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

# Report of Inspection

## Embassy Brasilia and Constituent Posts, Brazil

Report Number ISP-I-08-15A, March 2008

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# PURPOSE, SCOPE AND METHODOLOGY OF THE INSPECTION

This inspection was conducted in accordance with the Quality Standards for Inspections, as issued by the President's Council on Integrity and Efficiency, and the Inspector's Handbook, as issued by the Office of Inspector General, U.S. Department of State.

## PURPOSE

The Office of Inspections provides the Secretary of State and Congress with systematic and independent evaluations of the operations of the Department of State, its posts abroad, and related activities. Inspections cover three broad areas, consistent with Section 209 of the Foreign Service Act of 1980:

- **Policy Implementation:** whether policy goals and objectives are being effectively achieved; whether U.S. interests are being accurately and effectively represented; and whether all elements of an office or mission are being adequately coordinated.
- **Resource Management:** whether resources are being used and managed with maximum efficiency, effectiveness, and being accurately and effectively represented; and whether financial transactions and accounts are properly conducted, maintained, and reported.
- **Management Controls:** whether the administration of activities and operations meets the requirements of applicable laws and regulations; whether internal management controls have been instituted to ensure quality of performance and reduce the likelihood of mismanagement; whether instances of fraud, waste, or abuse exist; and whether adequate steps for detection, correction, and prevention have been taken.

## METHODOLOGY

In conducting this inspection, the inspectors: reviewed pertinent records in the Department and elsewhere; as appropriate, circulated, reviewed, and compiled the results of survey instruments; conducted on site interviews with personnel at the overseas missions, in the Department, and elsewhere; and reviewed the substance of the report and its findings and recommendations with office, individuals, organizations, and activities affected by this review.





United States Department of State  
and the Broadcasting Board of Governors

*Office of Inspector General*

PREFACE

This report was prepared by the Office of Inspector General (OIG) pursuant to the Inspector General Act of 1978, as amended, Section 209 of the Foreign Service Act of 1980, the Arms Control and Disarmament Amendments Act of 1987, and the Department of State and Related Agencies Appropriations Act, FY 1996. It is one of a series of audit, inspection, investigative, and special reports prepared by OIG periodically as part of its oversight responsibility with respect to the Department of State and the Broadcasting Board of Governors to identify and prevent fraud, waste, abuse, and mismanagement.

This report is the result of an assessment of the strengths and weaknesses of the office, post, or function under review. It is based on interviews with employees and officials of relevant agencies and institutions, direct observation, and a review of applicable documents.

The recommendations therein have been developed on the basis of the best knowledge available to the OIG, and have been discussed in draft with those responsible for implementation. It is my hope that these recommendations will result in more effective, efficient, and/or economical operations.

I express my appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in black ink, appearing to read "Bill Todd", written in a cursive style.

William E. Todd  
Acting Inspector General

## TABLE OF CONTENTS

KEY JUDGMENTS .....	1
CONTEXT .....	5
EXECUTIVE DIRECTION .....	7
Rightsizing .....	10
POLICY AND PROGRAM IMPLEMENTATION.....	13
Political Affairs.....	13
Economic and Commercial Affairs .....	16
Environment, Science and Technology, and Health .....	20
Law Enforcement and Narcotics .....	22
Foreign Assistance Programs .....	25
Public Diplomacy .....	26
Consular Affairs.....	31
RESOURCE MANAGEMENT.....	45
Human Resources .....	47
Financial Management.....	53
General Services .....	55
Information Management and Information Security .....	65
QUALITY OF LIFE .....	73
Community Liaison Office .....	73
Health Unit .....	74
Employee Associations .....	74
.....	75
CONSULATE RECIFE AND CONSULATES GENERAL SAO PAULO AND RIO DE JANEIRO ...	77
Consulate General Rio de Janeiro.....	78
Consulate General Sao Paulo .....	85
Consulate Recife .....	90
MANAGEMENT CONTROLS .....	97

FORMAL RECOMMENDATIONS . . . . . 107

INFORMAL RECOMMENDATIONS . . . . . 119

PRINCIPAL OFFICIALS . . . . . 137

ABBREVIATIONS . . . . . 139

## KEY JUDGMENTS

- The Ambassador has re-invigorated the important bilateral relationship with Brazil, a regional powerhouse with potential to act as a counter balance to the populist nationalism promoted by Venezuela. Brazilians welcome his willingness to travel extensively throughout the country, but embassy section chiefs and heads of other agencies report that the number of initiatives and their lack of understanding of the Ambassador's prioritization have inhibited their ability to meet mandated goals and objectives.
- Nonimmigrant visa (NIV) workload has grown at a pace that far exceeded long-range forecasts. Lengthy wait times for visa appointments have hurt the image of the United States. Brazil's consular operations are seriously under resourced compared to other missions with similar work loads, and morale has suffered. Additional officer positions have been approved, but even more new officer positions are needed to rightsize consular operations.
- Political and economic work reflects a sophisticated understanding of Brazil, including how to deal with its powerful foreign ministry, but high officer turnover has eroded the knowledge base in both sections. After a period of intense activity, the embassy must devote resources to renewing contacts, records, travel plans, and other supporting mechanisms if it wishes to continue this impressive record.
- Narcotics assistance programs in Brazil have largely been suspended while the mission tightens management controls and oversight. Resuming these important programs will require more verifiable agreements with Brazilian authorities and better information-sharing and coordination among the mission's many law enforcement agencies.
- Brazil's impressive economic growth calls into question whether it should continue to receive development assistance, but the mission carries out effective programs in a number of other areas including environment and health. Despite Department of State (Department) requirements for exhaustive new reviews of foreign assistance, the embassy does not have a plan for foreign assistance that provides the Chief of Mission with a single tool to coordinate all forms of such assistance.

- The elimination of three American officer positions in Brasilia, Rio de Janeiro, and Sao Paulo has made it difficult for the public diplomacy sections to balance support for the Ambassador's active public outreach with traditional programming. To ensure that public diplomacy has the right mix of resources (human and financial) and programs supporting mission goals, objectives, and policy realities, the embassy should conduct a thorough public diplomacy program and operations review.
- The U.S. Mission to Brazil has approved a number of new American direct-hire positions, primarily for other agencies, but the Ambassador's decision to approve was not based on a complete summary of all costs related to the staffing expansion, nor did the justifications clarify how the responsibilities of these new positions would differ from similar existing positions already operating within Brazil.
- The physical infrastructure of the consular section in Sao Paulo was designed for a smaller workload and is inadequate for the growing workload demands. The waiting area needs to be expanded, more NIV windows need to be built, a better queuing system needs to be installed, and the intake capacity from the street needs to be expanded. The consular section in Rio de Janeiro has more room to absorb expanded staffing without making major structural changes but needs to redesign its work area and add a second window for American citizens services (ACS).
- The performance of Embassy Brasilia's management has been handicapped by lapses in oversight that have resulted in significant management control weaknesses, particularly in the travel program in Brasilia and in contracting and property in Rio de Janeiro.
- Management at the constituent posts is uneven. The Office of Inspector General (OIG) team found lax oversight particularly in general services in Rio and Sao Paulo, human resources in Sao Paulo, and facilities maintenance and information management in Recife.



- The regional security program has the full support and cooperation of the Ambassador and the deputy chief of mission (DCM). The regional security program received high marks from the Ambassador, DCM, and the mission community; however, due to the Ambassador's robust travel schedule coupled with the quantity of high-profile visits basic security programs are beginning to show signs of neglect.

The inspection took place in Washington, DC, between August 15 and September 24, 2007; in Brasilia, Brazil, between September 25 and November 8, 2007; in Sao Paulo, Brazil, between October 2 and 12, 2007; in Rio de Janeiro, Brazil, between September 28 and October 5, 2007; and Recife, Brazil, between October 1 and 9, 2007. Ambassador Eileen Malloy (team leader), Moosa Valli (deputy team leader), Thomas Furey, Mary Ellen Gilroy, Keith McCormick, Ruth McIlwain, Kristene McMinn, George Rivers, Charles Rowcliffe, Richard Sypher, Robert Torres, and Michelle Wood conducted the inspection.



## CONTEXT

After years of cool bilateral relations, the United States is seeking a new strategic partnership with Brazil. The long-range interests of these two large, multicultural democracies should overlap. However, Brazil is proud of its tradition of resisting U.S. hegemony and sees itself as a leader of developing countries that oppose U.S. positions in key trade and other negotiations. Eager to assert its own influence in

Latin America and elsewhere, Brazil shies away from working with the United States unless the engagement can be clearly characterized as cooperation between equals. U.S. policy, therefore, envisions a shift from assistance to partnership as well as a more intense bilateral relationship across the board.



A key example of the new approach is an agreement signed in 2007 to work together on biofuels. Rather than establish new assistance programs, the United States will exchange more scientific research with Brazil and undertake joint programs in third countries to develop a regulatory framework for ethanol and other environmentally sustainable fuels.

President Lula da Silva's government has responded well to this approach. Despite his base in left-wing labor unions, Lula has governed as a political and diplomatic pragmatist. By consolidating Brazil's return to democracy from military dictatorship in 1989, and its success in taming hyperinflation in 1995, he set the stage for an economic boom with opportunities for U.S. trade and investment. Strengthening these trends and the institutions which support them is one key goal of U.S. policy. Another is to work more closely with Brazil on law enforcement issues such as narcotics and human trafficking.

Implementing such an ambitious bilateral agenda requires close coordination among all agencies and constituent posts. To accomplish this, the United States has an embassy in Brasilia, consulates general in Sao Paulo and Rio de Janeiro, and a consulate in Recife. In addition, it is negotiating to open American Presence Posts in Porto Alegre, Belo Horizonte, and Belem. To staff these posts, the mission has 271 American employees, 637 Foreign Service national and 38 eligible family member (EFM) staff. Mission Brazil hosts 10 federal Cabinet departments and/or agencies, including Defense, Commerce, Agriculture, State, Justice, Treasury, Health and Human Services, Homeland Security, the U.S. Agency for International Development (USAID), and a large regional Library of Congress operation.

## EXECUTIVE DIRECTION

The Ambassador and DCM have a clearly defined separation of duties. The Ambassador devotes the vast majority of his time and efforts to establishing and deepening bilateral relations with senior Brazilian policymakers while the DCM performs most day to day internal coordination and supervision. The White House appointed this new Ambassador, with his proven ability to nurture high-level contacts, because of the high importance it places on Brazil as a regional powerhouse with the potential to act as a counter balance to Venezuela. The Ambassador's high energy, intellectual acuity, and his determination to broaden the mission's official contact base have raised the profile of U.S.-Brazilian relations over the past 12 months, breathing new life into a relationship that had suffered from a lack of U.S. government attention.

To his credit, the Ambassador has a strategy for taking maximum advantage of his three years at post. Year one was devoted to making key contacts, year two to making strategic use of these new contacts, while year three would be the time to reap the results of his intense collaboration with Brazilian policymakers and key business contacts. He has been adept at seeing connections and forging alliances among interest groups and governmental officials who have the power to influence Brazilian policy decisions. The program and policy implementation section of this report will discuss in greater depth the laudable outcomes of the Ambassador's efforts to establish working relationships with a wide range of Brazilian governmental and business figures. These include the recently signed memorandum of understanding on bio-fuels, and the progress the embassy has made toward a long elusive resolution of a decades-old taxation issue that had frozen all U.S. government real estate transactions across Brazil. Only by the personal intervention of the Ambassador was a bill with a negotiated resolution of this problem passed by the lower house of the Brazilian legislative branch and the Senate. Another example is the Ambassador's successful efforts to convince the Department of Health and Human Services (HHS) to establish in Brazil the first health attaché position in Latin America. He simultaneously convinced the government of Brazil to work jointly with HHS on efforts to combat infectious diseases such as malaria and HIV/AIDS both in South America and in Lusophone Africa. Also he has reignited bilateral work on a Defense Cooperation Agreement, instituted a Corporate Social Responsibility group, established a Chief

Executive Officer Forum co-chaired by the White House as a vehicle to allow private business interests to press for elimination of trade barriers between the two countries, and is working hard on a new aviation agreement to allow U.S. carriers greater access to Brazil.

The OIG team found the Ambassador's program initiatives to be in line with the over-arching themes in the Mission Strategic Plan (MSP) and commended his efforts to get mission staff to be more strategic in their thinking. They suggested, however, that he ensure sufficient mission assets are kept in reserve for the operational implementation of these initiatives. If the projects are based on his personal relationships with leading Brazilian figures, and are not securely grounded in sustainable bilateral mechanisms, the investment of resources made by the U.S. and Brazilian governments will be at risk. The Ambassador agreed and has indicated that he plans to broaden the involvement of his country team in these programs now that most of the summer staffing gaps have been filled in the embassy's substantive sections.

In order to establish productive relationships with key political and business leaders in this vast country, the Ambassador has spent a significant amount of his time traveling outside of the capital city of Brasilia. In his absences from the embassy, the DCM has performed all normal coordination functions, chairing country team meetings 50 percent of the time, and attending most national day celebrations. Cooperation among country team members is quite good, leading to spontaneous information sharing and collaboration on programs of mutual interest. The DCM effectively chairs the law enforcement working group (LEWG), the emergency action committee meetings (EAC), and the counterintelligence working group meetings, as needed.

The fact that country team members work well together does not mask the level of tension among those country team members whose portfolios include areas that the Ambassador considers mission priorities. Country team members reported to the OIG team that their lack of understanding of the Ambassador's prioritization among the many new initiatives has inhibited their ability to meet all of their mandated goals and objectives. The Ambassador's personal working style, his heavy travel and official appointment schedule, and his infrequent contact with U.S. Mission staff, other than country team members and substantive officers, have contributed to communication lapses and morale issues among the embassy community. Confirming this, the scores given to the Ambassador and the DCM on the personal questionnaires were well below average in such categories as allowing dissent, clarity, feedback, and coordination.

The Ambassador believes that he has worked hard to improve mission morale by expending a significant amount of personal resources hosting newcomers' luncheons and by participating in efforts to support community activities such as holiday parties and the Marine Ball. He attends TGIF events whenever he is at the embassy or a constituent post, and he has met with the Foreign Service national committee. That said, he accepted, gracefully, the fact the workplace and quality of life scores indicate mission staff members are experiencing morale problems, and at least some of them want to see a more overt indication of his concern for their well-being.

The MSP submitted by Embassy Brasilia captures some of the Ambassador's initiatives, but it could benefit from a clearer description of Brazil's strategic role and an explanation as to how U.S. government efforts to engage this key partner could translate into advancements in U.S. government policy objectives. Also, the allocation of resources within the embassy and among the constituent posts does not appear to be based on the articulated goals and objectives of the MSP. For example, the MSP rightfully points out the need for the U.S. Mission to develop a stronger presence in the Northeast regions of Brazil. However, the embassy does not have a proactive travel and representational plan to ensure that these resources are used most efficiently to advance the goal of deepening U.S. government contacts and influence in these key regions.

