)(b) (2)(b (b) (2)(b) (2) (b) (2)(b) (2)(b (b) (2)(b) (2)(b) (2)(b) (2)(b) (2)

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Given the many positive aspects of embassy leadership and the air of optimism and excitement found on the streets of Tbilisi, (b) (2)(b) (2)(b

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The NEC is, by design, formidably secure. The OIG team found, however, an uneven implementation of proper security procedures. (See the classified annex for a full discussion of this issue.)

RIGHTSIZING

Growth at Embassy Tbilisi does not appear to be unbridled or ill considered. The OIG team reviewed all of the embassy's National Security Decision Directive-38 requests for increases in other agency staffing since 2002. Embassy leadership reviews all requests carefully and has denied some increases. Some positions have been converted from U.S. direct-hires to eligible family members (EFM) or local hires, which are less costly. All approvals have been targeted at MSP goals and objectives. Since FY 2002, Embassy Tbilisi has received 12 new Department positions to support the increased importance of the U.S.-Georgian relationship, and its FY 2009 MSP requests another four.

The Georgia reform model and the Georgian government's support of U.S. policy attract very senior attention in Washington, which increases the visibility of Embassy Tbilisi's work. The number of Washington visitors has increased dramatically, with a 300 percent increase in the past three years, and the seniority of the official visitors is often very high. During the inspection, for example, the embassy organized a productive series of weekend meetings between a White House official and the Georgian President, parliamentarians, and other leaders, connecting Washington and Tbilisi more closely on fast-breaking issues, showcasing the positive relationship between the embassy and the government, and demonstrating the intense workload that such visits entail.

The combination of increased focus on the U.S.-Georgian relationship and the support to official visitors that grows from that improved relationship puts stress on the support staff, which has not grown as robustly as the professional staff in the recent past. For this reason, the OIG team concurs with the embassy's giving top priority to an OMS for the political-economic section in its recent MSP submission. The only two direct-hire OMS at post are those supporting the Ambassador and DCM. The political-economic section handles a lot of classified information, yet the time required to get security clearances for locally hired EFMs at a post where most officers come for two-year assignments forecloses viable alternatives to a direct-hire OMS.

Embassy Tbilisi has consolidated most of its administrative operations with the exception of motor pool, procurement, and janitorial services. The warehouse and housing have been successfully consolidated. Motor pool will be consolidated upon completion of the USAID annex, and the embassy already has an agreed plan for that process, including reductions in force. The embassy estimates a reduction of approximately 30 positions in the final stage of consolidation. Most of these savings will be among LE staff, but at least one is expected to be a U.S. direct-hire position.

POLICY AND PROGRAM IMPLEMENTATION

Foreign Assistance

U.S. government assistance focuses on Embassy Tbilisi's MSP goals of helping the Georgian leadership govern democratically and efficiently, integrate into NATO, increase regional cooperation, guarantee peace and security, and achieve stable economic growth. U.S. support in all these areas is indicative of the Department's transformational diplomacy efforts.

In FY 2006, the U.S. government budgeted approximately \$85.7 million through all its agencies to foreign assistance for Georgia. The multiagency effort directs \$77.3 million of the total towards programs in the thematic areas of democracy building, economic and social reform, and security and law enforcement. As mentioned in the context section of this report, the Millennium Challenge Corporation compact agreement provides an additional \$295 million over five years primarily for rehabilitating regional infrastructure and promoting private sector development in agriculture.

Embassy Tbilisi has developed an effective, well-structured, and appropriately staffed process for foreign assistance coordination. That process ensures adherence to policy objectives, minimizes program duplication, channels assistance to the most effective implementers, and identifies new program areas meriting embassy attention. USAID's eventual move to the NEC will make cooperation even more effective.

The DCM chairs an assistance coordination committee providing overall mission oversight. Representatives of various mission elements chair four assistance working groups in the thematic areas of good governance, social development, economic development, and security and law enforcement. Those working groups meet for more focused or technical discussions among relevant agencies. An EFM assistance coordinator funded with Freedom Support Act (FSA) funds takes notes, drafts working group reports, and compiles major reports and assistance fact sheets. The OIG team attended assistance coordination committee and assistance working group sessions, finding them well run and effective. The EFM assistance coordinator provides

excellent support for the flow of information among committees and between the embassy and the Bureau of European and Eurasian Affairs' Office of Assistance to Europe and Eurasia, which has praised the coordinator's work, a view the OIG team fully endorses.

POLITICAL AND ECONOMIC SECTION

The Ambassador and DCM have great confidence in the combined political and economic section. They tasked it to lead formulation of the FY 2009 MSP, ensuring clear policy focus. An officer from the section led an interagency working group that compiled the document in consultation with other embassy elements. The section uses the MSP as a guide for their activities and develops an annual list of strategic goals supportive of larger MSP goals and the tactics for achieving them, reviewing the agenda as a group periodically to monitor progress.

There is a healthy, free flow of information and policy perspectives among the Ambassador and DCM and the political and economic officers. The weekly political and economic section staff meeting is scheduled directly after the country team meeting to allow fresh, comprehensive debriefs on current issues. The views of subordinates are communicated directly and clearly by the section chief to her superiors at their meetings and elsewhere for discussion even when they differ from accepted viewpoints.

The section's ELOs benefit from good mentoring. They receive instruction from their supervisors in drafting and other tradecraft skills that were not covered in their preassignment training, and even the Ambassador works directly with them from time to time on report drafting, providing policy and tradecraft insights. The section contains a relatively large number of ELOs, however, and their instruction is a significant addition to the workload of the supervisory officers.

Although the embassy carries out commercial advocacy, some of it personally by the Ambassador, the political and economic section would benefit by an additional economic officer. The deputy political and economic section head encumbers the only permanent, full-time economic officer position. The deputy handles, among other issues, a heavy energy portfolio. When the deputy assumes charge of the section in the section chief's absence, the section's attention is drawn away from economic issues. A temporarily assigned ELO economic officer leaves the section this year with no successor, and a locally employed Department of Commerce assistant position may also be curtailed in the near future, leaving Embassy Tbilisi with little economic or commercial reporting or advocacy capacity.

Embassy Tbilisi needs a strengthened economic staff to provide strategic direction and support for the embassy's MSP-driven economic assistance program and other legal and good governance projects that improve Georgia's attractiveness to commerce and investment. The FY 2009 MSP justification for an additional economic officer position is compelling, and the OIG team endorses that MSP request.

The political and economic section is well managed. The DCM has increased the section's control over its own budget, and the section chief gives considerable attention to resource management issues along with the press of the heavy policy portfolio. The section chief's management style is consultative, and staff provide input to the travel, representation, and training plans, all of which the OIG team reviewed and found comprehensive.

The section chief holds a separate, informal weekly meeting with the Georgian staff to discuss their concerns. Although management is responsive to their perspectives, additional attention is needed. The OIG team discussed the need for the section to invite its LE staff to more representational events and to more meetings where they function as subject matter experts rather than as interpreters – increasing their prestige before and effectiveness with Georgian contacts.

