



Office of Inspector General
U.S. Department of State
and the
Broadcasting Board of Governors

MONTHLY REPORT OF
ACTIVITIES

audits, inspections, testimony, and special activities

July 2001

This report describes testimony provided by the Inspector General or other OIG officials and lists OIG reports issued during the period indicated. This report includes unclassified summaries of classified reports; all text in this report is unclassified. Classified reports are not distributed publicly. On occasion, OIG distributes an unclassified version of a classified report; in such a case, this listing also indicates the issued date of the original report. In addition, all major reports, together with OIG investigative activities, are summarized in the Inspector General's semiannual reports to the Congress, which are publicly available every June and December.

Reports Issued Relating to Foreign Policy

Inspection of Embassy Montevideo, Uruguay (01-FP-R-056)

Embassy Montevideo has identified improving the economic prosperity of the United States as the most important national interest to be pursued in Uruguay. In practice this has meant an aggressive commercial program coupled with efforts to remove Uruguayan legal and practical impediments to U.S. trade. The Embassy pursues improved cooperation in other areas such as protection of intellectual property, the environment, and law enforcement. The United States also seeks to strengthen democracy in Uruguay by improving civil-military relations, which are complicated. A long democratic tradition was interrupted by a twelve-year period of military dictatorship established in 1973. Uruguay is a significant partner in international peacekeeping efforts, contributing specialized military units to a number of peacekeeping operations. The United States has a small counternarcotics assistance program to encourage Uruguayan efforts against money laundering and the transit of drugs.

The Embassy's Mission Performance Plan provides a road map of clear performance indicators and is used as an ongoing management tool. The Embassy does an outstanding job of communicating its message to Uruguayan public opinion and elites, despite very limited staffing in the public affairs section. One of the post's principal staff resources, the political, labor, economic, commercial section, needs better internal communication and more structured interaction with other mission units. The consular section is adequately staffed to meet reduced needs in the wake of the application of the visa waiver program to Uruguay. Poor management within the section has led to morale problems and missed deadlines. The administrative section is well staffed and delivers excellent services. Several recommendations to speed response time and bring post practice into alignment with Department of State policy were made by the inspection team. The current retirement "system," whereby FSN employees are left to plan for the future on their own, is unfair. The post and the Department should accelerate the effort to enroll employees in a responsible private retirement fund.

Post should consider replacing the local guard force with a contract guard force. The increased cost that will occur should no longer be used as a pretext to postpone this essential security step.

July 2001

Inspection of Embassy Asuncion, Paraguay (01-FP-R-058)

Embassy Asuncion's primary goal is strengthening democratic institutions and civil society in this emerging democracy, historically wracked by corruption, assassinations, coups, and attempted coups. Inadequate Paraguayan institutions impede mission programs to combat narcotics trafficking, money laundering, intellectual property piracy, and international terrorist organizations. The Ambassador and deputy chief of mission provide clear and effective executive direction and enlist the support of counterparts from Brazil and Argentina to increase diplomatic and economic leverage on the Government of Paraguay.

Support to American business interests is exemplary. The post has been imaginative in bringing Paraguayan businessmen into contact with American trade missions and aggressive in assisting American companies caught in the maze of Paraguay's judicial system. The Embassy does an outstanding job of promoting environmental protection in a country that has two sensitive endangered ecosystems. Well-orchestrated public diplomacy, with careful attention to the media, is a key component of Embassy success in meeting its goals.

The post is administered well, despite modest American staffing. In the recent past, long gaps between assignments of American supervisors led to institutional drift, which a new management team is addressing. The Interagency Cooperative Administrative Support Services council should meet more regularly and explore ways to eliminate duplicate services such as shipping and customs, procurement, and residential maintenance now offered by the Embassy, U.S. Agency for International Development, and U.S. military component administrative sections.

Embassy Asuncion has outgrown its chancery buildings. Office space is crowded and inefficiently arranged. Parts of the main building, the administrative annex and the Marine residence do not have adequate setback from a major road. The approximately 15-acre compound is large enough to resolve all issues through new construction. Long-range planning for such construction should not delay needed short-term fixes, however, such as remodeling the consular section to resolve internal controls inadequacies, relocating the offices of the Drug Enforcement Administration, and restoring to the Embassy its much needed conference room. The inspection found post physical security and emergency preparedness programs to be in good working order. Inattention to customer service by the security staff has led to a perception of ineffectiveness and a loss of confidence in the section by mission personnel. Post management is working with the Bureau of Diplomatic Security to improve the performance of the security team.

July 2001

Reports Issued Relating to Human Resources

Review of Overseas Medical Operations (01-HR-M-036)

The Office of Inspector General (OIG) reviewed overseas medical operations. The overall objective of the review was to assess how well the Department manages key aspects of its overseas health operations.

OIG found that the Department did not ensure complete and timely tracking of reimbursements for overseas hospitalizations. In these cases, employees are expected to file claims with their insurance carriers and then reimburse the Department. The Office of Medical Services (MED) and the Bureau of Financial and Management Policy are not applying existing controls to ensure complete and timely reimbursement. Consequently, the Department has almost \$1 million in open accounts receivable for FYs 1996-1999. OIG made several recommendations to improve the Department's performance in this area.

OIG also found that overseas medical professionals do a commendable job in providing health care and advice under difficult conditions. Additionally, MED is currently working on several major initiatives to improve the health of Foreign Service employees and their family members. Nevertheless, OIG found several areas in which the Department could improve its management of the overseas operations. For example, MED did not ensure that all clearances were updated after medical evacuations. As a result, there are employees at posts with pending clearances. OIG also found that MED did not have adequate controls over all of its drugs and supplies. At the posts visited by OIG, controls to prevent the theft or misuse of narcotics and other controlled items were generally adequate. However, non-controlled drugs and supplies were not always safeguarded. Finally, MED did not maintain copies of Post Medical Capabilities Reports and trip reports submitted by Regional Medical Officers. Thus, MED did not have an up-to-date picture of the conditions at all of its overseas health units.

Reports Issued Relating to Security Infrastructure Oversight

During this reporting period, OIG conducted a security inspection of Embassy Bandar Seri Begawan, Brunei.