The Ambassador is an ardent supporter of an active public diplomacy outreach program, spending time in each city he visits to meet with the media, to speak with business groups, and to deliver key policy speeches. Public diplomacy is woven into every aspect of the mission's work. The U.S. Mission to Brazil's public diplomacy program is amply funded by Washington allowing the public affairs officer (PAO) to support an activist Ambassador and his country team members both in the capital city of Brasilia as well as during their in-country travels.

The entry-level officers (ELOs) receive a fair share of the DCM's attention. He makes an effort to visit each constituent post several times a year in order to meet with the ELOs. In Brasilia, ELOs have an opportunity to serve in the front office as a staff assistant to the Ambassador, thereby giving them exposure to program management and policy development. While those ELOs who work on the high volume, high pressure visa lines report problems with burn out and resource shortages, on the whole, ELOs interviewed by the OIG team were satisfied with the mission's attention to their career development needs. The Equal Employment Opportunity program receives ample support from the Ambassador and the DCM.

Finally, neither the Ambassador nor the DCM is a financial or management expert. That said, it is still incumbent upon them to ensure that internal and management controls are properly exercised. Due to the division of labor described above, it is the DCM who bears the responsibility for testing and validating the internal and management control systems in use at the mission. During the course of the inspection, a number of programs such as premium class travel, representational travel, invitational travel, and other authorized use of U.S. government resources were found to be out of compliance with the Foreign Affairs Manual. This subject will be discussed in greater depth in the resource management section of this report. To their credit, the Ambassador and the DCM have engaged constructively with the OIG team's recommendations for the tightening of internal controls.

## RIGHTSIZING

Embassy Brasilia conducted a rightsizing exercise in July 2006 that essentially reduced staffing in Consulate General Rio de Janeiro, and projected an expanded mission presence in Brazil's vast north and northeast region. At the same time, the mission encouraged all agencies with regional responsibilities to locate in Sao Paulo because it is an air hub and to take advantage of Consulate General Sao Paulo's spacious compound.

Brasilia's National Security Decision Directive-38 (NSDD-38) review process needs to be strengthened. The mission has taken a case-by-case approach rather than examining overall staffing. Requesting agencies submit a memorandum to the Ambassador detailing the rationale for proposed new direct-hire positions. To assist the Ambassador, the embassy's financial management office estimates partial or full year costs that agencies must fund. There is, however, no input from the regional security officer (RSO) on increased security costs that would result to the Department from an expansion of U.S. direct-hire staffing, nor is the embassy's International Cooperative Administrative Support Services (ICASS) council asked to provide information that may impact ICASS costs. Nor are there explanations to the Ambassador that while the requesting agency would agree to fund its assessed share of the ICASS costs involved, the Department's share of ICASS costs (currently at 74 percent) would also increase, and no estimates are included of what those increased Department ICASS and program security costs would be. The OIG team left several informal recommendations to address these issues.



The mission, however, does not ensure that adequate workspace is available before approving new NSDD-38 positions. For example, before the ongoing chancery renovation project was started, Department of Homeland Security (DHS) employees had a small amount of working space in the chancery. The DHS employees were temporarily relocated into swing space in 2006 to facilitate the renovation project. Since the renovation project began, the mission has approved many additional DHS, other agency, and Department NSDD-38 requests and housed some of those individuals in the swing space. The OIG team found, however, that no office space is allocated to DHS in the chancery building plan that will be in effect after completion of the renovation project (scheduled for June 2008). The swing space, a warehouse built in 2005 and 2006, does not meet security, fire, or life-safety standards and is addressed in the classified annex of this report. DS granted the mission a temporary security waiver to use the swing space until June 2008 when, presumably, DHS would be moved back into the chancery.

Mission management informed the OIG team that they plan to request an additional security waiver from the Bureau of Diplomatic Security (DS) to allow the continued use of the swing space for DHS employees until an additional annex can be constructed on the compound. However, funding for the construction of an additional annex building construction has not yet been requested, let alone secured. A basic tenet of the NSDD-38 approval process is to ensure not only that positions are needed, but also that the positions can be accommodated and supported. Mission management's lack of concern for the safety of its employees and the lack of discipline in the NSDD-38 process is apparent. The OIG team left informal recommendations that the facilities maintenance manager have a formal role in the NSDD-38 approval process.

**Recommendation 1:** Embassy Brasilia should cease the approval of additional direct-hire positions until adequate working space has been identified. (Action: Embassy Brasilia)

**Recommendation 2:** Embassy Brasilia should review and revise its chancery building plan to ensure that all direct-hire employees have adequate and secure working space. (Action: Embassy Brasilia)

In several approved NSDD-38 requests, it was also not clear what the new agencies would do that is not also being done by other agencies or sections (for example, how adding a Department of Treasury attaché would not duplicate the work of the economic section), or how their work would be coordinated (the new HHS attaché is not planning to work under the environment, science and technology, and health section (ESTH) guidance as the NSDD-38 approval noted but rather intends to take over USAID's role in coordinating all health programs).

Consular staffing in Sao Paulo has increased dramatically to keep pace with the spiraling consular workload (see the consular section for a discussion of increased American consular positions).

The mission's July 2006 rightsizing report supported current mission policy to require agencies with regional personnel to be located in Sao Paulo for efficiency of travel and space concerns. The Library of Congress prefers to remain in Rio de Janeiro because of its close working relationship with the National Library of Brazil, headquartered in Rio, and because Rio is the center of the Brazilian publishing industry. In its review, which was cleared by the Library of Congress, the Office of Rightsizing the U.S. Government Overseas Presence recommended that if and when the old chancery building in Rio de Janeiro is sold and the consulate general moves into a greatly downsized facility, the Library of Congress field office should either move to Consulate General Sao Paulo or, if it chooses to remain in Rio, seek separate quarters.

**Recommendation 3:** Embassy Brasilia should require the Library of Congress field office in Rio de Janeiro to perform a baseline study of its operational and staffing requirements to determine whether its operations could be conducted from a regional platform in Sao Paulo and/or by contracting out portions of its work such as packing and shipping. (Action: Embassy Brasilia)

## POLICY AND PROGRAM IMPLEMENTATION

### POLITICAL AFFAIRS

The embassy's political section focuses on meetings for the Ambassador and visitors, reporting and analysis, and advocacy with the powerful Foreign Ministry. Reporting on Brazil's internal politics and foreign policy is strong, but some required work is not being done. Reporting on human rights and on developments in interior states has lagged. After a period of intense activity, and the departure of key officers, the section is devoting time to routine reporting and analysis responsibilities, and to rebuilding the supporting mechanisms that enable it to do its work.

### Reporting and Analysis

Political reporting from Brazil is strong, particularly in its analytical value. Reports reflect a breadth and depth of contacts at all levels, and across the political spectrum. Some could benefit from a tighter targeting to policy concerns, but reporting shows a sophisticated understanding of Brazilian politics. The embassy made a special effort, for example, to increase its contacts with Brazil's increasingly important Congress. This not only helped it carry out its goal of strengthening democratic institutions, but allowed the political section to support other parts of the mission by providing insights into legislation crucial to the mission as a whole, including a tax dispute that had been blocking disposition of unwanted U.S. government properties.

All three constituent posts support this work. Political reporting from Rio de Janeiro and Recife has been limited in volume, as those posts correctly focus on contributing a regional perspective to mission-wide reporting rather than attempting to produce more local cables. Sao Paulo carries an unusually large percentage of the total workload. Its reporting is impressive for its depth and accuracy but needs to make a more explicit connection between Brazil's internal politics and their effect on U.S. policy. Coordination between the embassy and consulates is collegial and close, made easier by a joint reporting plan.

Most reporting is by cable. The section uses systems such as Sipdis and Intel-lipedia well to multiply its readership. Political developments are reported promptly, but the embassy has sometimes failed to report the outcome of important meetings in a timely manner because the Ambassador departed post before approving the draft cables. The OIG team left an informal recommendation that during the absence of the Chief of Mission urgent cables should be approved by the chargé d'affaires.

Reporting has been thinnest on labor, human rights and trafficking in persons. The embassy moved its labor position from Sao Paulo to Brasilia in 2005 and has increasingly used it for political/military work. The move improved coordination with the Ministry of Labor but reduced reporting on the powerful labor union movement, which is centered in Sao Paulo. Reporting on human rights has also declined. In Sao Paulo, the human rights reporting officer was reassigned as a staff aide, dedicating over 75 percent of his time in FY 2007 to the Ambassador's almost weekly visits there. The sole reporting officer in Rio de Janeiro spends 85 percent of her time supporting visits. As a result, conclusions in the annual human rights report are not supported and made easier to prepare by enough reporting and analysis throughout the year. This redirection of resources and a lack of attention from post management also resulted in too little reporting on Brazil's important trafficking problems, including sexual exploitation and forced labor. Such reporting is necessary to support the mission's \$7 million Trafficking in Persons Assistance Program (discussed below) and perform required annual assessments of Brazilian progress in this area.

**Recommendation 4:** Embassy Brasilia, in coordination with the Bureau of Democracy, Human Rights, and Labor, should carry out a plan to increase reporting on labor, human rights, and trafficking in persons and to streamline preparation of its annual human rights report. (Action: Embassy Brasilia, in coordination with DRL)

Reporting on developments in Brazil's large northern states has fallen behind. The MSP makes clear the importance of this region, but political officers are not reporting from it because they do not have sufficient funds to travel there. Funds for political section travel were reduced from \$22,000 in FY 2006 to \$8000 in FY 2007 while the Ambassador's travel budget was increased from \$60,000 to \$135,000. The DCM properly insists that all reporting travel be well justified. However, this distribution of resources handicaps political analysis – not least because the current

government coalition is dependent on support from states in the areas not visited.

Most importantly, perhaps, it undercuts the Ambassador's strategy of increasing contacts with state governors and local leaders, who are sometimes more pragmatic than the central government.

**Recommendation 5:** Embassy Brasilia should prepare and carry out a travel reporting plan, appointing a travel coordinator to ensure that countrywide travel makes the best use of resources by combining work for different agencies and sections and including a public diplomacy component. (Action: Embassy Brasilia)

Reporting suffered a setback when the section's two most senior officers and both of its locally employed (LE) staff departed. The mission lost not only intellectual capital, but its key political files as well. Subject files were inadvertently deleted when the officers left because they had been incorrectly kept as individual accounts. Arriving officers now lack the institutional memory needed to put their work in context and prevent unnecessary duplication. Leadership and contact files in the embassy and consulates have not been well maintained. As a result, the Ambassador goes into meetings with Brazilian leaders without being armed with the mission's accumulated insights into their negotiating style. The new section leadership, which arrived the summer of 2007, recognized the need to reorganize its files and has begun to keep more systematic records of its taskings and demarches. It needs to continue this rebuilding of the mechanisms that support its work, requesting help as needed from the mission's information technology and the Department's records management offices.

**Recommendation 6:** Embassy Brasilia should complete rebuilding of the political files it inadvertently lost in 2007 and put in place procedures to ensure that necessary records are maintained and used. (Action: Embassy Brasilia)

## Operations and Advocacy

The political section carries out much of the mission's interaction with Brazil's powerful Foreign Ministry. This work is critical to its overall success because all U.S. programs in Brazil require the approval of the Foreign Ministry as well as the min-

istry with which each individual agency is dealing. Staffed by a highly trained and protocol conscious diplomatic service, the Foreign Ministry aggressively defends Brazilian interests, and insists on strict adherence to the letter of agreements. Collectively, the section has the language and other skills it needs to make demarches in this atmosphere effectively, though some officers were rushed into their jobs too quickly to be given tradecraft and other needed training.

The mission is not adequately screening military and police officials whom it recommends for U.S. training programs. U.S. law does not allow such training to be given to foreign nationals against whom there is credible evidence of human rights abuse, and the mission is required to vet all candidates for such evidence. This work will become even more important as International Military Education and Training programs for Brazil resume. The political section has been designated to coordinate such checks. It has well-written guidelines for doing so, but has not been able to add significant value to the process because its own human rights files have not been maintained, and other agencies do not provide sufficient documentation. The embassy could make more use of external data bases such as the Abuse Case Evaluation System. Nevertheless, the OIG team found that several different elements of the mission may each believe that another one is conducting meaningful checks. As a result, the mission as a whole has not been able to carry out effective Leahy Amendment vetting, causing officials in Washington to spend excessive time conducting checks that should be made at post.

**Recommendation 7:** Embassy Brasilia should request assistance from the Bureau of Democracy, Human Rights, and Labor to put in place a more effective and less onerous system for conducting Leahy Amendment checks on all Brazilian officials recommended for training in the United States. (Action: Embassy Brasilia, in coordination with DRL)

## ECONOMIC AND COMMERCIAL AFFAIRS

Much of the ambitious new agenda outlined in the context section falls to the embassy's small economic section. Working closely with all consulates and the Mission's large commercial, agricultural, and assistance agencies, this section used its contacts and its understanding of Brazil's economy to support an unprecedented number of high-level U.S. visits and initiatives in FY 2007. The section is staffed for a much more modest workload and will need additional resources if this new level

of engagement continues. To make the most of present resources, the front office agreed to give reporting officers more guidance on both the Ambassador's priorities and policy concerns in Washington.

### Cooperation on Biofuels

The most important result so far of a new strategic partnership with Brazil is the biofuels agreement signed in 2007. Under this agreement, the United States and Brazil will exchange researchers to develop more efficient and environmentally friendly biofuels; work together to establish standards for international trade in them; and carry out joint projects in third countries to turn sugar into ethanol.

This agreement is a bold and creative breakthrough in what had become a strained and sterile economic relationship. It will serve U.S. and Brazilian national interest in reducing dependence on imported oil and the broader global interest in controlling climate change. Well-researched and forward-looking embassy reporting on Brazil's potential and policies in ethanol helped set the stage. The Ambassador's driving style and vision carried the agreement through. The idea of joint projects was particularly helpful in overcoming opposition by key members of Brazil's left-leaning government. President Lula saw this cooperation as a breakthrough for Brazil's prestige and also a way to help reduce poverty in Caribbean countries with sugarcane but little oil.

Embassy-Washington coordination in support of the agreement was exemplary. The mission is now moving to improve coordination in Brazil. It named a central biofuels coordinator and corrected its initial failure to inform all agencies responsible for aspects of the issue. This mission-wide approach is paying off. Sao Paulo, for example, works with Foreign Agricultural Service attachés to follow trends in sugar cane production, while Recife works with the science section to assess the environmental impact of more biofuel production on the Amazon. However, reporting to support the needed follow through on this agreement has been limited. The Ambassador does not report the outcome of some meetings, and the embassy has not reported on the prospects for sustaining the agreement if a different government comes to power in Brazil. The OIG team made informal recommendations to improve coordination and follow through on this important issue, including development of a common record of actions that could be accessed by all agencies and consulates.