The political and economic section's local staff assistants are required, as an integral part of their work responsibilities, to monitor several nightly news programs and compile information for the morning Ambassadorial press briefing, attended by several key embassy officers. That briefing is a critical daily gathering that influences the thrust of the day's activities. The section's budget formerly provided for 21 hours of overtime to compensate the staff for this nighttime work, but funding was reduced in the fall of 2006 to cover only 10 hours of overtime per week. There was no corresponding drop in expectations of the number or type of programs to be monitored, however, and management chose to give compensatory time for some of the hours over 10 spent by the staff monitoring television programs. The OIG team made an informal recommendation on the need to regularize the compensation scheme according to FAM regulations and local laws.

Support staff has not kept pace with the section's growth, and the need for an OMS was documented in the rightsizing section of this report.

Support for Counterterrorism Efforts

Embassy Tbilisi receives excellent counterterrorism cooperation from the government of Georgia, particularly because effective counterterrorism measures are important to Georgia's NATO accession. The Ambassador personally underlines the importance of counterterrorism programs and security cooperation during his contacts with government officials.

Embassy Tbilisi is carrying out well coordinated, multidisciplinary counterterrorism efforts. The DCM approves all antiterrorism telegrams, ensuring coordination among various embassy elements. The embassy appointed a terrorism reporting officer and a terrorism finance coordination officer, and all mission elements dealing with counterterrorism issues are in close communication through assistance working groups or in the law enforcement working group. These mission elements include the Defense attaché office, the Office of Defense Cooperation, and the Defense Threat Reduction Office. Civilian elements include the Department's Export Control and Related Border Security (EXBS) coordinator and the Bureau of International Narcotics and Law Enforcement Affairs (INL) offices, the Georgia Border Security and Law Enforcement Assistance program, the political and economic section, and others. (b) (2)(b) (2)(

Embassy Tbilisi has made major progress meeting its counterterrorism agenda with Georgia. In a major commitment in response to embassy requests, the government of Georgia is increasing its troops in Iraq to 2,000. Embassy Tbilisi provides close political, logistical, and media support for Department of Defense training elements in Georgia. (b) (2)(b) (2)(b)

LAW ENFORCEMENT COOPERATION

Embassy Tbilisi law enforcement cooperation with local and national counterpart agencies is good. The embassy office of the Federal Bureau of Investigation

reports close bilateral cooperation on investigations. INL has found a similar cooperative attitude in its development of a forensics laboratory and in Department of Justice work with the Georgians on a new Criminal Procedure Code. The Georgians benefit from the Department's Bureau of Diplomatic Security Antiterrorism Assistance training supervised by the regional security officer and totaling approximately \$2 million annually.

Department training for INL officers assigned to Georgia needs review. The present INL officer concentrates on supporting government of Georgia law enforcement training and reform, rather than cooperation on narcotics interdiction and other drug related crime. Training for the officer, however, focused on drug enforcement issues rather than nation building aspects of his work. With the expansion of INL's mandate under transformational diplomacy, coursework for officers assigned to INL's overseas programs with training and institution-building responsibilities do not appear to cover these programs adequately.

Recommendation 1: The Bureau of International Narcotics and Law Enforcement Affairs should request the Foreign Service Institute to design and implement coursework that addresses training and institution-building strategies and program operations for its officers assigned to transformational countries. (Action: INL, in coordination with FSI)

HUMAN RIGHTS

Embassy Tbilisi promotes the U.S. government's human rights agenda as part of its support for Georgia's good governance and democratic reform. Embassy officials personally advocate law enforcement and judicial reform, government transparency, anticorruption, and antitrafficking progress at the highest levels of government. U.S.-Georgian conversations are frank. The embassy also coordinates talking points for visiting Department officials to ensure their support for human rights reflects and reinforces the embassy's policy agenda. Embassy officials, including the Ambassador, have toured Georgian prisons to advocate prison reform.

Government of Georgia officials read the Department's country human rights reports and take all criticisms seriously as a measure of their progress towards membership among Western democracies and in NATO. More importantly, the government often takes steps to respond to those criticisms.

Refugee Affairs

Embassy Tbilisi carries out adequate oversight of the refugee and internally displaced person humanitarian assistance portfolios, and the Ambassador and public affairs section have sought to increase the public diplomacy impact of the projects. Washington nongovernmental organization representatives with projects in Georgia have said that embassy officers are knowledgeable about, and supportive of, their projects.

The 2005 move of the Tbilisi-based regional refugee coordinator office to Moscow and the expansion of his portfolio to include additional countries, however, have reduced opportunities for policy advocacy at the Georgian Ministry of Refugees. The Moscow-based coordinator should be supporting the development of an overall government of Georgia strategy for the care and resettlement of refugees and internally displaced persons, but the coordinator has not been able to visit Georgia for nearly a year, although he plans a June 2007 visit.

Recommendation 2: The Bureau of Population, Refugees, and Migration should send its regional refugee coordinator in Moscow to visit Georgia quarterly. (Action: PRM)

PUBLIC DIPLOMACY

Embassy Tbilisi's public diplomacy activities include a comprehensive range of Department programs as well as Georgia-specific, countrywide initiatives that target youth, minorities, Muslims, as well as its elites. The public affairs section is comprised of two officers and 10 LE staff. Its staff is sorely strained but handles its program load properly.

The public affairs section has considerable funding flexibility to carry out its programs. It has general operating expenses of \$363,000 but has access to FSA funds totaling \$1.2 million for FY 2006-07, which it uses for grants supporting a wide variety of program initiatives.

With this funding flexibility, the public affairs section works through multiple U.S., Georgian, and international organizations to carry out U.S. government initiatives. The section is identifying and working with Georgia's future leaders through exchanges tied to alumni follow-up programs. It works through the American Councils on International Exchange on a student exchange alumni center, with Tbilisi

State University on an American Studies center, and on an association for more advanced U.S. program alumni. The embassy, including the Ambassador, is actively involved in all these initiatives. The public affairs section's management of its own Fulbright and other exchange programs received high marks from Washington elements.

The public affairs section is the embassy element most involved in FSA-funded educational and research institutions, including the American Academy, the Georgian Institute for Public Affairs, and the Georgian Foundation for Strategic and International Studies. The viability of these institutions depends on FSA funding. The future of that funding is, however, uncertain. It is accepted that FSA funds will be phased out eventually, but the time frame is unknown. The possibility of a sudden cutoff or reduction of funds makes their long-term planning for increased self-sufficiency or other donor support very difficult. Establishing clearer future funding levels will help the administration of these institutions in their planning.

Recommendation 3: Embassy Tbilisi, in coordination with the Bureau of European and Eurasian Affairs, should provide annually updated three-year projections of funding support levels to the American Academy, the Georgian Institute for Public Affairs, and the Georgian Foundation for Strategic and International Studies to aid in planning. (Action: Embassy Tbilisi, in coordination with EUR)

The Ambassador is one of the embassy's greatest public diplomacy assets. He willingly and skillfully engages the Georgian, U.S., and international media. The public affairs section has initiated a strategy to raise the DCM's media profile to an appropriate level so that he can continue public outreach in the Ambassador's absence.

