



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

October/November 2000

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.

Congressional and Outreach Activities

There is no activity to report for October/November.

Reports Issued by the Office of Audits

Inquiry into the Procurement of Contractor Support for the International Affairs Global Resource Database (01-PP-002)

At the request of the Secretary of State, the Office of Inspector General (OIG) conducted an inquiry into alleged improprieties in the Department of State's procurement of software support services for the International Affairs Global Resource Database project. OIG examined how one company came to be a subcontractor to the Department, whether the Department complied with Federal competition requirements, and whether security requirements were followed. OIG also examined the Department's contract administration practices in overseeing this subcontractor's work. OIG found that the Department complied with competitive rules, but the contract arrangement may not have been in the best interests of the Government. Another contractor served as a contract vehicle for the subcontractor's services and did not exercise appropriate oversight for a prime contractor. Department personnel complied with security regulations in place at the time regarding the subcontractor's work on the project. Subsequently, the Department has addressed potential security weaknesses in procedures regarding facility access and its software development policies. Several significant contract administration shortcomings were identified such as contractors working lengthy periods of time without authorization at their own risk; delivery orders paying for prior work rather than the period ordered; inadequate attention to monitoring contract ceiling amounts; inadequate communication between the contracting officer, the contracting officer's representative, and task managers; and inadequate program support. These factors all contributed to a contract administration environment that allowed an unauthorized financial commitment by the Government to occur on this procurement.

Major recommendations are that the Office of the Procurement Executive clarify guidance to Department officials on stating preferences for subcontractors to prime contractors, and the Office of Logistics Management assure, to the extent practical, that only one contracting officer's representative is appointed for each procurement, and task managers are informed in writing of their authorities and responsibilities.

Reports Issued by the Office of Inspections

Inspections of Posts in Mali, Guinea, and Senegal

Common Issues in All Three Countries

Each post is doing a fine job, in difficult conditions, promoting U.S. interests through humanitarian assistance, democracy building, export promotion, and regional stability/peace keeping support. All three embassies are doing a good job of providing services and protection for American citizens in the region. Visa processing at all three posts, however, has not been adequately managed, causing breakdowns in controls that constitute a continuing threat to U.S. border security.

Public diplomacy programs were generally well focussed but could give greater coverage to the U.S. assistance and military programs in each country. All missions have sizeable Agency for International Development (AID) and Peace Corps missions, and all three will have a Defense Attaché office after DAO reenters Mali and Guinea in July 2000.

All posts could do more reporting on Islamic connections and influence in Government, as well as on the role of the military in their governments and societies. OIG recommended that the posts request a visit from the regional U.S. and Foreign Commercial Service representative in Abidjan. The Department could alleviate some of the burden each post handles in translating the many demarches into French language.

The consular officer positions at small hardship posts such as Bamako and Conakry are hard to fill and almost always staffed by “directed” assignment of inexperienced first-tour junior officers. OIG found these officers ill prepared to deal with the sophisticated alien smuggling and visa fraud pervasive in the region. Closer and better organized support from the regional consular officer at Dakar would help in the short term. The best solution, however, would be the regional centralization of both immigrant and nonimmigrant visa operations at Embassy Dakar – especially if the Department continues to be unable to adequately staff its five neighboring posts.

All posts were in a poor state of diplomatic readiness, suffering from staffing gaps, inadequate and unreliable telecommunications, and poor facilities. All missions need new buildings to better secure the staff and to improve operational efficiency and effectiveness, particularly in Bamako. Quality of life issues were large factors in each mission with the

community liaison offices, recreation associations, schools, and medical care playing key roles in employee morale and performance.

Two consistent FSN concerns each post must address include assessing whether all allowances are appropriately addressed in FSN compensation packages. Also, the posts need to follow Department guidance to assess whether the local FSN retirement systems are viable and if not to discontinue payments into the systems and to pursue supplemental retirement systems.

Mali (ISP/I-01-04)

Mali's importance to the United States is increased as a result of its membership on the United Nations Security Council for the next two years and its chairmanship of the Economic Community of West African States. The government has been a staunch ally of the United States on most issues. It is also one of the few Francophone African countries included in the Department's Africa Crisis Response Initiative where the Department funds U.S. military assistance to train African troops so they can participate in regional peacekeeping operations. Its President is engaged regionally and often looked to for help in Sierra Leone, Libya, and Congo.

Measures taken to make the mission facilities more secure have not improved the dysfunctional, inefficiencies of disparate offices. The Department needs to convince Congress of the need to proceed with site acquisition for a new mission compound.

Guinea (ISP/I-01-01)

The challenge for Embassy Conakry has been in serving as a platform for embassy operations in Sierra Leone. The periodic evacuations of staff from Embassy Freetown, Sierra Leone, and transfer of its operations to neighboring Guinea have placed a heavy strain on Embassy Conakry's already thin resources.

The Department and the post need to develop a concrete strategy to improve telecommunications capability which was seriously deficient, not only with the Department and other posts, but within the mission. In addition to suffering staffing lengthy gaps in officer positions, much of the American staff consists of inexperienced, untenured, or first tour officers. The inherent vulnerabilities this creates in post operation was made clear in 1999 when malfeasance was discovered in the consular section, which was poorly managed by a part-time, first tour officer. An OIG investigation led to the firing of seven FSN employees for selling visas.

Despite the Embassy's vigorous efforts to stop the abuse of diplomatic and official visa processing by certain Guinean Government officials for the purposes of alien smuggling, the

practice continues unabated. The Department needs to take strong measures to assist the embassy in dealing with this problem.