## Reporting and Analysis

Economic reporting is low in volume but high in quality. Analytical, spot, and required reporting all reflect insightful understanding of Brazil's macroeconomic trends, and its positions in contentious international trade negotiations. The reporting provided clarifies Washington insight on the debates within the Lula government over how far to relax Brazil's restrictive trade regime. Most reporting is by cable rather than by e-mail, ensuring that it reaches all consumers and reflects a cleared, official view.

Combined political/economic reporting is rare. However, economic officers work closely with other sections to coordinate and clear their work, particularly in support of meetings. Coordination between the embassy and consulates is collegial and effective, but the OIG team left an informal recommendation that the section test a "single-mission" strategy under which each consulate would take lead responsibility for reporting on an entire sector such as energy or aviation. Collaboration on commercial issues is especially productive. Economic officers worked closely with the U.S. Foreign and Commercial Service office in Sao Paulo and USAID, for example, to support the Ambassador's initiative on American corporate social responsibility. Despite last-minute cancellations of some planned events, this initiative, and other efforts to enlist the private sector in support of mission goals, are having an impact on Brazil's traditional suspicion of investment and trade from North America.

As strong as individual reporting is, the mission's economic work lacks focus. Officers and LE staff with whom the OIG team spoke at both the embassy and consulates, expressed a need for better guidance to help them understand the Ambassador's and Washington's priorities, and help them link their work to policy concerns. Such guidance would help officers prioritize their work when the Ambassador's demanding schedule of meetings forces them to make "triage" decisions. It would also make the most of limited resources by clarifying responsibilities and reducing duplication. For example, both the embassy and Department officers in Sao Paulo are continuing to report extensively on Brazil's financial sector and stock exchange although a Treasury Department attaché was assigned to the mission in April 2007. An overly rigid reporting plan would not be useful as guidance, but a broader reporting strategy, identifying issues that should be followed on a continuing basis, would.



**Recommendation 8:** Embassy Brasilia should prepare a reporting strategy to guide economic reporting, link it to the mission's policy priorities, and clarify how each consulate can best contribute to mission-wide reporting. (Action: Embassy Brasilia, in coordination with WHA)

## Operations and Advocacy

The section suffered a setback when its two most senior officers departed in 2007. Even when both are replaced, it will still be staffed for a much more modest level of bilateral engagement than is currently the case. The section is supported, for example, by a single (if highly knowledgeable) LE staff member. This shortage of resources is exacerbated by the Ambassador's last-minute taskings and his unfamiliarity with different agency responsibilities. Officers are often pulled off one assigned task to begin another before they can complete their work, or discover that the same work has been tasked to different agencies or sections. Even if the embassy is able to improve task management, however, it will need to shift resources to the economic area in order to carry out its MSP because the core of the new bilateral agenda is an economic one.

**Recommendation 9:** Embassy Brasilia should reprogram position number 01807000 from the political section to the economic section. (Action: Embassy Brasilia)

Economic work is also suffering from a dramatic increase in the number of official visits. In FY 2007, the section acted as control for an average of almost three such visits a month, including several by Cabinet-level officials. Such a pace risks exhausting the willingness of some Brazilian interlocutors to meet with U.S. government officials as well as the mission's ability to prepare and report sufficiently. However, the visits also represent a powerful tool for advancing U.S. interests, and should not, even if they could, be discouraged. Instead, the embassy needs more efficient tools to support them. It does not have a standard checklist, for example, to guide an economic or political officer assigned to organize logistical and substantive arrangements for an important visitor. The mission also does not use a dedicated



portfolios. Environmental issues are the most neuralgic. ESTH officers work closely with their economic, agricultural, and other counterparts to support exchanges of researchers under the biofuels agreement described above, and to ensure that the environmental aspects of increased production of ethanol are well understood. The office is well staffed and organized to deal with an anticipated increase in its workload in this area while also meeting MSP goals in areas such as helping Brazil collect and safely store fissile material from its nuclear energy program.

The Ambassador wants the mission to do more to help Brazil address its huge environmental problems in the Amazon. However, Brazil is extremely sensitive about this area. Whether this is due to its historically weak sense of sovereign control, or the prickly nationalism of some leaders, Brazil regards the region's problems as an internal issue, and resists addressing them through international cooperation. Because of this, the patient and effective diplomatic work the ESTH section does with many different ministries is vital if the mission hopes to move assistance programs into this area.

Environmental work has suffered from debilitating rivalries between the bilateral ESTH section and the regional environmental hub. New leadership in the ESTH section and adroit attention by post management has overcome this problem, in part by clarifying their division of responsibilities. The two now work together closely and constructively. When the experienced chief of the hub was transferred to Sao Paulo as part of a complex chain of last-minute changes in assignments, the mission hired an EFM with a solid background in environmental issues to replace him. As a result of these improvements, the OIG team agreed with the embassy's assessment that there is no reason why a regional hub cannot perform its work as part of a mission that also contains a bilateral ESTH section. However, some of the original reasons for locating the hub in Brasilia may no longer be valid because Brazil has not agreed to act as secretariat for the international Amazon Basin Conservation Initiative. Other concerns, including the need for extensive travel, may also change if funding for regional environmental programs continues to shrink. The OIG team made an informal recommendation that the mission review its policy on regional offices to determine whether the environmental hub would be more effectively located in Sao Paulo.

### Coordination of Health Policy Work

Like many other mission goals, cooperation with Brazil to address health issues requires support from diplomats. The Foreign Ministry must approve all programs, and Brazil does not accept assistance it regards as condescending. It refused to accept some \$40 million from the President's Emergency Program for AIDS Relief

because of U.S. legislative requirements that it outlaw prostitution rather than treat it as a matter of public health. The ESTH section carries on a labor-intensive dialogue with the Foreign Ministry to support USAID and other U.S. agencies working on transnational health issues in Brazil. The U.S. National Institutes of Health, for example, provided \$15 million in FY 2007 to counterpart programs in Brazil. While the embassy is not responsible for managing these programs, ESTH officers provide critical assistance by recommending approaches, and by intervening regularly to obtain approvals and guide projects through the Brazilian bureaucracy.

Some of this work will be taken over in FY 2008 by an attaché from HHS. This new position will add to the mission's overall resources in this area, but the embassy has not yet given sufficient thought to how it will coordinate its work with that of the ESTH section and USAID or divide their responsibilities. One promising idea is to have the attaché work with Brazilian counterparts on joint health projects in third countries in Lusophone, Africa, where a small pilot program on malaria is already under way. Another is to have him take the lead responsibility for facilitating National Institutes of Health programs and coordinating them with mission efforts in related areas such as health and trafficking in persons. The OIG team made an informal recommendation that the embassy draw up a plan for the new health attaché's responsibilities.

## LAW ENFORCEMENT AND NARCOTICS

Narcotics assistance programs in Brazil have been inactive since 2006, when an audit found important lapses in their management. The mission is working on a new agreement with Brazil regarding the oversight of these funds and a new strategy for their use. The mission's law enforcement agencies conduct effective operations and cooperate well informally but need increased coordination through a more inclusive LEWG that keeps constituent posts informed of its work.

### Narcotics Assistance

Mission Brazil suspended its narcotics assistance programs in July 2006, when it found that "the system of payments currently being used is inadequate to ensure that malfeasance is not taking place." Because Brazil insisted that U.S. assistance be provided in advance instead of on a reimbursement basis, the mission had opened a bank account to transfer funds to members of the Brazilian Federal Police. The embassy failed to maintain adequate control of this account, allowing withdrawals to be made as if they were advances with no corresponding liquidations. Many advances

did not vary at all from one withdrawal to another, suggesting that Brazilian police did not review their actual expenditures before withdrawing additional funds.

These programs had been poorly managed for some time. Documents in embassy files concluded that a series of weak American chiefs of its narcotics affairs section (NAS), insufficient supervision of local staff, and a lack of attention by post management and the Bureau of International Narcotics and Law Enforcement Affairs (INL), had allowed Brazilian police to utilize U.S. funds without any system of accountability.

The NAS and INL reacted vigorously once they finally realized the extent of weakness in their management controls. The NAS hired additional local staff to reconcile accounts and develop “integrated management reports” that would combine accounting, budget, policy, and program information in a single, comprehensible report for each program. INL recalled an experienced officer from retirement to tighten up procedures and prevent a repetition. These steps are restoring management controls and setting the stage for a resumption of activities. They will need to be accompanied by a rebuilding of the section’s poorly organized and outdated records; a restoration of American officer control of all disbursements; a new letter of agreement with the Brazilian federal police that includes a requirement for periodic audits; and, as discussed in the financial management section, a determination whether or not prior year INL funds may be used under the new letter of agreement. Until this is accomplished, it will be difficult for the Department to determine the appropriate level of new funding for this important part of the mission’s goals.

The bureau’s review and OIG’s inspection also revealed the need for a fundamental shift in strategy to make these programs more effective. Attempts to interdict the flow of drugs into Brazil through static, border-oriented efforts have not been successful. The NAS and INL are developing a new approach that would focus on a smaller number of key areas, make more use of intelligence sharing, and discontinue programs along Brazil’s northern border where seizures of drugs have been lowest. As discussed below, this strategy will require close coordination with the Drug Enforcement Administration (DEA), the political section, and others to determine which officials NAS can work with at the state and local level to avoid involvement in corruption, human rights abuse, or other issues and to make sure that assistance and enforcement programs are coordinated.

## Law Enforcement Coordination

Mission Brazil includes a sizeable law enforcement contingent, reflecting the high priority it assigns to working with Brazilian authorities to combat terrorism, narcotics, and crime. U.S. officials have high praise for their Brazilian counterparts. By working closely with the Brazilian federal police, for example, DEA has made significant disruptions in the flow of illegal drugs from and through Brazil to the United States.

The mission's law enforcement elements cooperate well with each other, exchanging operational information easily and closely on the working level. This is aided by the fact that most are headed by experienced officers who do their part to promote informal communication and coordination. Broader coordination is effected through a LEWG chaired by the DCM. This group needs to meet more frequently, and broaden its membership. The political and narcotics assistance sections, for example, have only "observer" status and are rarely included in its meetings. This undercuts coordination of the Department's narcotics assistance funding with the DEA and other operational programs that it helps support. Interagency relations were strained by frictions caused by the tightening of NAS accounting. It also makes it harder for the political section to support the mission's law enforcement goals by contributing information on changes in the political and judicial context in which they must be pursued. This expanded LEWG should improve the information flow to relevant embassy sections and to all constituent posts.

**Recommendation 11:** Embassy Brasilia, in coordination with the Bureau of International Narcotics and Law Enforcement Affairs, should make the heads of its political and narcotics assistance sections members of its law enforcement working group, ensuring that they are included, as appropriate, in policy deliberations and should keep and distribute minutes of the working group's meetings. (Action: Embassy Brasilia, in coordination with INL)

## FOREIGN ASSISTANCE PROGRAMS

The embassy is struggling to coordinate all forms of assistance to Brazil in support of the overall strategic goals articulated in its MSP. It needs to try a new approach. Brazil is too successful, economically, to receive traditional foreign aid. Its gross domestic product per capita is over \$5,700, and it has its own aid agency. Yet Brazil still has as many people living in poverty as the rest of Latin America combined. Transnational issues such as disease and deforestation in the Amazon threaten both U.S. and global interests. While USAID's budget for Brazil may be as little as \$2 million in FY 2008, and it would not make sense to spend \$1 million in administrative costs to deliver assistance of \$2 million, USAID has promised the U.S. Congress that its Brazil program will not be closed. Its operational plan envisions shifting from development aid to areas like environment and health.

This shift must be accompanied by a more effective system for coordinating all U.S. assistance programs in Brazil. As noted above, for example, the ESTH helps facilitate \$15 million in National Institutes of Health assistance to Brazil, NAS manages assistance to Brazilian police, and USAID and the political section manage \$7 million in programs aimed at trafficking in persons. Like many chiefs of mission, the Ambassador is not able to say with certainty exactly how much U.S. government assistance goes to Brazil. He would like to be able to describe all forms of assistance, including those for which the mission has no program management responsibility, for public diplomacy purposes. Most officials with whom the OIG team spoke are not even clear on exactly which forms of assistance constitute "foreign assistance" as defined by the new "F process" that is integrating USAID and Department planning. Embassy Brasilia's 2008 Operational Plan, which is currently due in April 2008, will need to provide a comprehensive interagency picture of how all foreign assistance resources<sup>1</sup> will be used to support the foreign assistance objectives and the transformational diplomacy goal.

**Recommendation 12:** Embassy Brasilia should create a foreign assistance coordinating group, chaired by U.S. Agency for International Development and including all agencies with policy or program interests in assistance. (Action: Embassy Brasilia)

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<sup>1</sup>Funded from the 150 budget account under the Foreign Assistance Act



In 2006, the embassy received \$7.6 million from the President's Anti-Trafficking Initiative. All of the funds have been disbursed. While they agreed on the goal of reducing trafficking in persons, Brazil and the United States could not agree on the strategy; among other things, U.S. law does not allow the mission to work with countries that legalize prostitution in order to promote health safeguards. USAID Brazil, therefore, absorbed funding that was intended for the Departments of Homeland Security and Justice, operating under a memorandum of understanding that predates current projects. USAID transmits the funds to nongovernmental organizations and international organizations fighting trafficking in Brazil. USAID and the political section work together closely to identify reliable partners and ensure that program funds are well spent and accounted for. As noted in the section on political affairs, however, there is not enough reporting to support the required annual trafficking in persons report, because officers responsible for this portfolio have been reassigned to other duties.

In FY 2007, DS spent approximately \$542,000 in antiterrorism assistance (ATA) funds to train Brazilian federal and state police in counterterrorism tactics. Embassy Brasilia's assessment of the need for counterterrorism training has not changed. However, the RSO, who is DS/ATA's local point of contact, is not fully engaged in the program. The RSO has been focused on correcting shortcomings in the fundamental security programs. Nevertheless, it is important that he take a more active role in the coordination of the ATA program in order to ensure that these efforts complement other U.S. government assistance programs in accordance with the MSP. The OIG team made informal recommendations that the RSO obtain clarification from DS/ATA on the extent of his program oversight responsibilities, and also that the RSO be included in the mission-wide foreign assistance coordinating group recommended above.