Public affairs section programs are well integrated in the embassy policy agenda, and the public affairs officer (PAO) participates fully in embassy program planning and coordination, including the MSP process. The PAO meets daily with the Ambassador during the morning press briefing and follow-on discussions and with the DCM weekly. She also attends the senior staff meeting and is a member of the assistance coordination committee.

The public affairs section provides excellent media support for all the mission's agencies. These include the Department of Defense's programs to train Georgian troops, official visitor events, and assistance programs. The assistant PAO coordinates this intensive media agenda. The OIG team discussed with the PAO ways to reduce his continuous and grinding workload. The same officer also manages the embassy's information resource center and the American Corners outreach program.

The PAO is often outside Tbilisi on official business, leaving the assistant PAO in charge of the section, which has an active program agenda that competes with his important media portfolio. Embassy Tbilisi's FY 2009 MSP requests another public diplomacy officer to relieve the pressure of media support. The OIG team endorses this request.

The public affairs section coordinates media coverage of the large assistance program with USAID and others very well. A joint embassy-USAID strategy, however, would promote long-term planning and make certain that the two offices' public affairs events and press releases reinforce one another's messages. The OIG team made an informal recommendation that Embassy Tbilisi develop and implement a joint U.S. government communications strategy, encompassing USAID.

Public diplomacy programs engage officers from throughout the embassy, supporting speaking opportunities at American Corners and at other venues throughout Georgia. In addition, the public affairs section aggressively solicits proposals for International Visitor Leadership programs from all embassy sections, and gives their officers seats on evaluation committees.

The embassy increasingly is taking advantage of opportunities to engage with audiences in conflict areas in Abkhazia and South Ossetia – areas of political limbo where conventional diplomacy has been hampered. The Ambassador joined a successful blue grass music tour through Abkhazia last year. The Bureau of Educational and Cultural Affairs' regional English language officer has had great success bringing together English teachers from Georgia, Abkhazia, and others in the region for training conferences that highlight the benefits of reconciliation. Public affairs section media training, like its other exchange programs, brings together Georgian and Abkhaz journalists, promoting mutual understanding.

Information Resource Center

The information resource center's mission statement and program planning are geared to the embassy's MSP goals. The center supports MSP goals through its own activities and through the seven current American Corners, expanding to nine in the near future. The resource center has one LE staff member to implement outreach and another to coordinate American Corners support. Both are newly hired, and the public affairs section has identified training as their highest priority. The OIG team made an informal recommendation that the LE staff member responsible for outreach visit an established information resource center at another embassy in the region that could serve as a model for its activities.

The resource center faces obstacles that are not unique to Georgia but that the OIG team felt merited mention. In the move to build more secure embassies, new sites, like that in Tbilisi, are being constructed at some distance from population and cultural centers. Following these moves, embassies worldwide are finding it difficult to attract the same number of clients – or any at all – to their resource centers. The embassy's move to a NEC located 15-25 minutes from the town center in a bleak area of auto lots with no foot traffic and no public transportation precludes visits by all but the most seriously interested clients. Security procedures, including a vault-like door to the windowless resource center, are also not conducive to attracting customers.

Until Tbilisi's population center expands and spreads to the embassy's neighborhood, at which time more clients may find it accessible, the resource center will be underutilized. In the meantime, the embassy tries to use the generous space for things that are not appropriate for a resource center. The community liaison office, for example, sent boxes of mostly outdated reading material to the center for its use or for donation to American Corners. Although the books do not match its program needs, the center's staff is keeping much of this material to fill space on its shelves. The PAO has done a good job establishing the resource center's role as the hub for Georgia's American Corners, despite poor e-mail communications and mail services. Equal attention is required to establish the center's role in outreach, as a provider of high-value research support and as a leader in the library community. The regional information resource officer in trip reports and in the center's annual plan provides sound advice on developing outreach to the professional library community. The OIG team fully endorses this emphasis.

The OIG team discussed with the center staff suggestions for an internship program for Georgian library science students, use of the Fulbright Senior Specialist Program for the short courses co-organized by the center with Georgian counterparts in library methodology, and lectures by the center's staff on library techniques and internet research. Suggestions for closer relations with special libraries in parliament and elsewhere were discussed.

Digital Videoconferencing

The public affairs section has used the embassy's digital videoconferencing equipment successfully for its programs but has transferred responsibility for maintenance and handling of its digital videoconferencing equipment to the embassy's information management office. This takes an administrative load off the public affairs section and promotes expanded, common mission program and management use of the facilities under ICASS control. The public affairs section maintains responsibility

for scheduling equipment use only. The OIG team has identified this innovation as a best practice.

Best Practice: The information management office maintains and operates Embassy Tbilisi's digital videoconferencing equipment for mission-wide program and management use. The public affairs section has responsibility for maintaining the schedule for use of equipment and the conference program room only.

Issue: When U.S. Information Service public affairs sections first introduced the digital videoconferencing program, the equipment was unreliable and technically complex. At that time, public affairs staff provided needed oversight of its use. Digital videoconferencing equipment is now much more reliable, and staff of other sections can learn to use it easily. Nevertheless, the public affairs sections in many embassies continue to have primary responsibility for providing staff to facilitate all conferences using that equipment.

After the 1999 U.S. Information Service consolidation with the Department, nearly all embassy public affairs section computer staffs were integrated into the information management offices. This means public affairs sections are often unable to provide necessary technical support.

In the case of Tbilisi, the public affairs section has no computer or audio-visual technician to provide technical support for digital videoconferences for other sections. Personnel for other sections carry out the routine facilitation of their section's digital videoconferencing programs.

Response: The information management office provides technical staff for digital videoconferences. The public affairs section keeps the schedule for use of the equipment and the program room in which it is located.

Result: The public affairs section is no longer responsible for technical support that the embassy information management office can manage directly. Other sections now use the equipment for their programs without depending on the public affairs section staff beyond scheduling its use. This promotes wider use of this cost-saving equipment in program and management discussions.

Web Site

The public affairs section is responsible for content on the public Internet web site, and the information management office is responsible for its technical support. When the information management office hires a web master, the web site is scheduled to migrate to the Department's content management system. The organization

of its links is unclear and needs review. For example, the web site now highlights public diplomacy activities on the first page but does not clearly highlight a link to the commercial section and its country commercial guide. The public affairs section has plans to review, with other embassy sections, a new web site layout in preparation for its migration to the content management system. The OIG team endorses this approach.

Consular Affairs

Embassy Tbilisi's consular section is well run, customer service oriented, and positioned for future workload growth. Its spacious office space in the NEC combined with the consular section chief's complete reworking of workflow and process have made the section a model of efficiency. These laudable improvements have left some in the embassy, who were used to lax public access and last-minute submissions of service requests, somewhat disgruntled. The OIG team discussed with consular leadership some ways to mollify those who prefer a less rigorous and more ad hoc approach to consular services.