Senegal (ISP/I-01-03)

For the first time since gaining independence 40 years ago, Senegal recently experienced a change of government as the long-time opposition party won a freely contested election. The mission staff is not only doing a good job of meeting with officials of the fledgling government, which has been slow to organize. More importantly, the Embassy has been actively involved in assisting the new government's efforts to resolve conflicts in the southern Senegal Casamance region, along the Northern border with Mauritania, and Senegal's short and unfortunate involvement with a coup in Guinea-Bissau. Senegal is the lead Francophone country participating in the Africa Crisis Response Initiative.

The Department failed to demonstrate its contention that Senegal is the most important Francophone subSahara African country. Government officials were disappointed that the United States did not send election observers, there was no participation by the Department in the opening of a new Africa Center for Strategic Studies, and a U.S. delegation failed to make it to the inauguration of the new president. OIG recommended that the Bureau develop and implement measures to demonstrate the value of Senegal to U.S. interests.

The Mission has taken on a good share of Guinea-Bissau work, since that embassy closed in the last two years due to civil war. Consular operations are now handled in Dakar. The Defense Attaché makes regular visits, but there has been no Department representation. The Department is adding a Lusophone speaker to the post to provide some coverage to Guinea-Bissau, but the Department needs to accredit the Ambassador in Dakar to Guinea-Bissau.

Consular operations could be improved. OIG recommended formalizing the tasking and structure of the consular chief's position as regional consular officer. Day-to-day nonimmigrant visa operations need closer attention to managing the work of the interviewing officers to ensure consistency and greater accuracy in adjudicating visa applications. Since permanent and temporary post closings in the area have made Embassy Dakar the de facto visa issuing post for four of the neighboring six posts, OIG believes the time may have come for the Department to assess whether Dakar should officially become a regional visa center.

Administrative operations need to improve. Communication and relations with the Office of International Cooperative Administrative Support Services (ICASS) and between sections was poor. The housing program was not transparent, favoritism was alleged and the housing make-ready program for new arrivals was poor. The Department and US Agency for International Development need to complete the relocation of public affairs and USAID operations to improve security.

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OIG noted a best practice whereby the Regional Medical Officer holds monthly dinner meetings of local physicians to review and discuss recent medical journal articles on various specialty areas. The Regional Medical Officer gains the opportunity to meet and appraise the knowledge and skills of local colleagues, some of whom may be on the embassy reference list of local medical service providers.

Embassy Panama City, Panama (ISP/I-01-02 & ISP/I-01-08)

The United States-Panama relationship changed profoundly and permanently with the reversion of the canal to Panamanian control in December 1999. Embassy Panama is managing, with mixed results, an array of programs aimed at assisting Panama to meet the challenges of providing for its own defense, including security for the canal and defense against threats posed by guerrilla and paramilitary groups from Colombia crossing into Panama. Other threats to Panama that impinge on U.S. security interests include narcotics trafficking, money laundering and alien smuggling.

Interagency cooperation at the post is excellent and includes broad participation from all mission elements. A contentious relationship between the Embassy and the Bureau of Western Hemisphere Affairs sometimes complicates and delays policy implementation. The bureau and Embassy management must move forward in a mutually supportive manner to improve mission effectiveness. Similarly, confrontational issues with some Washington offices of U.S. Government agencies have not always been resolved with constructive dialogue, although with others there has been productive collaboration. The Embassy should focus on outreach to key senior level officials with agencies, such as Treasury, Commerce and the U.S. Trade Representative.

Embassy Panama's severely deteriorated chancery, built in 1941, portrays a dismal image of the U.S. presence in Panama and provides a disjointed working environment. The scattering of numerous embassy components throughout the city in commercial office space impedes coordination, administrative support and implementation of security procedures. The Department has acknowledged the post's security and safety shortcomings, but has provided no near-term solution beyond limited cosmetic upgrades. Two site survey teams have identified a potential site for new chancery construction, but no funding has been committed. Working and security conditions dictate the clear need for a new chancery as soon as practical. Meanwhile, the Department should review interim measures and formulate an action plan to reduce significant safety and security vulnerabilities of U.S. personnel and property in Panama.

The Embassy is involved in defining a new post-transfer bilateral political, economic and security relationship. Washington commended the post's reporting and performance during the

historic reversion period. The political-economic and public affairs sections of the Embassy were appropriately staffed for the very busy period of transition, but should now be downsized. Projected staff increases in law enforcement agencies may be justified in some cases, but require careful review under the National Security Decision Directive 38 process. The OIG also recommended that the Chief of Mission also review Department of Defense staffing levels in the post-transition period.

Outreach programs by the information resources management section and the public affairs section's information resource center have enhanced mission-wide use of information systems. This approach should be regarded as a management "best practice" for application at other missions.

The Smithsonian Institute conducts tropical research in Panama. Because of its separate, previously negotiated status as an international mission, neither the Smithsonian Research Center nor its contingent of remaining U.S. Government employees were regarded as falling under the authority of the Chief of Mission. Embassy Panama should revisit the status of the Smithsonian Research Center in Panama in order to clarify chief of mission authority and access by the Institute and its employees to embassy facilities.

Reports Issued by the Office of Security and Intelligence Oversight

During this reporting period, security inspections were conducted at Embassy Damascus, Syria, and Embassy Skopje, Macedonia, and an audit of Emergency Action Management was completed.