## PUBLIC DIPLOMACY

The embassy conducts an extremely active country-wide program mix of media outreach, speakers and specialists, cultural events, and exchanges reaching audiences in all states of Brazil. The embassy maintains a frequently updated, easy-to-navigate web site, in English and Portuguese, with links to the web sites of Consulate Recife, Consulates General Rio de Janeiro and Sao Paulo, and to the virtual presence posts (VPPs) of Belo Horizonte, Fortaleza, Manaus, Porto Alegre, and Salvador. The information resource centers (IRCs) in Brasilia, Rio de Janeiro, and Sao Paulo all re-



spond to reference inquiries from, and provide electronic materials to, mission staff and Brazilian contacts. The coordination and execution of these programs are the responsibility of the public diplomacy section that has offices in Brasilia, Recife, Rio de Janeiro and Sao Paulo and consists of 10 Foreign Service officers and 48 LE staff with an FY 2007 budget of \$4.95 million.

The great challenges facing the public diplomacy section are: balancing support for the Ambassador, who maintains a high public profile, with sustaining traditional programs; and a net loss of three Foreign Service officer positions in two years. (The gain of PAO Recife, who arrived at post in September 2007, was offset by the loss of the Brasilia-based regional English language officer, assistant cultural affairs officer Brasilia, cultural affairs officer Rio, and information officer Sao Paulo.)

## Ambassador

The Ambassador is the public face of the U.S. Mission to Brazil. His engagement with innovative programs like the Youth Ambassadors and the Corporate Social Responsibility Initiative, and his success in bringing high-level visitors to Brazil were covered extensively by Brazilian media, raising the profile of the mission and the U. S. government in Brazil. The public diplomacy section is closely involved in the planning, execution, and follow-up of all Ambassadorial travel involving the media, public speaking engagements, and meetings with public diplomacy contacts: this is labor intensive and time consuming, as plans change frequently. Communication within the mission is not clear. Often the public diplomacy section in Brasilia does not know if the Ambassador will definitely participate in an event until the last minute. This, in turn, affects communication among the public diplomacy sections at the other constituent posts in Brazil. Each of the public diplomacy sections in Brazil must also weigh time spent planning and coordinating Ambassadorial programs with planning and coordinating speaker and specialist programs. In spite of the demands on staff time and resources, the public diplomacy staff managed to conduct approximately 120 program events countrywide in FY 2007.

**Recommendation 13:** Embassy Brasilia should build on existing mechanisms, such as the monthly country-wide digital videoconference programs and the daily press briefing, to devise, implement, and follow a program planning strategy to keep public diplomacy officers informed so they can support Ambassadorial outreach more efficiently and effectively. (Action: Embassy Brasilia)

## Budget and Staffing

Public diplomacy Brazil programmed a total of 35 speakers in FY 2007. Post used its entire FY 2007 allotment of 121,140 I Bucks on 19 speaker programs, supplementing that with \$85,817 from program funds for an additional 16 speakers. Public diplomacy Brazil complements International Visitor Programs with good use of the voluntary visitors program, sometimes partially funded through grants from post.

Grants are used effectively with local partner institutions for a wide variety of programs in support of MSP goals. The grants are administered properly in accordance with Department guidelines and practices. The public diplomacy section instituted an innovative and effective way to ensure grant reporting compliance when the program is completed: 20 percent of each grant is withheld until the final report is received. This ensures grants are closed out in a timely manner, ensuring an extremely high level of compliance. In FY 2007, public diplomacy Brazil awarded 269 grants totaling over \$725,000.

Public diplomacy Brazil, like the other Department sections of the mission, focuses on travel in support of the Ambassador. It has, however, been able to continue with a modest program of travel in support of public diplomacy programs.

Public diplomacy Brazil staff expressed a belief that the Iraq Tax and Transformational Diplomacy Initiative has taken a disproportionate toll on their ability to carry out robust outreach and programming. Section management has not yet revised the work requirements statements of the remaining Foreign Service officer staff to reflect additional duties assumed on the departures of the information officer Sao Paulo and the assistant cultural affairs officer Brasilia, and the conversion of the cultural affairs officer Rio to PAO Recife. Nor has it determined which parts of those three jobs could be accomplished by LE staff or an EFM. In fact, the mission, reflecting the pressure of 50 plus Ambassadorial visits to Sao Paulo in FY 2007, requested in the FY 2009 MSP the restoration of the position of the information officer Sao Paulo, without performing an assessment of whether a Foreign Service officer in that position is truly needed to achieve mission goals and objectives.

**Recommendation 14:** Embassy Brasilia, in coordination with the Bureau of Western Hemisphere Affairs, should conduct a country-wide public diplomacy program and operations review to assess results and effectiveness, identifying mandatory responsibilities and high priority programs, and identifying lower priority activities that can be eliminated, so that public diplomacy Brazil's human and financial resources are aligned in support of mission goals and objectives, reflecting budget, staffing, and policy realities. (Action: Embassy Brasilia, in coordination with WHA)

**Recommendation 15:** Embassy Brasilia should review and revise the work requirements statements of public affairs officers Rio de Janeiro and Sao Paulo, information officer Rio de Janeiro, and cultural affairs officers Brasilia and Sao Paulo to reflect new responsibilities assumed after the elimination of Foreign Service officer positions in their respective posts. (Action: Embassy Brasilia)

#### Transformational Diplomacy: American Presence Post and Virtual Presence Post

Embassy Brasilia requested and received authorization to create three American presence posts (APPs): Belem, Belo Horizonte, and Porto Alegre; however, it was required to reprogram two existing Foreign Service officer positions (information officer Sao Paulo and the assistant cultural affairs officer Brasilia) to fill two of the three American presence officer positions. Embassy Brasilia did not receive any additional funding to support these posts and positions. The Porto Alegre American presence officer is already in Sao Paulo; the Belem and Belo Horizonte officers will be resident in Brasilia after completing language training. Because of a longstanding bilateral taxation dispute, which is not yet resolved, the mission has not yet received permission from the government of Brazil to lease office or residential space in the three APP cities. Although Embassy Brasilia knew in FY 2007 that the American presence officers would arrive at post between September 2007 and early 2008, it did not set aside a distinct FY 2008 budget for their travel to, and representation in, their three cities. Consequently, the American presence officer Porto Alegre, who was the first to arrive at post, must rely on the existing embassy budget to fund his sporadic travel to Porto Alegre.

Until the APPs are physically established, and the American presence officers move to their respective cities, the rating officer of the American presence officer Porto Alegre is PAO Sao Paulo, and the rating officer of American presence officers Belem and Belo Horizonte is PAO Brasilia. Once the American presence officers are resident in their respective APP cities, their rating officers will be the appropriate consul general, and their reviewing officer will be the DCM. The role, responsibilities, and work requirements of the officers have yet to be established. As a result, in support of Ambassadorial travel and programs, there is a blurring of the lines between public diplomacy and international relations officer, general responsibilities in Sao Paulo.

**Recommendation 16:** Embassy Brasilia should clearly establish the role, responsibilities and work requirements statements for American presence officers Belem, Belo Horizonte, and Porto Alegre, along with clear and consistent rating and reviewing officers within 45 days of the arrival at post of each officer. (Action: Embassy Brasilia)

**Recommendation 17:** Embassy Brasilia, in coordination with the Bureau of Western Hemisphere Affairs, should work to obtain and set aside the necessary program funds to support each American presence officer's necessary travel to Belem, Belo Horizonte, and Porto Alegre prior to the resolution of the bilateral tax dispute and the acquisition of appropriate office space and housing in those cities. (Action: Embassy Brasilia, in coordination with WHA)

The embassy Brasilia web site (<http://www.embaixada-americana.org.br>) clearly lists VPPs with links on its home page to individual pages for Porto Alegre, Salvador, Fortaleza, Belo Horizonte, and Manaus. Until 2006, the VPP web sites were controlled centrally by the Office of International Information Programs. Each VPP is assigned to an ELO who is responsible for web site content as well as visits and contact work. The embassy webmaster is responsible for VPP technical support. The VPP pages feature material prepared by public diplomacy Brasilia and the webmaster, as the ELOs responsible for the VPPs are frequently too busy with other assigned duties to create a web page unique to the city or region served by the VPP. The ELO VPP officers, however, try to customize their VPP pages, when appropriate.

## Fulbright Program

The bi-national Fulbright Commission was created in 1957 through an exchange of diplomatic notes, which were revised in 1966. The diplomatic notes stipulate that the commission be run by a 10 member board consisting of five Americans and five Brazilians. The FY 2006 commission budget was \$2.4 million, with contributions from the U.S. government (\$1.095 million), the government of Brazil (\$919,111), and other sources (\$391,057). The rate of exchange, which for many years favored the U.S. dollar, has tipped in favor of the Brazilian real causing commission operating and administrative expenses to increase sharply, and depressing the grants awarded to U.S. scholars and students in Brazil. Under existing Brazilian law, the board private sector funds donated to the Fulbright Commission are not tax deductible. Therefore, the commission director created a “Friends of Fulbright” group, which is specifically charged with seeking funds from nonpublic sector donors. The director also contracted with a Brazilian fund-raising expert to create a fund-raising strategy and campaign, to be launched in 2008, to supplement funds from the governments of the United States and Brazil.

## CONSULAR AFFAIRS

Mission Brazil’s consular operations are managed by a senior officer consul general in Brasilia, who is the country-wide coordinator. The largest consular sections are in Sao Paulo and Rio de Janeiro, with smaller sections in Brasilia and Recife. All immigrant visas (IV) are processed in Rio de Janeiro and ACS are handled by the four posts plus five consular agencies in Manaus, Belem, Fortaleza, Salvador and Porto Alegre. The greatest consular challenge for the Mission is how to manage the growing NIV workload. Brazil has the longest wait times for NIV appointments of any large consular operation worldwide, and the wait times create public relations problems for the United States. Brazil’s consular operations have been seriously under-resourced compared to other missions with similar workloads. Consular managers in Brazil have been proactive in forecasting the workload growth, streamlining processes, and justifying more resources. The consular officer complement will increase as of 2008, which will be a major step towards rightsizing the staffing, but a comparison of the mission’s consular staffing with missions that have similar workloads indicates that even more new officer positions are justified.

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## Consular Management

### Brasilia

The consul general in Brasilia is effective in coordinating consular work country-wide. He holds weekly conference calls with the consular section chiefs at the constituent posts, and has regular telephone and e-mail contact with the section chiefs in the larger sections in Sao Paulo and Rio de Janeiro. He visits each post on a regular basis and meets with ELOs and LE staff. He coordinates mission-wide resource requests, is the main consular liaison with the Brazilian government on several issues, and reports to the Department on broader consular trends.

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(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2) . The FS-02 NIV chief is the second-ranking officer in the section. The incumbent started her assignment just as the OIG team arrived; in one month she had been active in attempting to identify and address many managerial issues, (b) (2)(b) (2)(b) (2) . However, she (like most of the mid-level consular managers throughout the mission) was spending an inordinate amount of time adjudicating NIVs. The pressure of the backlog was driving that, but the effect was that she did not have sufficient time to perform vital managerial duties. This hampered the overall efficiency of the NIV unit. Both the CG and the NIV chief intend to turn her position into the consular section chief, having her assume supervisory responsibilities for the ACS unit also. The OIG team supports this plan as it will clarify lines of authority and create a more cohesive sense of teamwork among section employees, but it will make it all the more imperative that the section chief spend less time adjudicating NIVs.

## Sao Paulo

The consular section in Sao Paulo is the largest in Brazil. The bulk of its work is NIV, with a small ACS unit. It is managed by a FS-01 consular section chief and a FS-02 NIV chief. The section is performing excellently under very stressful conditions. Staff members work hard, and productivity is high. Under the section chief's guidance, officers have been reaching out to other high-volume NIV operations around the world seeking efficiency ideas that can be adapted to Sao Paulo. The managers have made several improvements as a result of those exchanges.

With the economies of scale that occur with a larger staff, however, the managers have felt greater pressure to reduce the backlog by scheduling more appointments. As a result, officers are often adjudicating an average of 150 interviews per day. If there are any unexpected staffing problems (illnesses, unplanned trips, etc.), those numbers can be higher. On one day during the visit of the OIG team to Sao Paulo, officers averaged 200 interviews each. The officers and the LE staff complained that the high numbers were affecting their ability to adjudicate at a high quality standard. In addition, there was not yet enough LE staff, even though more positions had been created and were being filled. To compensate for shortages in LE staff, the ELOs were helping in such functions as pasting visas into passports. This is not a good use of officer resources, and was adding to their frustration. NIV staff meetings were also not being held on a regular basis, and the pressures of the workload were cited as a reason. However, the lack of staff meetings hampered internal communications, limited the exchange of ideas, and hurt morale. The OIG team informally counseled the consular managers in Sao Paulo on these issues. They responded appropriately, and were taking steps to address these problems.

There should be a second NIV manager in Sao Paulo. The NIV chief supervises one of the largest NIV posts in the world, with an NIV caseload of 254,484 in FY 2007. With the expected increase in staffing and workload, Sao Paulo could easily become the third largest NIV post in the world. The section chief has other duties, including supervising the ACS unit and overall management of the section. The two managers make a heroic effort and spend considerable time adjudicating NIVs, but as a result, they do not have enough time to adequately perform managerial duties such as mentoring, training, counseling, planning, organizing, and other duties. With the approved new officer and LE staff positions, the NIV unit in Sao Paulo will have 13 ELOs, three EFM, and 33 LE staff employees. A comparison of the staffing of Sao Paulo with other NIV operations with comparable workloads indicates that a second NIV mid-level manager position is well-justified. The new position should be at the FS-03 level and serve as the deputy NIV chief.



**Recommendation 18:** Embassy Brasilia should request, and the Bureau of Consular Affairs and Western Hemisphere Affairs should approve, the creation of a FS-03 deputy nonimmigrant visa chief position for the consular section in Sao Paulo. (Action: Embassy Brasilia, in coordination with CA and WHA)

## Rio de Janeiro

The consular section in Rio de Janeiro is the second largest in Brazil and is managed by a FS-01 section chief. It has the heaviest ACS workload of any of the posts, processes all IVs for Brazil, and hosts the country-wide coordinator of the fraud prevention program. The section was downsized in 2004 when three ELO positions were transferred to Sao Paulo. That move was part of a long-range plan to consolidate the visa work of both posts in Sao Paulo. The assumption was that Sao Paulo's new consular facility was large enough to accommodate the visa workload from both posts. That assumption is no longer valid now that the visa workload has grown so much over the last few years. Two of the seven new ELO consular officer positions added to the mission in 2007 are for Rio de Janeiro.

The consular section has been carrying out its responsibilities competently overall, and staff members have taken initiatives to improve the operations in various areas. A recently completed renovation project expanded the NIV waiting room, made it more comfortable for the public, and allowed for more efficient processing. A newly created communications unit has streamlined replies to inquiries, surveys customers on a regular basis, and provides constructive suggestions to improve services. The section also took advantage of the Department's policies on student interns to establish an ongoing relationship with a local university in which bilingual students work in the section on a six-month basis. This has been beneficial as the workload has grown.