A third-tour consular officer and a second-tour ELO staff a full service consular section that processes nonimmigrant (NIV), immigrant, and diversity visas and provides a range of American citizens services (ACS). When Russia ceased issuing visas for Georgian citizens several months ago, the Tbilisi consular section also took over processing of Visas 92 cases – the process to reunite family members of persons already granted refugee status in the United States – formerly handled by Embassy Moscow. Embassy Tbilisi also processes all immigrant and diversity visas for Azerbaijan.

The section's five full-time local staff, one half-time local hire, and one half-time EFM are completely cross trained. Unlike many other consular sections, an absence by one or more LE staff does not create processing problems because there are one or two others who are experienced and ready to step in. The ACS staff member, for example, does visa intake in the mornings along with the afternoon's ACS work. The immigrant visa local hire backs up on ACS work and also assists with courier pass-back facilitation for successful NIV applicants. All LE staff are involved in on-line training. The OIG team was also impressed at the efforts the section has made and continues to make to enroll its LE staff in Bureau of Consular Affairs-funded training opportunities at the Foreign Service Institute and elsewhere. Consequently, the LE staff is loyal, enthusiastic, and feels very much a part of a larger team working on important issues.

Visa processing is streamlined and efficient. Both consular officers are courteous, consistent in their adjudication standards, and take time to explain visa refusals appropriately. It is obvious that both are well aware of Georgian societal and immigration push-pull factors and use that knowledge to good intent in their skilled NIV interviewing. Although the NIV refusal rates are relatively high for a country that has made considerable economic and democratic progress in the past few years, the results of the section's validation studies support the premise that many NIV applicants are, in fact, intending immigrants.

There are two factors that limit the section's capacity to manage its visa workload and that could become more significant as the workload grows: the lack of officer language fluency and the capacity of the existing appointment system. Neither consular officer speaks Georgian or Russian at a skill level sufficient to conduct an interview without an interpreter, although both understand well enough to verify the accuracy of any interpreted comments. Many younger Georgians do not speak Russian; most older ones do. In theory, the consular officers should each be proficient in one of the two languages; ideally one should have working level fluency in Georgian and the other in Russian. No consular officer should come to post without a 2/2 in one of the two languages, yet that is exactly the situation at present, requiring one or two of the LE staff to be interpreting three or four mornings per week rather than working at processing tasks.² The OIG team discussed with the DCM the importance of ensuring adequate language skills in the consular section on future officer rotations.

At present the bank that accepts the machine-readable visa fees for NIV applicants also makes the appointments for interview. The bank's system is unable to handle timed appointments. NIV applicants, therefore, are told that they should arrive at the consular section for interview anytime between 8:30 and 10:00 three mornings a week. It is impossible to know if a flood of applicants will arrive early or late to complicate work flow. This means that the pressure on the security screening area or at the intake and interview windows cannot be spread out over the course of the mornings. Fortunately the section is so efficient that the staff can adapt quickly to the applicant ebb and flow, but the uncertainty limits the staff's ability to dedicate blocks of time to other work because they must always be ready to drop other tasks to deal with the unpredictable applicant flow. Consular management intends to switch to the on-line appointment system that the Bureau of Consular Affairs is unveiling to rectify this situation.

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²The consular section chief responded to a volunteer telegram to fill an immediate vacancy, and there was insufficient time for a full language course.

Although there are few American citizens permanently resident in Georgia, (b) (2)(b) (

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Consular management puts a premium on outreach in order to counteract historically negative opinions of the visa process. The section contributes a twice monthly column called "Ask the Consul" to a local newspaper. While the OIG team was on site, the consular section chief and the public affairs section's information officer cohosted a media event and tour in the consular section. The OIG team discussed ways the consular section might take advantage of its generous travel budget to conduct ACS, emergency preparedness, and student outreach outside the capital.

The section has an excellent relationship with the Frankfurt-based regional consular officer.

RESOURCE MANAGEMENT

Agency	U.S. Direct- Hire Staff	U.S. Local- Hire Staff	Foreign National Staff	Total Staff	Total Funding FY 2007 \$000
State – D&CP	28	4	13	45	\$1,506
State – ICASS	8	18	166	192	6,267
State – Public	2	0	10	12	363
Diplomacy					
State – Diplomatic Security	4	1	210	215	1,712
State – Marine	6	0	4	10	126
Security			-		
State –	0	0	0	0	45
Representation					
PD - Representation	0	0	0	0	6
State – OBO**	4	0	10	14	1,007
Treasury	2	0	0	2	73
Defense Attaché	4	0	5	9	365
Office					
Office of Defense	2	0	2	4	*
Cooperation					
Defense Threat	1	0	3	4	109
Reduction Office					
USAID	13	2	67	82	2,800 #
Department of Justice	4	0	1	5	314
Peace Corps ##	3	0	30	33	1,400
JCTP	1	0	4	5	*
Department of Homeland Security	2	0	6	8	359
EXBS	1	0	2	3	140
USACE	2	0	3	5	105
MCC	2	0	3	5	130
DoC – BisNIS	0	0	1	1	20
Totals	89	25	540	654	\$16,847

^{*} Funding data not available

^{**} OBO staff dedicated to USAID New Office Annex

[#] USAID – operating expenses \$2.8 million; program costs - \$40.3 million

^{##} Peace Corps – 72 volunteers

REAL PROPERTY

Embassy Tbilisi moved to a NEC in 2005. The compound contains a chancery, support annex, warehouse, central utility building, and Marine security guard quarters. A ground breaking ceremony for a USAID annex was held May 31, 2007. The USAID annex is scheduled for completion in 2008. At that time, there will be substantial savings in the lease costs now paid for USAID offices.

Location

The NEC is not located in the town center. Numerous problems have arisen as a result of its remote location, both for the LE staff and for embassy operations, which often require time-consuming commutes to Georgian government offices in the city center. The 2002 OIG inspection of Embassy Tbilisi (ISP-02-45, August 2002) commented on the selection of the current site as follows:

The Department has purchased a controversial 20-acre site for a new office building complex. Beginning in late spring 2002, a team of experts was to prepare the architectural and engineering design of the complex.(b) (2)(b) (2

Although the security aspects of the NEC site have been overcome, new and equally problematic concerns persist.

Neither the Ambassador's nor the DCM's short-term leased residences are within easy commuting distance of the NEC. Many of the other leased residences also involve lengthy commutes. The embassy, in coordination with the Bureau of Overseas Buildings Operations (OBO), is seeking new residences for both the Ambassador and DCM. In addition, the embassy has leased several new residential properties closer to the NEC. More are being sought, and OBO has purchased an additional 16 units now under construction. These new units are located next to the (b) (6)(b) (6)

(b) (6)(b) (6) Despite these efforts, the human and monetary costs of the move appear to outweigh the initial advantages inherent in the new property. Infrastructure, for example, in the areas of electrical capability, water supply, waste disposal, and roads to the new housing areas ranges from poor to nonexistent. The human costs are incalculable. (b) (2)(b) (2)(

Vehicle Maintenance

The design and construction of the support annex, particularly the area designated for vehicle maintenance and repair, need to be reviewed. There is no ability to maintain and repair the mission's vehicle fleet on the local economy. Consequently, an in-house capability is necessary. Although the NEC includes a vehicle maintenance area, the ceilings and utility pipes in the maintenance area are too low to permit operation of a vehicle lift. As a result, Embassy Tbilisi had to purchase a maintenance tent in order to facilitate repair year-round. In the winter months, even this maintenance tent is not sufficient protection from the elements. (A similar condition exists in Embassy Yerevan. OBO advised the OIG team that it is initiating a comprehensive review of the standards for maintenance shops, including vehicle maintenance. The design review process for future NECs will ensure that there is adequate height for vehicle maintenance.)



