



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

Inspection of Embassy Budapest, Hungary



Embassy Budapest works successfully to maintain close bilateral relations while effectively pressing U.S. positions on a full range of issues. The embassy has strong leadership, and the Ambassador works tirelessly to advance his priorities of health, education, and the promotion of American trade and investment. The deputy chief of mission, delegated by the Ambassador with responsibility for day-to-day policy and management oversight, demonstrates an impressive span of control and serves as the linchpin of operations. The post's various sections and agencies are well integrated into a coherent and well-led operation that has clear leadership.

Embassy operations are hampered because they are spread over four different buildings. The government of Hungary has offered to exchange the Marine House (a historic property) for two buildings adjacent to the chancery and says it will rehabilitate those buildings to meet U.S. requirements. The Hungarian Prime Minister raised the matter during President Bush's visit, and the President directed the U.S. side to resolve the issue by October.

The Bureau of Overseas Buildings Operations (OBO) must resolve an ongoing issue regarding the post communication center. Meanwhile, embassy management should continue to diligently seek local officials' approval for further perimeter security enhancements.

OIG Report ISP-I-06-46, Inspection of Embassy Budapest, Hungary

The fieldwork for this report was conducted by the Office of Inspections in Hungary between June 1 and 19, 2006. This is an unclassified summary of a full report, which receives limited official distribution. Both the report summary and the full report reflect the conditions reviewed during the fieldwork.

Background: Hungary

Hungary is one of the more prosperous and stable countries of Central and Eastern Europe. In May 2004, the country acceded to the European Union (EU), having joined the North Atlantic Treaty Organization (NATO) in 1999. The country is steadily gaining ground on its Western neighbors, but its economic transition has sometimes been difficult. Reducing its fiscal and current account deficits is an economic policy priority for the nation as it retools its finances to meet EU convergence criteria.

Since 1989, Hungary has pursued three primary foreign policy goals. They are: integration into Euro-Atlantic structures such as NATO and the EU, improving relations with neighboring countries, and supporting the rights of Hungarians who are minorities in other nations. The country's leadership continues to pursue all three goals actively. Hungary bolsters regional stability through its contributions to peacekeeping missions in the Balkans. Twice in the last decade – for Balkan peacekeeping and in support of democratization in Serbia – the United States has benefited from Hungary's location as a platform for efforts to stabilize the region.

Office of Inspector General

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