Prior to the inspection, the NIV unit had gone through a rough period in which two ELOs departed unexpectedly, and the section had weak managerial oversight. This came on top of the morale hit the staff took when the unit was downsized in 2004, and there was talk of reducing it even further. The section chief has been addressing these morale issues and is aided by a new FS-03 NIV chief. As in the other posts, however, staff meetings in the NIV unit were not being held on a regular basis due to workload pressures, and the LE staff complained of poor communications. They have been working on their own initiative to draft detailed proposals for how to improve operations. As a result of the informal counseling by the OIG team, the consular managers resumed regular staff meetings, and the LE staff was coming forward with suggestions.



## Recife

The consular section in Recife is the smallest in Brazil, and until this year the officer complement consisted of two ELOs who reported directly to the principal officer. Because the principal officer did not have extensive consular experience, the ELOs had to rely on long-distance guidance from Brasilia. Recife is getting a third consular officer as part of the increases approved in 2007, and as a result, one of the ELO positions was upgraded to FS-03. The first mid-level manager to encumber that position arrived shortly before the inspection, and all staff expressed appreciation that there is now an experienced officer running the section. A newly completed renovation project has expanded the NIV waiting area capacity and added a window for the consular cashier.

## Nonimmigrant Visas

The mission in Brazil experienced a “boom and bust” pattern of NIV work over the past decade, making it hard to manage strategically. In the mid-1990s NIV demand grew sharply as Brazil conquered hyperinflation and introduced a stable currency. In FY 1997 the annual NIV workload peaked at 637,024, making Brazil the second largest NIV operation in the world at that time. The workload gradually dropped in the late 1990s and early 2000s, but it fell dramatically after September 11, 2001. The Brazilian government and media reacted negatively to the new interview and fingerprint requirements for NIVs, fueling a public perception that the United States was not welcoming visitors. NIV workload bottomed out in FY 2003 at 163,335. Since then the workload has been growing at an accelerating pace and reached 382,031 in FY 2007. This was a 130 percent increase over the workload in FY 2003, but officer staffing increased by only seven percent. Factors in this workload growth include the strengthening of the Brazilian real against the dollar and the dissipation of anger over the new requirements (Brazil is now fingerprinting its own citizens when they apply for passports).

The extent of the workload increase has been a surprise to most observers. A Government Accountability Office report issued in July 2007 noted that a study done by the Department in 2005 predicting future NIV workload in major countries was radically off the mark for Brazil. That study predicted a workload for Brazil in the year 2014 that already was met in 2007. Predicting NIV workload trends in Brazil has proven to be a difficult task, but the consistency of the wait times over the past couple of years, and the number of applicants waiting in the system indicates that the Department should staff consular operations in Brazil for an NIV workload in the range of 500,000 per year – equivalent to the current workloads in India or China. That estimate may prove to be conservative. The peak issuance years (over

500,000 per year) were in the late 1990s. Those visas were issued for 10 years and are now coming up for renewal. At the same time, the validity for business and tourist visas was changed to five years in 2002, and those are also coming up now for renewal. The potential exists, over the next few years, for a demand for renewal of visas of more than 600,000 applicants per year. That could be on top of the first-time applicants, the source of most of the surge in demand.

Inadequate staffing means that Brazil has wait times for appointments that have averaged between 80 and 100 days for almost two years. Appointment numbers are being released four months in advance, but additional numbers are filled into the calendar when managers can be sure of getting extra assistance, such as when actually employed (WAE) help. The appointment system was made more user-friendly in 2007 when applicants were no longer required to apply where they live, but could travel to another city if they chose to do so. This gave applicants an option if the wait times at another post were shorter.

The long wait times for NIV appointments are a public relations problem for the United States. Travel agents report that travelers are changing their plans for other destinations because of the frustration of having to plan months in advance to apply for a visa. As of October 2007, these wait times were the longest by far of any large-volume NIV operation worldwide, according to Bureau of Consular Affairs (CA) statistics. CA has a global performance indicator that NIV applicants should receive an appointment within 30 days. At the time of the inspection, none of the other large-volume operations had appointment wait times that exceeded 30 days, and in almost all cases their wait times were significantly less than that.

## Staffing

Both the mission and the Department have been proactive in addressing the staffing needs. In 2006, the mission requested additional officers and LE staff, and in 2007, the Department approved seven additional officers, which is a 28 percent increase in NIV adjudication capacity. Due to lag times in the hiring and training process, none of those officers will be on the ground in Brazil until 2008, and some WAEs have been sent in the interim. The new positions are a significant step towards rightsizing consular operations in Brazil. A comparison of the staffing in Brazil with that in other missions with comparable workloads, however, shows that with 21 NIV line officers and a workload of 500,000 per year, Brazil will still be under resourced compared to other high-volume NIV operations. Six additional officer positions should be added as soon as possible and should be allocated as follows: four for Rio de Janeiro, one for Sao Paulo, and one for Brasilia.

**Recommendation 19:** Embassy Brasilia should request, and the Bureaus of Consular Affairs and Western Hemisphere Affairs should approve an additional six entry-level officer positions for nonimmigrant visa work in Brazil (in addition to those approved in 2007) and fund a commensurate additional increase in locally employed staff for nonimmigrant visa operations. (Action: Embassy Brasilia, in coordination with CA and WHA)

During most of 2007, a handful of WAE officers were sent to Brazil to help with the increased NIV workload. The Department has been limited in its ability to send WAE support to assist the mission by the fact that there are not enough Portuguese-speaking officers. Most of the NIV interviews must be conducted in Portuguese, as relatively few Brazilians speak sufficient English for an interview.

However, other options exist for utilizing WAE officers who do not speak Portuguese. In fact, CA was performing an experiment along those lines during the inspection. During the visit of the OIG team to Rio de Janeiro, a consular WAE arrived who did not speak Portuguese. She was assigned to interview the large number of exchange visitor (J-1 visa) applicants who are expected to be able to speak English. It appeared that her time was being used productively. In addition, WAEs who speak Spanish could be utilized to adjudicate the renewal cases that do not require an interview. There are enough cognates between Spanish and Portuguese that Spanish-speakers can read Portuguese effectively with a little practice. While in Sao Paulo, the OIG team observed a Spanish-speaking WAE who was productively adjudicating cases that did not require interviews. Finally, many posts with hard languages rely on LE staff translators to help officers in the interviews. This would require a sufficient level of LE staff to support the additional officer resources, but an incremental investment in LE staffing would pay off with greater adjudicating capacity.

**Recommendation 20:** Embassy Brasilia should devise a plan, and the Bureau of Consular Affairs should support it with additional resources, for how it could utilize effectively non-Portuguese-speaking when actually employed officers. (Action: Embassy Brasilia, in coordination with CA)

## Space

The intake of NIV applicants in Sao Paulo can be made more efficient. When applicants come in off the sidewalk, there is an area with three windows for NIV processing in addition to a bank window and a courier service window. Applicants who meet the qualifications for waiver of interview, primarily those who are renewing a valid tourist or business visa, can be processed at this street-side area. This improves overall efficiency by eliminating the need for them to enter through security screening to the main NIV waiting area. However, the crowds are so large they are overwhelming a process as well as a space that was designed for smaller numbers.

Lines of applicants often intersect with each other, and several employees work full time on crowd traffic control. There are lines for different types of applicants, including those for interviews, those for renewals, those who are referrals, and those who are special cases (under Brazilian law the elderly, pregnant women, and families with small children must be given priority treatment), but there is no signage. Rather, employees have to verbally direct each applicant to the appropriate line. At the gate from the sidewalk, an employee has to check manually each applicant against a long printed list of appointments. All applicants (including Americans coming for ACS services) have to be sorted out at this initial entry point. With over 1,500 people coming through this point, this creates a long line of applicants on the sidewalk. It is assumed that American citizens will know to go to the head of the line. These crowd control problems will only increase as Sao Paulo's staffing and workload increase in 2008.

**Recommendation 21:** Embassy Brasilia should design and implement an expansion of the intake capacity from the sidewalk into the street-side nonimmigrant visa processing area in Sao Paulo. (Action: Embassy Brasilia)

With the growing NIV workload in Sao Paulo, there is a need for a more sophisticated queuing system. The current system only has one stream that is used to call one number at a time up to the interview windows. If two officers are trying to call applicants up to their windows, only one number can be displayed at a time. At all other stages besides interviewing (such as document intake or fingerprinting) the applicants have to rely on waiting in lines and the directions from the crowd controllers. The special cases also have to be directed to windows by employees, most of whom are contract employees but one of whom is a LE staff member. The employees carry walkie-talkies and communicate with their colleagues behind the interview windows. This system is not the most efficient. There are long lines in the waiting

room and a high noise level and general sense of confusion. Other large NIV operations have sophisticated queuing systems that allow multiple streams of queues and can also be tied in with the appointment system and allow electronic verification of the appointment. The LE staff member who works as a receptionist in the waiting area needs to be replaced by a contract employee to comply with regulations that require employees to work behind the hard line.

**Recommendation 22:** Embassy Brasilia should install a sophisticated queuing system for the nonimmigrant visa unit in Sao Paulo. This would be tied in with the appointment system to allow for electronic verification of appointments and allow multiple streams of queues in nonimmigrant visa processing. (Action: Embassy Brasilia)

**Recommendation 23:** Embassy Brasilia should replace the locally employed staff member who works as a receptionist in the NIV waiting area in Sao Paulo with a contract employee and reassign that locally employed staff member to work inside the nonimmigrant visa work area. (Action: Embassy Brasilia)

The NIV waiting area in Sao Paulo is already too small for the number of applicants. It seats approximately 320 people, but during the inspection over 1,200 people per day were in that area. As more officers and LE staff are being added, that number will grow. Even with 1,200 applicants per day, people had to stand outside in the open air. There is no good solution when it is raining. The waiting area is open air, which means that it can be hot in the summer, when temperatures climb into the high 90s with humidity. When it rains, the wind blows rain onto the seats on the perimeter, forcing those applicants to stand in the middle of the waiting area. There are problems with mosquitoes, such that the pass throughs in the interview windows are supposed to be shut at night to keep mosquitoes from coming into the work area. The waiting area has a metal roof, and the acoustics are terrible. When the area is full, as it usually is throughout the day, it is hard to hear applicants at the interview windows. LE staff said that the problem is even worse when the rain is hitting the metal roof. According to the section chief, there is a plan to improve the acoustics in the waiting area. Nevertheless, the waiting area was built at a time when the NIV workload was significantly less than what it is now, and what it is projected to be. An expanded waiting area would involve a variety of upgrades, including additional signage, queue management system components (see Recommendation 22), additional

seating, additional restroom facilities, and protection from the elements. In addition, coordination with the RSO will be necessary as more applicants coming into the compound will require an expansion of the temporary storage for prohibited items.

**Recommendation 24:** Embassy Brasilia, in coordination with the Bureau of Western Hemisphere Affairs, the Bureau of Overseas Buildings Operations, and the Bureau of Diplomatic Security, should design and implement a plan to expand the nonimmigrant visa waiting area in Sao Paulo. (Action: Embassy Brasilia, in coordination with WHA, OBO, and DS)

The number of visa windows in Sao Paulo is barely adequate for the current workload, and will be inadequate as the workload increases. There are 17 windows facing the waiting room and three additional windows in the street-side processing area (used for the waiver of interview cases). Officers doing interviews, EFMs doing fingerprinting, and LE staff doing document intake all have to compete for the same 17 windows. The OIG team observed times in Sao Paulo when officers could not interview because there was no window available that had a finger scanning device. That problem would be alleviated by outfitting all windows for interview capability and replacing the signs above the windows with electronic signs that would allow the windows to be interoperable. The OIG team made informal recommendations to the Sao Paulo consular managers on those points.

Nevertheless, the fact remains that the number of windows in Sao Paulo is inadequate for the growth in workload coming in 2008 and future expansion. A comparison with posts with similar size workloads indicates that there should be additional windows. The NIV work area is a large rectangular area with the windows facing the waiting room and individual offices for managers along the side. More interview windows could be built along the side that faces inside (away from the street) along the driveway that goes to the mail room. This would require displacing the NIV chief's office, which would have to be relocated.

**Recommendation 25:** Embassy Brasilia, in coordination with the Bureau of Western Hemisphere Affairs and the Bureau of Overseas Buildings Operations, should design and implement a plan to construct several additional windows in the nonimmigrant visa unit in Sao Paulo. (Action: Embassy Brasilia, in coordination with WHA and OBO)



There is more room in the consular section in Rio de Janeiro for expansion without major structural changes. With the increase in officer staffing already approved, Rio de Janeiro will have four NIV line officers plus the NIV chief. However, Rio de Janeiro has a total of 10 NIV windows for intake, fingerprinting, and interviews. A construction project has just been completed that expanded the NIV waiting room. Rio de Janeiro can expand its NIV workload with a combination of scheduling changes and interoperability of windows. The work area can also be used more efficiently. Desk space for more officers could be obtained by using a large room next to the consular section chief's office that is currently used for digital videoconferencing (which could be moved to another area in the consulate general building).

**Recommendation 26:** Embassy Brasilia should fund a redesign of the work area in the nonimmigrant visa unit in Rio de Janeiro and furnish it to accommodate the increased officer and locally employed staff positions that have been approved and those that should be requested. (Action: Embassy Brasilia)

## American Citizens Services

All four posts are doing an effective job of carrying out their responsibilities for ACS. The posts are generally adequately staffed to perform ACS duties, with the exception of Rio de Janeiro. In Sao Paulo, an ELO rotates through the ACS unit every few months. This is designed to give each of the ELOs, who are otherwise working in the NIV unit, an opportunity for professional growth and a break from the heavy NIV workload. These benefits, though, are offset by the fact that each of the officers comes in without experience and has little time to learn before moving on. The LE staff in Sao Paulo expressed concern that each of the officers had their own ideas for policies and procedures. The OIG team made an informal recommendation that standard operating procedures on ACS policies and procedures be written to rectify this problem.

The ACS unit in Rio de Janeiro has three LE staff, but the workload justifies a fourth LE staff member. Rio de Janeiro has the heaviest ACS workload in Brazil for two reasons. One is that Rio de Janeiro is the top tourist destination in Brazil. Tourists are victims of crime, and there are many elderly tourists, some of whom are abandoned there by cruise liners. These cases are time consuming but hard to quantify in the statistics. Nevertheless, the consular section chief in Rio de Janeiro

has made a credible case for a fourth LE staff position. The OIG team believes the request is justified. In addition, if a fourth position is created, the most senior LE staff position should be made responsible for directly supervising the other three LE staff, and that position should be reclassified. Not only will that free the officer from directly supervising each of the LE staff, but it will provide an opportunity for upward mobility for the LE staff.