Unusable bay (low ceiling)



Vehicle lift in the maintenance tent

Management Operations

Management operations, overall, are excellent. Particularly noteworthy are general services, financial management, the emphasis on safety, and maintenance of the NEC's operational capability despite its continual problems.(b) (2)(b) (2)(b)

Human Resources

The human resources officer is highly regarded by her subordinates, and has fostered an effective team environment. Customer service, however, needs to be improved. Mission personnel cite examples of inquiries going unanswered and the staff's perceived unwillingness to see a problem through to its conclusion. The section does not have a work order system to track requests and inquiries. The fact that the human resources staff conveys some of its official responses verbally rather than in writing also plays a role in misunderstandings and contributes to the impression of poor customer service.

There is no customer service standard incorporated in the performance evaluations of the human resources staff to emphasize that customer service is a top priority for the office. Customer service is not included in the human resources employees' individual development plans nor is there a provision for refresher training courses to include conflict resolution and problem solving skills.

Recommendation 4: Embassy Tbilisi should implement a formal work order system for the human resources office that tracks each request for service. (Action: Embassy Tbilisi)

Recommendation 5: Embassy Tbilisi should convey official responses on human resources matters in writing. (Action: Embassy Tbilisi)

Recommendation 6: Embassy Tbilisi should add customer service as a critical job element in the employee performance report of all employees in the human resources office. (Action: Embassy Tbilisi)

Recommendation 7: Embassy Tbilisi should train or retrain each employee in the human resources office in customer service, to include conflict resolution and problem solving skills. (Action: Embassy Tbilisi)

The other major issues involving the human resources unit include compensation, allowances, and high employee turnover.

The Compensation Package

The perceived inadequacy of the local compensation plan is one of the main contributors to the decidedly low morale among the LE work force. As a result of the decline of the dollar (salaries are denominated in dollars) and reported inflation of over 10 percent a year and only one 6.2 percent increase in the past three years, employees calculate that their buying power is about 40 percent of what it was in 2004.

The Department only uses a few organizations as comparators to determine the size of the compensation package. None matches the organizational size and structure of the embassy, with over 500 locally hired employees. The Birches Group is the vendor for Embassy Tbilisi's compensation survey and uses the following organizations: the European Union, British Petroleum, the World Bank, the Embassy of the Netherlands, and the UN Development Program. British Petroleum has 262 employees, the UN Development Program has 38, the European Union has 29, the Embassy of the Netherlands has 11. Therefore, the usage of these comparators casts doubt on the accuracy of the comparison of prevailing practices.

Relocation

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Recommendation 8: Embassy Tbilisi should request the Bureau of Human Resources to select another vendor for the salary surveys to analyze a larger number of comparator entities that are more similar in size to the embassy staff. (Action: Embassy Tbilisi, in coordination with DGHR)

Recommendation 9: Embassy Tbilisi, in coordination with the Bureau of Human Resources, should conduct a new salary review upon the selection of a new vendor. (Action: Embassy Tbilisi, in coordination with DGHR)

Recommendation 10: Embassy Tbilisi should request, and the Bureau of Human Resources should approve and fund, a meal allowance to compensate for the lack of commercial dining facilities. (Action: Embassy Tbilisi, in coordination with DGHR)

Recommendation 11: Embassy Tbilisi should request, and the Bureau of Human Resources should approve, an increase of the transportation allowance and work with local authorities to provide public transportation options to the embassy area. (Action: Embassy Tbilisi, in coordination with DGHR)

Creditable Service

In 2000 and 2001, the embassy wrongly terminated employees or had them resign and then reinstated them to award multigrade promotions. The resignations and terminations resulted in a loss of creditable service time and benefits. In one instance, an employee's service computation date was recalculated to reflect the date of the new promotion. In the process, three years of service were lost for retirement credits.

Recommendation 12: Embassy Tbilisi should survey the locally employed workforce for individuals affected by the process of requiring resignations and terminations followed by reappointments to obtain multigrade promotions. Lost creditable service should be restored for all employees affected by the embassy's practice of terminating individuals to grant multigrade promotions in 2000 and 2001. (Action: Embassy Tbilisi, in coordination with DGHR)

Recommendation 13: Embassy Tbilisi should request, and the Department should restore, lost contributions that occurred as a result of lost creditable service. (Action: Embassy Tbilisi, in coordination with RM and DGHR)

Recruitment Process

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Equal Employment Opportunity and Federal Women's Program

Embassy leadership has not put enough emphasis on cross cultural relations

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The Department's policy governing mandatory EEO/Diversity Awareness training is outlined in 13 FAM 312 for Civil Service and Foreign Service employees. There is no systematic training plan for all employees to explain their duties, rights, and the rules of proper behavior.

Recommendation 15: Embassy Tbilisi should designate one or more locally employed staff Equal Employment Opportunity liaisons and provide them required equal employment/diversity awareness training. (Action: Embassy Tbilisi)

Recommendation 16: Embassy Tbilisi should require all employees to attend Equal Employment Opportunity training to understand their duties and the rules of proper behavior. (Action: Embassy Tbilisi)

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Recommendation 18: Embassy Tbilisi should publish policy and management notices in English and Georgian explaining the Equal Employment Opportunity program for locally employed staff. (Action: Embassy Tbilisi)

The newly appointed Federal Women's Program coordinator is well versed in the responsibilities and duties of her position. Management is supporting her initiatives to ensure the embassy's program is both viable and relevant. The Federal Women's Program coordinator will be listed on the embassy's in-processing checklist, allowing the coordinator to meet one-on-one with eligible women.

GENERAL SERVICES

The general services office is providing quality service as evidenced by the scores on the OIG workplace and quality of life questionnaire. Scores in virtually all areas of general services were well above average. Scores for motor pool responsiveness and the efficiency of customs and shipping were high.

Supply Management

Embassy Tbilisi is at the end of a long supply line. The general services officer (GSO) is making considerable effort to standardize equipment and vehicles to improve supply management and inventory controls. Standardization of printers, for example, will reduce the need to maintain a supply of various types of cartridges, some with relatively short shelf lives. The standardization of vehicles will also streamline parts requirements determinations.