**Recommendation 27:** Embassy Brasilia should approve and fund the creation of a fourth locally employed staff position in the American citizens services unit in Rio de Janeiro. In addition, the most senior position in that unit should be designated as the supervisor of the other three locally employed staff, and the position should be reclassified. (Action: Embassy Brasilia)

The ACS unit in Rio de Janeiro only has one window for use by both the LE staff and the American officers. The LE staff expressed great frustration that if an officer is using the window, they have no way to serve the clientele in the ACS waiting room. They said that American citizens sometimes wait hours for service and take their anger out on the LE staff. The consular section in Rio de Janeiro recently renovated the NIV waiting room, but the consular section is located on two floors. The second floor, which is for IVs and ACS, has not been renovated. Consular management in Rio de Janeiro and Brasilia has initiated a plan to add a second window for the ACS unit. The Bureau of Overseas Buildings Operations (OBO) has funded a design by a local architect. The OIG team supports this initiative and believes it important that it be carried through to fruition.

**Recommendation 28:** The Bureau of Overseas Buildings Operations should fund the construction of a second window for American citizens services in the consular section in Rio de Janeiro. (Action: OBO)

## Consular Agencies

The five consular agencies perform a vital ACS function because of Brazil's size and the resultant difficulty of providing services to American citizens in distant locations. The consular agents, some of whom have worked for the U.S. government for years, periodically get training from CA in Washington, and attend country-wide conferences with the consul general in Brasilia. The consular agencies are visited



periodically by various officers in the mission, including commercial officers and principal officers. However, those visits by officers who are not experienced in consular work cannot substitute for visits by the respective supervisory consular officers from the post that has oversight over a particular consular agency. Unfortunately, limitations on travel budgets and officers' time have led to a situation in which some of the consular agencies are not being visited regularly by the supervisory consular officers. 3 FAM 8917 requires the supervisory consular officer "to personally assess the operation of each consular agency under their jurisdiction at least annually." The assessments need to focus on such issues as internal controls, condition of office space, workload percentages, and effectiveness of support staff (if applicable), and the reports should be sent to CA's executive office and the Bureau of Western Hemisphere Affairs executive office (WHA/EX). This is not being done.

**Recommendation 29:** Embassy Brasilia should formulate and implement a plan in which each supervisory consular officer makes a personal visit at least once each year to their respective consular agencies and prepares an assessment, copies of which are to be sent to the Department. (Action: Embassy Brasilia)

## Immigrant Visas

The IV unit in Rio de Janeiro, which covers all of Brazil, is running smoothly and efficiently with no backlog in appointments. This is in spite of the fact that their workload has steadily grown in the past few years. The IV unit is supervised by one of the ELOs in Rio de Janeiro on a rotating basis. The LE staff is competent and experienced. Earlier, some managers in the Department and in the mission thought that the IV unit in Rio de Janeiro should be moved to Sao Paulo. As elaborated elsewhere in this report, it would no longer be feasible to move consular work from Rio de Janeiro to Sao Paulo given the space constraints in Sao Paulo.

## Fraud Prevention Unit

The consular fraud prevention program in Brazil is headed by a full-time FS-03 fraud prevention manager in Rio de Janeiro, who coordinates the program countrywide. He travels to the other posts on a regular basis to oversee their respective fraud prevention units. The LE staff of the fraud prevention unit in Rio de Janeiro is competent and highly motivated, and the program both there, and throughout the mission is performing at a high level. Sao Paulo has a new FS-03 position dedicated

full time to fraud prevention, and the first incumbent of that position recently arrived. This has increased Sao Paulo's capabilities in that regard. Sao Paulo also has a new position just encumbered for an assistant RSO/investigator who is dedicated to work with the consular sections on fighting visa and passport fraud. The small consular section in Recife has been assisted by two capable LE staff in the regional security office that recently succeeded in getting a Brazilian involved in visa fraud convicted and sentenced to a long imprisonment.

Sao Paulo, Rio de Janeiro, and Brasilia do validity surveys on a regular basis on various categories of applicants who had been issued visas. These surveys indicate that the return rate is very high (over 95 percent in most surveys), which indicates that the officers are generally issuing to applicants who are eligible for their visas. The refusal rate for tourist visas in Brazil in recent years ran as high as 30 percent but is now running closer to 10 percent. That difference appears to be a result of the better economic conditions in Brazil and a diminishing desire of Brazilians to leave their country to work in the United States. There is no indication that the current refusal rates are inappropriate.

The long wait times for NIV appointments have created a commodity that is being bought and sold – the appointment itself. Representatives of the call center, which is located in Rio de Janeiro, theorized that the buying and selling of appointment slots is possible because a certain percentage of people make appointments and subsequently cancel them. Those canceled appointment slots are re-released into the system and are grabbed by brokers who solicit customers through newspaper advertisements; the brokers employ teams that do nothing but sit at computer terminals and constantly check for newly-released appointment slots. At the time of the inspection, the consul general said that he was working with the call center on investigating these issues and looking at options for addressing them. One option being considered is overbooking appointment numbers to compensate for the average number of cancellations and then not re-releasing canceled numbers into the system.

RESOURCE MANAGEMENT

Agency	U.S. Direct-Hire Staff	U.S. Local-Hire Staff	Foreign National Staff	Total Staff	Total Funding FY 2007
State – D&CP	99	8	108	215	\$10,614,085
State – ICASS	13	18	324	355	\$17,157,600
State – CA		13	17	30	\$1,777,917
State – Public Diplomacy	9		48	57	\$4,954,181
State – Diplomatic Security	8	1	32	41	\$3,484,055
State – Marine Security	18			18	\$674,000
State – Representation					\$89,100
State – OBO	6		2	8	\$8,269,271
Foreign Commercial Service	9		43	52	\$3,758,938
Defense Attaché Office	14		5	19	\$1,006,030
Military Liaison Office	19		4	23	\$2,550,697
Force Protection Detachment	2	1		3	\$203,000
Foreign Agricultural Service	4		6	10	\$881,357
APHIS	3		5	8	\$1,088,000
DHHS	3		4	7	\$806,278
Drug Enforcement Administration	18		2	20	\$2,263,435
Federal Bureau of Investigation	3			3	\$785,383
Department of Homeland Security	6		4	10	\$2,000,000
Library of Congress	1		15	16	
NAS	1	1		2	
USAID	3		17	20	\$12,438,262
USSS	2		1	3	
Treasury	1			1	
<b>Totals</b>	<b>242</b>	<b>42</b>	<b>637</b>	<b>921</b>	<b>\$74,801,608</b>

## Overview

On the surface, Embassy Brasilia appears to be functioning well, but the OIG team uncovered lapses in management oversight and poor internal controls in some areas. In addition to issues common to all large embassies, including significant staffing gaps, most sections and agencies in Brasilia are forever scrambling to keep up with a very energetic Ambassador constantly in motion with new ideas and programs. Brasilia is a large and complex mission, and interagency cooperation and coordination, with one or two exceptions, is excellent. Thanks largely to the Ambassador's efforts, the mission receives a seemingly endless stream of high-level visitors, and the OIG team observed first hand the excellent teamwork and collaboration in support of the Secretary of Commerce's visit. The management section staff works well together. Support to the constituent posts is sufficient, but not overly generous.

The mission has 242 U.S. direct-hire, 42 EFM, and 637 Foreign Service national positions distributed among the 10 agencies using ICASS services. This figure includes two consulates general and one consulate. Department operations are reasonably funded, although demands on the mission continue to grow. In FY 2007, the mission also received funding of about \$16 million for foreign operations, including: \$8 million for development assistance; \$3.2 million for child health and survival; \$4 million for Andean counter-drug initiatives; \$0.74 million for nonproliferation, antiterrorism, demining, and related Programs; and \$45,000 for international military education and training.

## Management Section

The OIG workplace and quality of life questionnaire scores for Embassy Brasilia were quite low, with most categories scoring lower than worldwide averages. The senior management officer is a seasoned veteran who knows and understands his job. At the time of the inspection, there was no supervisory general services officer (GSO) or human resources officer (HRO), and some officers in the sub-units were relatively junior or inexperienced. A core of experienced and long-serving LE staff employees serve as the backbone for the various sections and have a good understanding of regulations.

In spite of the fact that employees work well together, a surprising number of complaints were voiced regarding the management section, its management of resources, and attention to morale. A review of travel by the OIG team found that senior managers were not exercising proper oversight in providing guidance or seeking necessary higher-level approvals. Because very little is regularly communicated about policies and programs, EFMs complained to the OIG team about a

lack of transparency in hiring, and questioned whether the embassy supports EFM employment. Many employees related incidents where senior managers publicly reprimanded subordinates, and no visible disciplinary action was taken against the managers, prompting widespread skepticism about the mission's commitment to dignified, fair, and equitable treatment in the workplace. In interviews, respondents said management decisions were often based on who you knew rather than need, and management only served the DCM and Ambassador, who is viewed as remote and uninvolved in employee welfare. Several agency representatives claimed that they and their subordinates received unfair treatment in housing and delivery of services. When asked why there was no LE staff association, LE staff employees said they chose to disband rather than face ongoing hostility by management.

## HUMAN RESOURCES

Human resource (HR) operations mission-wide need to improve. Position descriptions do not reflect duties staff are actually performing, HR support to the consulates has not been adequate, and EFMs do not view the local hiring process as fair or transparent, (b) (2)(b) (2)(b) (2)(b) (2)

Although Embassy Brasilia has two American direct-hire positions for the entire country, the section has not been fully staffed since May 2006, when the supervisory HRO curtailed, and an ELO HRO had to pick up the reins. The current HRO has been at the mission since July 2007, and a supervisory HRO is expected to arrive in December 2007. In Sao Paulo, an EFM, who is serving her first tour in an HR position, supervises the HR section. Neither Rio nor Recife has American HR positions. As a result of the staffing gaps and inexperienced HR officers, there has been a lack of discipline in ensuring that positions are properly described and graded, HR oversight and support has not been adequate, and information about EFM employment has not been transparent or available. The supervisory HR LE staff employee in Brasilia is competent, but because she is often busy, consulate staff turn to the senior HR LE staff employee in Rio who is viewed as competent and helpful.

### Position Descriptions

The OIG team found a number of anomalies related to position descriptions and position classifications. Two protocol positions that support the Ambassador are currently overgraded for the duties being performed. In both cases, LE staff working in FSN-8 protocol assistant positions were reclassified during the current Ambassador's tenure as administrative management (political) specialist positions to

support FSN-10 grades. The OIG team found that neither was performing duties included in the reclassified position descriptions. They do not, for example, “draft or contribute to factual and analytical reports to Executive and Political Offices... Assist the Ambassador and DCM both in substantive matters and in contacts with high-level authorities in the three branches of the host government...Provide advice and assistance to heads of sections for State agencies...” Classifications of the Ambassador’s two chauffeurs, graded as FSN-5 security guard/chauffeurs rather than as FSN-4 chauffeurs, also appear questionable. According to the guard/chauffeur position description, “The RSO will provide training relative to defensive driving techniques, use of emergency communication equipment and other security measures...Written and verbal guidelines relative to duties of the position are provided by the RSO”. The RSO was not aware of any of these responsibilities and in fact had never dealt directly with either of the chauffeurs. The OIG team also found that the mail room supervisor in Brasilia is graded as an FSN-5, while the mailroom supervisor in Rio is graded as an FSN-6. Both LE staff report to American information management staff as also noted in both position descriptions. Finally, position descriptions for LE staff in the public diplomacy section appear outdated.

According to 3 FAH-2 H-441, American supervisors are responsible for ensuring that positions under their direction are accurately described. 3 FAH-2 H-443 charges the official in charge of an organizational unit with responsibility for keeping position descriptions up to date, and the personnel officer, or other American official responsible for the personnel function, with responsibility for insuring that the classifications of LE staff positions are kept current. The personnel officer is also responsible for requesting amendments to position descriptions whenever there is reason to believe existing descriptions have been made inaccurate and with administering an annual review in which all positions in each organizational unit are examined for currency, accuracy, and need. Annual reviews have not been conducted, and American HR staff and some American supervisors and managers have not taken the accuracy of position descriptions seriously, allowing staff to be paid for duties they are not actually performing. The OIG team informally recommended that the specific position descriptions described above be revised to reflect duties actually being performed and reclassified.

**Recommendation 30:** Embassy Brasilia should conduct a mission-wide review of all position descriptions, revise those that are not accurate, and reclassify the affected positions. (Action: Embassy Brasilia)

## Human Resources Customer Service and Support

HR support to the consulates has been uneven. A number of employees in the consulates were waiting for Embassy Brasilia to reclassify positions because duties had changed. For example, Consulate Recife has been waiting for Embassy Brasilia to reclassify its FSN-investigator's (FSNI) position since December 2006. Consulate General Sao Paulo had waited from August 2006 until June 2007 for Embassy Brasilia to reclassify two engineering positions. According to the HRO, reclassifying positions is Embassy Brasilia's lowest priority. The OIG team noted, however, that only the senior HR LE staff employee in Embassy Brasilia is trained to classify positions, and she has numerous additional responsibilities and priorities. The OIG team made an informal recommendation that Embassy Brasilia identify and train another LE staff member to classify positions.

Problems in the Sao Paulo HR section seriously impaired Sao Paulo's consular operations. As discussed in the consular section of the report, to relieve the NIV backlog, CA approved a number of additional positions in 2006 and again in 2007. However, it took the Sao Paulo HR section months to fill these positions. Problems stemmed from the fact that the senior HR LE staff employee was fired, and the DCM had imposed a hiring freeze from February to April 2007, preventing the consulate from hiring additional HR staff to bring on new consular LE staff. Additionally, one of Sao Paulo's three LE staff employees was on leave during the time, and the consulate general did not have an adequate number of computers to test applicants on. The EFM section head's lack of experience, and the management officer's lack of background in HR operations also impacted the consulate's ability to deal with the hiring backlog, though the consulate general should have requested Embassy Brasilia assistance. The consulate has since procured additional computers and requested an additional HR position. However, because American staff at the consulate general still lack the level of HR expertise of a senior HRO, the OIG team informally recommended that Embassy Brasilia's senior HRO visit Sao Paulo quarterly to ensure that HR operations are on track.

## Eligible Family Member Employment

EFM employment in Brasilia is a contentious issue. Opportunities for employment in Brasilia are limited, particularly for family members who do not know Portuguese. Therefore, Embassy positions are highly sought after even if they carry few professional responsibilities and pay little. Family members have even offered to work for the embassy for free (an arrangement that violates appropriation law). During the inspection, 19 EFMs held family member appointment positions at the embassy, and 12 others were seeking full- or part-time positions. The embassy also







hiring policy and the post's employment committee were issued in 2003. Additionally, prior to the inspection, the mission's recruitment policy that describes the local employment process, including who is on the employment committee and how to apply EFM and veterans hiring preferences, was not readily available to staff<sup>2</sup>. Finally, although members of the post employment committee are listed in a delegation of responsibilities document dated March 2007, that document is not available on Embassy Brasilia's web site. Given EFM concerns about transparency, the OIG team made a number of informal recommendations that information on the hiring process be widely available.

The OIG team also found that while Embassy Brasilia has mission-specific guidelines to ensure that WAE opportunities are equitably distributed among EFMs, there was no worksheet or other document tracking compliance with those guidelines. For example, there was no list of EFMs noting when or whether they had turned down WAE opportunities or worked more than the maximum number of hours specified. The OIG team made an informal recommendation that the worksheet be maintained and available to EFMs.

The OIG team found some anomalies with regard to the language requirements of the community liaison office (CLO) positions advertised over the last few years. In 2005, Portuguese was not required for either the CLO coordinator or assistant CLO coordinator positions. In 2006, assistant CLO coordinator positions were advertised in January and June requiring level 2 Portuguese, and the CLO coordinator position advertised in June 2006 also required level 2 Portuguese. Then in October 2006, the assistant CLO coordinator position was advertised with a level 1 requirement. In May 2007, the CLO coordinator position was advertised with a level 1 requirement, while in June 2007 and September 2007 assistant CLO coordinator positions were both advertised with level 2 requirements. According to 3 FAM 123.8-3, the "Personnel Officer and/or the supervisor identify the knowledge, skills or abilities needed to perform the duties of the position." The CLO coordinator's supervisor indicated that the language requirement was dropped down to a level 1 at the Family Liaison Office's encouragement. The supervisor did not, however, offer an explanation as to why the assistant CLO coordinator position requirements remained at level 2. The HRO, who had recently arrived, did not think the CLO coordinator and assistant CLO coordinator language requirements as they were currently set made sense and, near the end of the inspection, requested that the Family

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<sup>2</sup> Although the mission added the recruitment policy to its web site during the inspection, information specific to EFM employment is buried in an 85 page document located at a link titled "For Local Employed Staff."

Liaison Office weigh in on the issue. The Family Liaison Office does not recommend any foreign language as a qualification factor for CLO coordinator positions. The OIG team believes the presence of a supervisory HRO will lend credibility to position grades.

### Professional Associates Program

The selection process used to fill one vacant Foreign Service officer position was not handled in accordance with written guidance on the Professional Associates Program. Confusion between the Bureau of Human Resources Office of Career Development and Assignments (HR/CDA), WHA/EX, and the mission in applying EFM and veterans preferences contributed to the problem. Because no Foreign Service officers bid on Brasilia's senior GSO position, HR/CDA added that position to the Civil Service Hard to Fill Bid list (State 00046622) and the Professional Associates Program Hard to Fill Positions list for EFM's (State 00046614) simultaneously. According to the Professional Associates Program cable, "Qualified EFM's will be given preference over equally qualified Civil Service employees. Veterans will be given preference in the selection process." The cable also states that an HR/CDA panel reviews all EFM and Civil Service employee applications and forwards only those deemed qualified to the regional bureaus and that "Selections are made by the bureaus."

HR/CDA deemed the EFM candidate as qualified, and forwarded his application, along with a number of Civil Service employee applications, to WHA/EX. WHA/EX requested that Embassy Brasilia rank order the candidates and identify any that were "unacceptable." Embassy Brasilia did not consider any of the candidates "unacceptable," and sent its rankings back to WHA/EX which offered the position to Embassy Brasilia's first choice – a Civil Service employee. While it appeared to the OIG team, based on a review of the application materials in the file, that some of the Civil Service candidates were better qualified than the EFM for the position based on their recent Department experience, assuming "qualified" in the Professional Associates Program cable refers to "fully" or "minimally" qualified candidates. HR/CDA, WHA/EX, or the mission should have selected the EFM candidate (who is also a veteran) because the candidate was considered "qualified."

The mission contended that it appropriately recommended the "best qualified" candidate, and that it was the regional bureau's responsibility to apply EFM and veteran's preferences and make the selection. WHA/EX staff interviewed by the OIG team said that selecting the "best qualified" candidate was appropriate, and that if a "fully" or "minimally" qualified EFM or veteran was supposed to have been given absolute preference, HR/CDA should have forwarded only that application to

WHA. HR/CDA staff said that the regional bureau and/or the mission is permitted to rank order the qualified candidates and to select the one deemed “best qualified.” HR/CDA said that, unlike the process used to fill a locally employed staff position at the mission<sup>3</sup>, the bureau is not required to select a “minimally” or “fully” qualified EFM or veteran candidate when filling a position normally assigned to a Foreign Service officer. None of what HR/CDA said, however, is included in the Foreign Affairs Manual, in standard operating procedures, or in Professional Associates Program materials provided to EFMs.<sup>4</sup>

Also not covered in guidance is whose responsibility it is to consider the cost implications of the hiring decision. Embassy Brasilia, for example, incurred an additional \$51,000 a year in residential leasing expenses by hiring the Civil Service employee. HR incurred relocation expenses that it would not otherwise have incurred.

**Recommendation 31:** The Bureau of Human Resources should seek guidance from the Office of the Legal Adviser as to whether its interpretation that regional bureaus and overseas missions may select the “best” qualified candidate over a “minimally” or “fully” qualified eligible family member or veteran candidate in the Professional Associates Program is appropriate. The final opinion should be used to revise and reissue Professional Associates Program guidance. The revised guidance should clarify whether the Bureau of Human Resources, the regional bureau, or the mission is responsible for applying eligible family member and veterans preferences, for reviewing the cost implications of the selection (if applicable), and for making the selection. (Action: DGHR)

## FINANCIAL MANAGEMENT

Financial management operations mission wide received average satisfaction scores from customers on both OIG and ICASS-administered customer surveys. Financial management operations in Embassy Brasilia are supported by an American financial management officer (FMO) and an EFM. Operations at the consulates

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<sup>3</sup> 2003 State 93178 and 3 FAM 8200 Appendix A.

<sup>4</sup> Additionally, when the EFM appealed the decision, both HR/CDA and WHA/EX directed the EFM to the “body that made the decision, i.e., the post employment committee.” Post employment committees are used to fill locally employed staff positions when EFMs apply.

are overseen by the consulates' management officers. The biggest complaints about financial management operations stemmed from the lack of ICASS, travel, and representation funding (as discussed in numerous sections of the report). The embassy appears to have had ample public diplomacy and INL funding.

The OIG team also heard complaints about the timeliness of Sao Paulo travel voucher processing, and about inequitable support provided to non-Department customers in Sao Paulo. One employee informed the OIG team that ICASS service providers were instructed to give Department customers priority in order to encourage non-Department ICASS council representatives to approve additional positions for the consulates. To ensure that non-Department customers receive the same level of support as Department customers, the OIG team informally recommended that the ICASS service providers in Consulate General Sao Paulo evaluate compliance with its own ICASS service standards as required in 6 FAH-5 H-160. The OIG team identified a number of management control weaknesses as discussed in that section below.

### Account Monitoring

Although most customers are satisfied with financial management services, the FMO and financial management section accountants need to coordinate more closely with section chiefs and other agency officials responsible for specific fund sources such as the Embassy Brasilia facilities manager and the NAS director. As discussed in the management controls section below, the financial management section's lack of engagement on Consulate Recife construction projects likely contributed to the misuse of 7901 and 7902 funding. Additionally, a lack of engagement on INL projects could result in the inappropriate use of INL funds for projects currently on hold.

As discussed in the NAS above, in 2006 the vast majority of NAS programs were put on hold because a number of management control weaknesses were identified, including problems with the mechanism used to pay for the expenses. Although a number of changes were made in the NAS as a result, few changes have occurred in the financial management section where all NAS payments are certified. Neither the accountant nor the voucher examiner have had training specific to INL funding and payments. OIG made an informal recommendation for additional training.

Additionally, according to the NAS director, until a new letter of agreement is signed between the U.S. government and the Brazilian government, and until NAS obtains approval to use approximately \$11 million in prior year funds for projects under the new letter of agreement, the only INL payments being made are for

administrative costs of running the NAS and programs administered by other U.S. government agencies for INL. However, the NAS director was recently surprised to have been presented with a cell phone bill that fell under a project that he thought was on hold. Although the NAS accountant has assured the NAS director that there are no additional payments falling in this category, the FMO and financial management section accountants, who would be a good source for this information, have not yet been engaged. Additionally, the OIG team identified some unliquidated obligations that appeared to be in connection with old programs, including one for fish and wildlife services and a \$50,000 unliquidated obligation from 2006 for a training course in Rio.

**Recommendation 32:** Embassy Brasilia's financial management officer should host regular meetings, at a minimum quarterly, with staff responsible for specific fund sources (the regional security officer, the public affairs officer, the narcotics affairs section director, and the facilities maintenance manager) to discuss the status of funds and to keep abreast of ongoing activities to ensure that proper funding sources are used. (Action: Embassy Brasilia)

## GENERAL SERVICES

The general services section provides adequate services to all embassy personnel. In 2007, it implemented the Web Post Administrative Software Suite to process requests electronically for procurement, expendable supplies, and use of official vehicles. The general services office gets low marks in housing on the OIG questionnaires. Interviews revealed dissatisfaction with the housing process including how long it takes to move from temporary to permanent quarters. This particular issue has undercut the morale of U.S. staff. The section was aware of this issue, and during the course of the inspection was working towards improving the process.

The inspection of the general services office revealed weaknesses in other areas. In reviewing the embassy travel process, the OIG team found that the embassy lacks a central office that maintains all embassy travel authorizations and files. Depending on the type of travel (i.e., rest and relaxation, home leave, etc), travel authorizations can be found either in the human resource section or the general services section. The procurement office needs to improve its contracting administration and procurement procedures. Other units of the general service section are working properly but there are minor operational weaknesses. They were the subject of informal recommendations.

This year, the general services office has experienced staffing gaps. At the time of the inspection, the assistant GSO was acting supervisory GSO. The position had been vacant for almost three months. The new supervisory GSO arrived during the course of the inspection. The second assistant GSO is an EFM who supervises the motor pool office and coordinates administrative support to all official visitors.

## Training

Additional training is needed for the LE staff in the general services section of Embassy Brasilia and Consulate General Rio de Janeiro. In Embassy Brasilia, most LE supervisors had not received refresher training since 2001. In the procurement section, most procurement agents have been trained on the job, and have taken a distance learning course from the Foreign Service Institute. Although the embassy contract specialist is performing her duties adequately, she needs basic contracting training from the Department. Her current knowledge of contract administration may not be sufficient to work efficiently.

In Rio de Janeiro, the training issue is even more severe. Employees who are supervisors of units have not been trained since 1997. The supervisor of the warehouse and property unit still performs inventory manually because he is not proficient in using nonexpendable property application for the inventory. The only training this employee received was one day of training on the system at the embassy.

## Real Property and Housing

In 1996, the Department ceased paying the employer's share into the Brazilian social security system on the grounds that, under the Vienna Convention, it constituted an illegal tax. Since then all U.S. diplomatic property sales in Brazil have been blocked by Brazil's insistence that the U.S. government pay into the Brazilian social security system. Excess or outmoded properties awaiting disposal include the old chancery building in Rio de Janeiro, the old consulate building in Sao Paulo, and the Ambassador's residence in Brasilia, as well as numerous properties and vacant plots of land throughout Brazil.

Largely through the Ambassador's sustained efforts to resolve the impasse, the Department and the government of Brazil reached agreement in 2007 through an exchange of diplomatic notes that will allow Brazil to issue documentation furnished by the Brazilian social security system to permit the transfer of U.S. diplomatic properties in Brazil. The Brazilian Chamber and Senate have approved the agreement and it is the process of being implemented.



The embassy housing pool consists of 118 units – nine are government-owned apartments, 12 are U.S. government-owned single family residences, and the rest are leased apartments and single family residences. Embassy housing is adequate or better, but quite expensive, stemming in part to the devaluation of the U.S. dollar. Most leased units exceed OBO's \$25,000 annual ceiling, and OBO has routinely granted waivers without questioning cost. The OIG team informally recommended that OBO conduct a real estate assistance visit to validate Brasilia and Rio's rental costs for short-term leased residential properties, and reconcile each post's actual leasing history. To further support the real estate assistance visit findings, OBO should also procure an independent rental market survey and establish rental benchmarks for each category of housing. Most leased housing is attractive and sought after, but assigning employees to U.S. government-owned three-bedroom apartments has proved problematic. These apartments are old and show their age, but remain in serviceable condition. The previous Ambassador's residence is from another era and not very conveniently located. The OIG team concurs with the post's assessment that to bring it up to standard will require an enormous financial outlay, and may not be the best solution given the age and condition of the property. The embassy is unable to sell it until the ban on the sale of U.S. government property is lifted.

The interagency housing board (IAHB) makes all Brasilia housing assignments and sets housing policy. Other agencies and constituencies are well represented on the board, and generally work together. IAHB meetings are documented, and issues are generally fairly considered and evaluated. The board considers appeals regularly and resolves them reasonably. However, some agency representatives take a fairly parochial view of their responsibilities and make decisions that serve their own agencies' interests first, not necessarily for the greater good. The OIG team also found that senior officers sometimes intervened to make decisions that should have been made by the housing board. Several respondents complained that they received little support from senior management and felt their authority was often undercut by these actions.

In the past, Embassy Brasilia has incurred substantial costs for temporary housing for employees whose permanently assigned housing was not available on arrival. Through a concerted effort by the general services office this year, those costs were substantially reduced. The OIG team found that a significant factor in causing delays is the length of time it takes to ready units for occupancy. Instead of issuing residents step-down transformers, facilities maintenance crews routinely rewire newly acquired leased housing to reduce the electrical current from 220 to 110 volts, an expensive, time-consuming, and unnecessary procedure. The process is routinely reversed when the unit is eventually returned to the landlord. This practice is not the norm in the Foreign Service and could be viewed as an unauthorized capital

improvement to the landlord's property. Furthermore, this work was adding to the work of the maintenance section and extending the time new officers spent in temporary quarters at U.S. government expense.

**Recommendation 33:** Embassy Brasilia should cease the practice of rewiring newly acquired housing units to reduce the electrical current from 220 to 110 volts, and in consultation with the safety, health, environmental management division, should instead issue residents with step-down transformers. (Action: Embassy Brasilia).