Housing

The incumbent GSO has established an effective housing program. The housing board meets frequently, and members are shown properties before personnel are assigned. The board's decisions are transparent; minutes of the board meetings are complete and include the discussions that took place before assignments were made. The GSO is emphasizing the location of quality rental properties within easy commuting distance of the NEC and the disposition of unneeded rental properties considered to be beyond a reasonable commuting distance. The moves to the areas around the NEC are costly. The 16 residential units that OBO recently purchased cost \$6 million. In the initial agreement with the developer, the embassy and OBO had agreed to purchase or lease all 45 units in the development. As part of that agreement, the regional security officer at the time worked closely with the contractor, who agreed to provide an exhaustive list of security and safety features, including security walls, gates, and an access control booth. Less than a month from closure,

the embassy's new management team changed the agreement to purchase only the 16 largest units. As a consequence, the contractor was unwilling to invest in the security features previously offered. As a further result, Embassy Tbilisi, and in turn EUR, have had to absorb over \$100,000 in security and safety costs and about another \$100,000 in time and materials to install over 600 light fixtures and other make-ready costs.

Residential and Facility Maintenance

The work order process for residential and facility maintenance is unnecessarily convoluted and confused. Present procedures require customers to contact the management help desk where an EFM receives the work order and forwards it to either the GSO for residential work to review, approve, and distribute to the in-house staff or to the appropriate landlords. Work orders for facilities maintenance are forwarded to a LE administrative assistant in the maintenance section, who to a large extent duplicates the process performed by the work order clerk. The functions of the two positions could be combined and one position eliminated.

Recommendation 19: Embassy Tbilisi should consolidate the work order clerk function with the administrative clerk, transfer the eligible family member work order clerk position from the management to the general services section, and abolish the administrative clerk position presently assigned to the maintenance section. (Action: Embassy Tbilisi)

Motor Pool

The embassy's motor pool has made exceptional use of automation and organizational tools to run its operation. The office created its own spreadsheets to track pertinent data; these spreadsheets are useful tools in analysis and in logistical and organizational planning. The unit also recently implemented the E-services application, which allows customers to track the status of their requests while maintaining an archive of all requests. From color-coded files to colorful graphs and spreadsheets, the motor pool operation is well organized and documented.

Motor Pool Consolidation

Although some duplicative services between the Department and USAID have been consolidated, the motor pools still remain separate. Currently, USAID's motor pool operates from the former embassy location, but it is scheduled to consolidate with the embassy motor pool when USAID relocates to the NEC in 2008. Both motor pools provide school transportation to and from different housing clusters.

Although the EXBS program recently merged with the Department, its motor pool remains separate. EXBS does use the embassy's vehicle maintenance and repair services. Currently, there is no oversight of the EXBS motor pool operation, the usage of their three vehicles, or other required documentation. In addition, there is no apparent provision in the contract for home-to-work transportation at no cost for the EXBS personal services contractor who is using the vehicles for home-to-work transportation.

Recommendation 20: Embassy Tbilisi should consolidate the motor pool for the Export Control and Related Border Security program with the embassy's motor pool operation. (Action: Embassy Tbilisi)

Recommendation 21: Embassy Tbilisi should establish required controls for usage and maintenance of the vehicles used by the Export Control and Related Border Security (EXBS) program. (Action: Embassy Tbilisi)

Recommendation 22: Embassy Tbilisi should cease the provision of no-cost home-to-work transportation for the Export Control and Related Border Security personal services contractor (S-LMAQM-06-P-0053) and initiate collection action for services previously provided. (Action: Embassy Tbilisi)

Motor Pool Safety Equipment

The unit is safety conscious and conducts the required daily maintenance. However, many drivers have not carried out the required weekly maintenance. Fire extinguishers were placed in most of the vehicles but did not have expiration dates or inspection dates. Although there is no apparent guidance addressing fire extinguishers in vehicles, there is FAM guidance addressing extinguishers in buildings and

residences. In the absence of specific guidance on extinguishers in vehicles, the 15 FAM 842 requirement that inspection dates be recorded either on the extinguisher inspection tag or electronically should be considered applicable to the vehicle extinguishers. First aid kits were also maintained in most vehicles. However, one of the Ambassador's vehicles did not have one because of oversight in transferring the kit between the Ambassador's two vehicles. Each car should have a kit. The OIG team made informal recommendations to address these safety issues.

FINANCIAL MANAGEMENT

The operations of the financial management section were reviewed March 20-29, 2007, by the Bureau of European and Eurasian Affairs Executive Office advisors assigned to the Regional Support Center, Frankfurt. They concluded that the section was in "good shape." The OIG team agrees. The section scored very well on the latest customer satisfaction survey and on the OIG workplace and quality of life questionnaire. The timeliness of travel voucher processing ranked highest of 52 categories, and the adequacy of cashier operations ranked third. The section's success is laudable because of the relative inexperience of the staff in the budget and accounting units. Three of the four employees have less then one year's experience. Experienced personnel left, one on a day's notice, for higher paying jobs.

Information Management and Information Systems Security

Embassy Tbilisi operates a comprehensive information management and information systems security program. The current information management officer effectively manages all of the embassy's information management and security requirements. The OIG team ran vulnerability scans, assessed all standard operating procedures and systems documentation, and performed random checks of the embassy's files. The information technology posture of the embassy is adequate.

The information technology staff provides unclassified and classified systems operations support for approximately 306 workstations, 14 servers, and 393 user accounts in the chancery, the GSO warehouse, the Ambassador and DCM residences, and the USAID building, including encrypted wireless and circuit connections between buildings. LE staff assist with unclassified operations, telephone functions, and mailroom and receptionist duties.

Unclassified Server Room Air Conditioning

The air conditioning for the unclassified server room was installed connected to the main embassy chillers. The main chillers are designed to shut down during the winter when temperatures fall below -5 degrees centigrade. As a result, the temperature of the server room then rises significantly due to the heat produced by the server racks. The subsequent lack of air conditioning can cause the servers to overheat and fail, resulting in a costly loss of the servers as well as a loss of e-mail and network connections to the Department.

The senior information management officer, the data center manager, or the system manager, in conjunction with the GSO, is responsible for ensuring that air conditioning and humidity controls and gauges are installed in the computer room, as appropriate, to ensure that the environment in the computer room is maintained within the specifications established by the equipment manufacturers (12 FAM 629.4-4 Fire Protection and Air Conditioning)

Recommendation 23: Embassy Tbilisi, in coordination with the Bureau of Overseas Buildings Operations, should develop and implement the appropriate controls that allow the server room to be kept at a constant temperature during all seasons. (Action: Embassy Tbilisi, in coordination with OBO)

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Other Issues

The OIG team noted some additional minor problems and made informal recommendations addressing individual development plans, controls over the closing of the unclassified pouch, and mail room work space.

Embassy Initiated Corrective Actions

The information technology staff took immediate action to correct several deficiencies that the OIG team identified. These included media labeling, patch updates, active directory accounts, control over keys to restricted areas, and the testing of fire extinguishers in information processing and media storage facilities.

QUALITY OF LIFE

HEALTH UNIT

The embassy's health unit is a new state-of-the-art facility that provides primary care to approximately 200 Americans and their families and provides occupational health care to over 500 LE staff. The Foreign Service nurse practitioner arrived in September 2005 and completed her tour during the inspection. Staffing also includes a local doctor, nurse, and an administrative assistant. The unit is spacious and well equipped. However, some improvements could be made in patient flow, and the nurse practitioner made some suggestions on reconfiguration to increase efficiency.

AVIAN INFLUENZA AND OTHER HEALTH OUTREACH EFFORTS

The Avian influenza working group meets periodically. The Caucasus region is considered a high-risk area for Avian influenza because it is on a migratory flyway. There have been reported cases of individuals being infected in neighboring Azerbaijan, Russia, and Turkey.

In a fundraiser featuring local artists, the Ambassador helped raised \$45,000 for Georgian leukemia victims with \$35,000 going towards medical equipment for local facilities. This was a first-ever event.

MANAGEMENT CONTROLS

In 2006, the Ambassador's annual statement of assurance of management controls, based on input from embassy sections, said that there was some duplication of services between the Department and USAID: "Post management and USAID here are working closely towards consolidation and greater efficiency. State and USAID will be collocated at our new embassy compound by 2008; we are currently working on plans to eliminate all duplicate services and inefficiencies by this time and will provide them as soon as completed by septel."

In an annex to the same annual statement of assurance, Embassy Tbilisi also commented on improvements made to its systems of management controls during the year. These included the overhaul of cell phone inventories to ensure accountability and eliminate billings for unused phones as well as tightening procedures for collections for personal calls. The management officer is the designated management controls coordinator. The OIG team found that management controls overall are in place and effective. However, management control weaknesses exist in the contracting for health insurance for LE staff and their family members.

HEALTH INSURANCE

The health insurance contractor may be earning excess profits. For FYs 2004-06, the OIG team estimates those excess profits to be about \$130,000. A profit-sharing clause for all health insurance coverage may recoup some of the excess profit. Depending on the actual percentage of claims paid to total premiums received, the contract shows possible profit-sharing reimbursements to the embassy ranging from \$17,942 a year to \$188,395 a year.

In order to provide health and life insurance to the mission's LE staff, the embassy has a contract with the Georgian Pension and Insurance Holding Company. The original contract was signed on September 2, 2003, for \$298,428. Billing rates were established for two categories – single employees and a family plan, adjusted for the number of employees in each category per two-week period. The major category of the contract was for a premium payment of \$32.70 every two weeks for 280 employees and their dependents. The rates in each category included provision for

overhead and profit. The contract does not call for reports delineating or summarizing claims paid versus premiums collected, and the contractor has never provided summaries voluntarily. Paragraph B.4.1 of the contract states: "For health insurance contracts, prices may be adjusted upward or downward based on the experience rating...covered by this contract."

Recommendation 24: Embassy Tbilisi should determine if the profit-sharing provisions of contract number SGG800-03-C-0001 as modified are applicable and, if so, recover amounts due the embassy. (Action: Embassy Tbilisi)

Recommendation 25: Embassy Tbilisi should determine if the health insurance contractor (contract SGG800-03-C-0001) earned any excessive profits and, if so, recover the excessive profits. (Action: Embassy Tbilisi)

Recommendation 26: Embassy Tbilisi should initiate procedures to compare total payments by the health insurance contractor with payments that the embassy makes to the contractor. (Action: Embassy Tbilisi)

FORMAL RECOMMENDATIONS

- **Recommendation 1:** The Bureau of International Narcotics and Law Enforcement Affairs should request the Foreign Service Institute to design and implement coursework that addresses training and institution-building strategies and program operations for its officers assigned to transformational countries. (Action: INL, in coordination with FSI)
- **Recommendation 2**: The Bureau of Population, Refugees, and Migration should send its regional refugee coordinator in Moscow to visit Georgia quarterly. (Action: PRM)
- **Recommendation 3:** Embassy Tbilisi, in coordination with the Bureau of European and Eurasian Affairs, should provide annually updated three-year projections of funding support levels to the American Academy, the Georgian Institute for Public Affairs, and the Georgian Foundation for Strategic and International Studies to aid in planning. (Action: Embassy Tbilisi, in coordination with EUR)
- **Recommendation 4:** Embassy Tbilisi should implement a formal work order system for the human resources office that tracks each request for service. (Action: Embassy Tbilisi)
- **Recommendation 5:** Embassy Tbilisi should convey official responses on human resources matters in writing. (Action: Embassy Tbilisi)
- **Recommendation 6:** Embassy Tbilisi should add customer service as a critical job element in the employee performance report of all employees in the human resources office. (Action: Embassy Tbilisi)
- **Recommendation 7:** Embassy Tbilisi should train or retrain each employee in the human resources office in customer service, to include conflict resolution and problem solving skills. (Action: Embassy Tbilisi)
- **Recommendation 8:** Embassy Tbilisi should request the Bureau of Human Resources to select another vendor for the salary surveys to analyze a larger number of comparator entities that are more similar in size to the embassy staff. (Action: Embassy Tbilisi, in coordination with DGHR)

- **Recommendation 9:** Embassy Tbilisi, in coordination with the Bureau of Human Resources, should conduct a new salary review upon the selection of a new vendor. (Action: Embassy Tbilisi, in coordination with DGHR)
- **Recommendation 10:** Embassy Tbilisi should request, and the Bureau of Human Resources should approve and fund, a meal allowance to compensate for the lack of commercial dining facilities. (Action: Embassy Tbilisi, in coordination with DGHR)
- **Recommendation 11:** Embassy Tbilisi should request, and the Bureau of Human Resources should approve, an increase of the transportation allowance and work with local authorities to provide public transportation options to the embassy area. (Action: Embassy Tbilisi, in coordination with DGHR)
- **Recommendation 12:** Embassy Tbilisi should survey the locally employed workforce for individuals affected by the process of requiring resignations and terminations followed by reappointments to obtain multigrade promotions. Lost creditable service should be restored for all employees affected by the embassy's practice of terminating individuals to grant multigrade promotions in 2000 and 2001. (Action: Embassy Tbilisi, in coordination with DGHR)
- **Recommendation 13:** Embassy Tbilisi should request, and the Department should restore, lost contributions that occurred as a result of lost creditable service. (Action: Embassy Tbilisi, in coordination with RM and DGHR)
- Recommendation 14: (b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
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- **Recommendation 15:** Embassy Tbilisi should designate one or more locally employed staff Equal Employment Opportunity liaisons and provide them required equal employment/diversity awareness training. (Action: Embassy Tbilisi)
- **Recommendation 16:** Embassy Tbilisi should require all employees to attend Equal Employment Opportunity training to understand their duties and the rules of proper behavior. (Action: Embassy Tbilisi)
- Recommendation 17: (b) (2)(b) (2)
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- **Recommendation 18:** Embassy Tbilisi should publish policy and management notices in English and Georgian explaining the Equal Employment Opportunity program for locally employed staff. (Action: Embassy Tbilisi)
- **Recommendation 19:** Embassy Tbilisi should consolidate the work order clerk function with the administrative clerk, transfer the eligible family member work order clerk position from the management to the general services section, and abolish the administrative clerk position presently assigned to the maintenance section. (Action: Embassy Tbilisi)
- **Recommendation 20:** Embassy Tbilisi should consolidate the motor pool for the Export Control and Related Border Security program with the embassy's motor pool operation. (Action: Embassy Tbilisi)
- **Recommendation 21:** Embassy Tbilisi should establish required controls for usage and maintenance of the vehicles used by the Export Control and Related Border Security (EXBS) program. (Action: Embassy Tbilisi)
- **Recommendation 22**: Embassy Tbilisi should cease the provision of no-cost home-to-work transportation for the Export Control and Related Border Security personal services contractor (S-LMAQM-06-P-0053) and initiate collection action for services previously provided. (Action: Embassy Tbilisi)
- **Recommendation 23**: Embassy Tbilisi, in coordination with the Bureau of Overseas Buildings Operations, should develop and implement the appropriate controls that allow the server room to be kept at a constant temperature during all seasons. (Action: Embassy Tbilisi, in coordination with OBO)
- **Recommendation 24:** Embassy Tbilisi should determine if the profit-sharing provisions of contract number SGG800-03-C-0001 as modified are applicable and, if so, recover amounts due the embassy. (Action: Embassy Tbilisi)
- **Recommendation 25:** Embassy Tbilisi should determine if the health insurance contractor (contract SGG800-03-C-0001) earned any excessive profits and, if so, recover the excessive profits. (Action: Embassy Tbilisi)
- **Recommendation 26:** Embassy Tbilisi should initiate procedures to compare total payments by the health insurance contractor with payments that the embassy makes to the contractor. (Action: Embassy Tbilisi)

INFORMAL RECOMMENDATIONS

Informal recommendations cover operational matters not requiring action by organizations outside the inspected unit and/or the parent regional bureau. Informal recommendations will not be subject to the OIG compliance process. However, any subsequent OIG inspection or on-site compliance review will assess the mission's progress in implementing the informal recommendations.

Political and Economic Section

The political and economic section's budget formerly provided for 21 hours of overtime to compensate the staff for this nighttime work, but funding was reduced in the fall of 2006 to cover only 10 hours of overtime per week. There was no corresponding drop in expectations of the number or type of programs to be monitored, however, and management chose to give compensatory time for some of the hours over 10 spent by the staff monitoring television programs.

Informal Recommendation 1: Embassy Tbilisi should develop and implement a system of overtime pay for locally employed staff who are required to compile media information from the nightly news broadcasts that reflects the actual number of hours spent in the activity and Foreign Affairs Manual regulations and local laws.

Public Diplomacy

There is no joint embassy-USAID communications strategy to promote long-term planning and make certain that the two agencies' public affairs events and press releases reinforce one another's messages.

Informal Recommendation 2: Embassy Tbilisi should develop and implement a joint communications strategy with the U.S. Agency for International Development.

The information resource center's LE staff member who implements its research and outreach program is newly hired and has not been trained in Department regulations and procedures.

Informal Recommendation 3: Embassy Tbilisi should arrange for the information resource center's locally employed staff member responsible for research and outreach to visit an established information resource center at another embassy in the region that could serve as a model for Embassy Tbilisi's activities.

Equal Employment Opportunity

The embassy does not report monthly to the Department on its EEO program as required.

Informal Recommendation 4: Embassy Tbilisi should submit the required monthly Equal Employment Opportunity reports to the Department's Office of Civil Rights.

Motor Pool

The unit is safety conscious and conducts the required daily maintenance. However, many drivers do not conduct the required weekly maintenance in accordance with 14 FAH-1 H-814.1-2.

Informal Recommendation 5: Embassy Tbilisi should complete required weekly vehicle maintenance.

Most vehicles have fire extinguishers, but some of those extinguishers do not have expiration or inspection dates. According to 15 FAM 842, inspection dates must be recorded either on the extinguisher inspection tag or electronically.

Informal Recommendation 6: Embassy Tbilisi should mark expiration dates and inspection dates on all vehicle fire extinguishers.

Information Technology

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Informal Recommendation 7: (b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
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The information management officer does not have individual development training plans for either direct-hire or LE staff. According to 5 FAM 121, the information management officer is responsible for developing individual development training

plans for staff to ensure that employees have the skills necessary to support mission programs and encourage their professional growth.

Informal Recommendation 8: Embassy Tbilisi should prepare individual development training plans for each information technology employee based on assigned job responsibilities, mission needs, and professional development.

Embassy Tbilisi unclassified pouching and diplomatic post office mail services, including the closing of the unclassified pouch, are provided by a locally hired employee without cleared U.S. direct-hire employee supervision. According to 5 FAH-10 H-573, cleared U.S. citizen employees should supervise the closing of unclassified controlled air pouches.

Informal Recommendation 9: Embassy Tbilisi should have a cleared U.S. direct-hire employee supervise the closing of the unclassified pouch.

The embassy mail room personnel store U.S. postal packages in two adjacent but not connecting mail rooms. Because one of the two mail rooms also doubles as the reproduction center, mail room personnel must leave the main room where they attend to customers and unlock the secondary room to make copies. To protect the U.S. mail stored in both rooms, to serve customers efficiently, and to provide copy services, a door should be installed between the two rooms.

Informal Recommendation 10: Embassy Tbilisi should install a connecting door between the two mail room spaces.

PRINCIPAL OFFICIALS

Officer	Name	Arrival Date
Ambassador	John F. Tefft	08/05
Deputy Chief of Mission	Mark X. Perry	08/05
Chiefs of Sections:		
Management Management	John T. Bernlohr	07/06
Consular	2	
	Lindsay N. Henderson	06/06
Political/Economic	Bridget A. Brink	08/05
Public Affairs	Rowena R. Cross-Najafi	08/03
Regional Security	John C. Galido	08/06
Other Agencies:		
Defense Attaché	COL Matthew L. Brand	05/07
Defense Threat		
Reduction Office	C. J. Nutter	05/05
Legal Attaché	Mark C. Kirby	10/05
Office of Defense		
Cooperation	LTC Robert E. Hamilton	n 07/06
Peace Corps	Kathleen M. Sifer	06/06
U.S. Agency for		
International Development	Robert J. Wilson	09/04
U.S. Army Corps of		
Engineers	Charles E. Samuel	04/07
U.S. Customs	Christopher M. Nelson	01/07
U.S. Department of		
Agriculture	Sean O. Carmody	02/06
U.S. Treasury	Timothy Grewe	10/06
U.S. Department of Justice	Roger A. Keller, Jr.	12/06

ABBREVIATIONS

ACS American citizens services

DCM Deputy chief of mission

Department Department of State

EEO Equal Employment Opportunity

EFM Eligible family member

ELO Entry-level officer

EXBS Export Control and Related Border Security

FSA Freedom Support Act

GSO General services officer

ICASS International Cooperative Administrative

Support Services

INL Bureau of International Narcotics and Law

Enforcement Affairs

LE Locally employed

MSP Mission Strategic Plan

NATO North Atlantic Treaty Organization

NEC New embassy compound

NIV Nonimmigrant visa

OBO Bureau of Overseas Buildings Operations

OIG Office of Inspector General

OMS Office management specialist

PAO Public affairs officer

USAID U.S. Agency for International Development