The embassy has assigned nonforeign affairs agency personnel to U.S. government-owned housing. The IAHB assigns nonforeign affairs agency personnel to government-owned housing whenever a unit is expected to be vacant for 90 days or longer. At the time of the inspection, several government-owned housing units were assigned to and occupied by nonforeign affairs agency personnel. These personnel are, in effect, occupying rent-free housing, and foreign affairs agency personnel who could otherwise be housed rent-free are assigned to costly leased properties elsewhere. 15 FAM 260 requires that priority be given to employees of the foreign affairs agencies first.

**Recommendation 34:** Embassy Brasilia should assign nonforeign affairs agency personnel to government-owned properties only when the housing requirements of the foreign affairs agencies have been met. (Action: Embassy Brasilia)

The OIG team found weaknesses in the chain that makes a good housing program work. Although the GSO and facilities maintenance officer regularly meet, the orderly flow of communication between the housing office and the facilities maintenance section are poorly set up and not routinely used. Both sections should understand their roles, and communication flows should be institutionalized. Embassy Brasilia is working on a standard operating procedure that outlines process and responsibilities. OIG's administrative services satisfaction questionnaires revealed a relatively high level of satisfaction with housing which was borne out in subsequent interviews. When a negative opinion was expressed, it usually had to do with the lack of communication in completing work orders.



## Facilities

The embassy operates from a functional but aging chancery on a 12.3 acre compound that also includes several annexes. A warehouse (partially used as swing space for a major renovation project underway) is also located there. The facilities maintenance unit, the housing office and workshops, the medical unit, and CLO are housed in separate buildings. The motor pool, bank, travel office, commissary, and a cafeteria are also on the compound. Recreational facilities include a pool, tennis courts, a community center, and an exercise room. A major chancery renovation project is currently underway, and when completed in June 2008, will provide new controlled access area space and significant enhancements to the fire sprinkler protection and egress systems. The chancery is well maintained, and respondents expressed satisfaction with the adequacy of office space. The most recent fire inspection was completed in September 2007, and the report is pending. The facilities maintenance officer has been unable to locate malfunctioning fire alarms because of incomplete reporting by offices during the last test of the system. Additional tests are planned until all nonfunctioning alarms can be identified and fixed.

Customer satisfaction with the quality of facilities maintenance services in three broad categories of the workplace and quality of life questionnaire were generally above average. On the whole, the residential maintenance program functions adequately. However, residents receive little regular communication about work orders or their progress, and they are not promptly notified of delays. Complicating the communications problem is that most of the maintenance LE staff does not speak English, and most customers do not speak Portuguese. In interviews, respondents complained that work orders seemed to disappear into a black hole. Maintenance repairs took a long time to complete, often requiring several visits, and parts took a inordinately long to arrive.

## Travel Services

Embassy Brasilia has a General Services Administration contract with Carlson Wagonlit Travel. According to the agreement, the contractor provides four employees who make travel arrangements for all official and personal travel for all embassy personnel. Travel services received the lowest score on the OIG questionnaires for Brasilia. Some of the problems include ticket cancellations, long stopovers, errors on tickets and itineraries, failure to procure the lowest airfare, and in few cases lack of knowledge of U.S. government travel regulations. Embassy Brasilia has a memorandum of understanding dating from April 2005 that includes travel services contractor performance standards as well as what travel services that the contractor will provide. There was no evidence that the memorandum of understanding has been reviewed

since April 2005. Given that several travel policies have been issued since the memorandum of understanding was signed, it would be prudent to review and incorporate any necessary modifications to the document. An informal recommendation was made on this issue.

### Procurement Office

The embassy procurement office meets the needs of the mission's agencies and sections. The procurement staff executed 3,854 procurement actions in FY 2007, totaling about \$6 million. The office reviews all government purchase cards transactions monthly. Although the office has expedited procurement requests by using electronic software, procurement processes and procedures need improvement.

The workload distribution between the locally employed procurement supervisor and the contract specialist needs closer attention. The supervisor does not perform any contract administration although she is the only person in the office who took the Department's procurement training in 2001. She supervises six procurement agents and the contract specialist. On the other hand, the contract specialist, who is doing contract administration in all the contracts, was not aware of some of the administrative Federal and Department procurement requirements. As currently organized, the procurement office is not working efficiently. The supervisor ought to perform some contract administration as well. This issue was the subject of an informal recommendation.

### Contract Administration

The embassy coordinates closely with the Department's Office of the Procurement Executive (A/OPE) on the preparation of solicitations and award of contracts. However, none of the contract files in the embassy contained all the information required by the Federal Acquisition Regulations and the Department of State Acquisition Regulations, preventing the OIG team from confirming that the contracts are being administered properly. The overseas contract file table of contents (DS-1929) form for each contract file section was not included in the sample of contracts reviewed. Many of the pre-solicitation documents were missing, including procurement request (DS-1970) forms with specifications and/or statement of work, market survey, justification for use of options, or local advertisement. Technical panel reviews were not consistent in all the files. Contract award determinations by the contracting officer were missing from many files. Finally, some files contained extraneous materials which were not required.

The embassy contract specialist was not aware of many of the basic requirements for contracts because she had only received limited training and had not taken the Department's procurement training. During the course of the inspection, the OIG team explained the use of the DS-1920 forms. The contract specialist prepared one contract using the forms. The lack of oversight from the embassy contracting officer in ensuring that complete contract folders are maintained could lead to major weaknesses in the contract administration process. Tightening up this aspect of the contracting process is necessary.

**Recommendation 35:** Embassy Brasilia should establish in writing, and implement throughout the mission, required procedures and controls for contracts as described in the Federal Acquisition Regulations and Department of State Acquisition Regulations. (Action: Embassy Brasilia)

#### Contracting Administration-Contracting Officer's Representative

The embassy's contracting officer's representatives (COR) have not been appointed during the post-award orientation conference as prescribed in FAR Subpart 42.5 or trained as required by Department of State Acquisition Regulations 642.270(d). In most contracts, the CORs were appointed months after the contract was awarded. In addition, most CORs do not keep a copy of the contract they have been appointed to. The COR is the primary person assigned to monitor and evaluate the contractor's performance. Department of State Acquisition Regulations include a grandfather clause that does not require training for those employees who were performing COR duties before January 1, 2007. The contracting staff was unaware of any of these requirements. The OIG team believed that given the complexity of some of the embassy contracts, training would be beneficial for all CORs regardless of when they were appointed. At the very least, those CORs appointed after January, 2007 need to take the required training. If the CORs do not have adequate training and understand their duties, it could lead to a lack of oversight of the contractors' performance.

**Recommendation 36:** Embassy Brasilia should implement procedures to appoint contracting officer's representatives during the post award orientation conference in future contracts and require all contracting officer's representatives to take the Department's contracting officer's representative training course. (Action: Embassy Brasilia)

Embassy Brasilia has poor contract administrative procedures. The embassy countrywide contracts do not have government technical monitors (GTM) at the constituent posts. For example, the local guard contract which was awarded in May 01, 2005 for almost \$21 million to provide countrywide security guard services has the embassy deputy RSO as the COR, but none of the RSOs in Rio and Sao Paulo or the management officer in Consulate Recife have been appointed as GTMs. The unclassified pouch contract awarded in January 01, 2007 for \$250,000 has the embassy information program officer as the COR, but none of the information program officers from the consulate generals have been appointed as GTM. In accordance with the Department of State Acquisition regulations 642.271, a GTM is appointed to assist the COR in monitoring a contractor's performance because of physical proximity to the contractor's work site.

**Recommendation 37:** Embassy Brasilia should establish and implement procedures to appoint government technical monitors for each of its mission-wide contracts. (Action: Embassy Brasilia)

#### Procurement Agent in the Facilities Maintenance Unit

During the review of the contracting operations, the OIG team found that the facilities maintenance unit has a dedicated procurement agent. This employee has a government purchase card. Although the employee took the purchase card training, it is unclear why a purchase agent is located in the facilities maintenance unit. This position is an ICASS position; therefore, it should be providing procurement services to all the agencies who signed up for this service, not just to the facilities maintenance unit. The GSO and the facilities maintenance officer believed that having a procurement agent would help expedite purchases and procurement actions for the unit. The general practice at most missions overseas is that all procurement actions are centralized. Having a procurement agent outside the procurement office not only represents an internal control weakness but also lacks the appropriate oversight from the embassy contracting officer.

**Recommendation 38:** Embassy Brasilia should transfer position number C52697-purchasing agent from the facilities maintenance unit to the procurement unit. (Action: Embassy Brasilia)

## Blanket Purchase Agreement

The embassy and its constituent post Rio de Janeiro are not making efficient usage of blanket purchase agreements (BPA). The embassy is managing eight BPAs mainly for facilities maintenance activities, and the consulate general in Rio de Janeiro has only one BPA for purchase and installation of security equipment in U.S. government facilities.

The embassy public affairs section needs translation and interpreting services on a frequent basis, and a purchase order is prepared every time. It would be more efficient to establish BPAs with different companies to obtain those services. The OIG team made an informal recommendation that Embassy Brasilia review purchases to determine which actions would be more efficient and advantageous to use BPAs.

In Rio de Janeiro, the services established in the BPA should be obtained through a purchase order. The BPA was poorly prepared, terms are vague, and maximum or minimum orders were not established. Purchase orders are used when the exact services and quantities are known and the delivery requirements defined. In the case of the BPA in Rio de Janeiro, the quantity of security equipment and its installation could be clearly defined with each order. An informal recommendation was made that the blanket purchase agreement be canceled and a purchase order be prepared for the purchase and installation of security equipment.

## Bulk Funding

The embassy individually funds each mission transaction rather than establishing bulk funding for purchase cards and BPAs. In some cases, this results in additional work for financial management office staff as well as procurement delays. Bulk funding for BPAs and purchase card transactions is designed to maximize efficiency within post's ICASS operations. Close coordination between the GSO and the financial management officer on BPA and purchase card funding is necessary. Embassy Brasilia and its constituent posts would benefit by having BPAs and purchase card transactions bulk funded; however, the embassy needs to address the administrative weaknesses with BPAs first. The OIG team made an informal recommendation on this issue.

## Motor Pool

The motor pool office is responsive and attentive to customers' needs. It received one of the highest scores on the OIG administrative questionnaire. The embassy, including ICASS and program operations, has 49 vehicles, including fully-armored, light-armored, and standard passenger vehicles. The office maintains proper controls over fuel and fuel consumption.

However, the motor pool operations have some operational deficiencies that require attention. Some of the daily vehicle use record (OF-108) forms' reverse sides were not completed, and signatures of passengers were missing. The passengers who use DS assigned vehicles are not completing the OF-108 form, contrary to the instructions in 14 FAM 418.6-1. In addition, embassy riders have not been indicating whether the transportation was official U.S. government business or other authorized use. Although it is included in the embassy motor pool policy, embassy drivers do not remind passengers of the use of seatbelts, which is mandatory. In reviewing the motor pool fleets of both the embassy and the consulate general in Rio, some armored vehicles authorized for disposal have not been disposed of, and are awaiting a decision by the regional security office. Although accident reports are completed, they are not organized and are not being submitted to the Department. The OIG team made informal recommendations addressing these operational weaknesses.

The motor pool policy and authorizations are not updated often. The motor pool policy was issued a day before the arrival of the OIG team. It is unclear when the last revision of the policy took place. On the same date, the authorization was signed for the DCM's home-to-office transportation although the DCM has been at post for four years. The DCM has promptly been paying for his home-to-office transportation.

At the time of the OIG inspection, three employees were using the embassy shuttle while their privately owned vehicles were being shipped to post, in accordance with 14 FAM 418.2-3 (D) for all "other authorized use" including home-to-office transportation for arriving employees if a privately owned vehicle being shipped at U.S. expense is in transit or the employees are departing at an assignment's end and their vehicle has been shipped. The embassy offers this home-to-office transportation for up to 60 days from the date of arrival and up to 14 days for departing personnel for free, but according to 14 FAM 418.2-4 the embassy must charge for this service. The OIG team informally recommended that the embassy start charging for this service.

## Property Management

Overall, property operations at Embassy Brasilia are satisfactory. The property management section maintains a storage area in the basement of the chancery, part of the embassy warehouse for both storage and distribution of expendable supplies, and an off-site warehouse for nonexpendable items. At the warehouse, the OIG team noted that disposal and receiving areas are not clearly marked. Although the property management section assured the OIG team that minimum stock levels are observed, there are no established written minimum and maximum stock levels. The facilities maintenance unit and other embassy agencies maintain many items in the warehouse that have not been used for some time. Those items take up space in the warehouse, and need to be sold or disposed. These areas for improvements were addressed through informal recommendations.

## Customs and Shipping

Delays in the clearance of household effects, air freight, and privately owned vehicles have been a morale issue for embassy employees. The OIG team found that, in many instances, the reason for the delays include unscheduled strikes at the main ports and delays in the issuance of the diplomatic identification for the incoming officers. The OIG team reviewed the embassy's TM TWO cable and found that it does not include any information about potential delays in receipt of household effects or privately owned vehicle shipments. The OIG team made an informal recommendation to include in these cables and on its web site information about potential delays in receipt of household effects, air freight, and privately owned vehicles.

## INFORMATION MANAGEMENT AND INFORMATION SECURITY

Embassy Brasilia's information management officer (IMO) is responsible for providing support, guidance, and oversight to all the information resource management (IRM) functions throughout the mission, including support for classified and unclassified networks, embassy and residential telephones, the cellular phone program, mail and pouch services, and the radio program. At the time of this report, the IMO had been at post for a little over a month but had already demonstrated an energized and enthusiastic attitude within the information management office.

The OIG team identified little to no oversight and guidance from previous supervisors of the information technology management unit. As a result, several areas require improvement and much needed attention. For example, the radio program







**Recommendation 40:** Embassy Brasilia should review all radio programs throughout the mission to identify weaknesses and required corrective measures, including the purchase of encrypted radios and the implementation of a radio program at Consulate Recife. (Action: Embassy Brasilia)

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### Training

Mission Brazil IRM staff lack the training necessary to provide adequate information management support. None of the telephone technicians has received formal training; most of the information technology staff in the embassy and Consulate General Sao Paulo have not attended the Information Assurance for System Administrators or Windows 2003 courses. Further, most of the IRM staff throughout the mission have not had any supervisory training. Unfortunately, training funds are insufficient throughout Mission Brazil to allow staff to receive necessary training.

However, IRM staff do not have individual development plans so that priority can be given to those individuals who require training when funding becomes available. As the Department implements new technology by upgrading and changing its infrastructure, it is imperative that IRM staff receive the necessary training to ensure they possess adequate knowledge and skills to support mission personnel. The OIG team made an informal recommendation for Embassy Brasilia to develop and implement individual development plans for its IRM staff throughout Mission Brazil.

**Recommendation 42:** Embassy Brasilia should provide its telephone technicians and information technology staff throughout the mission required training as detailed within their individual development plans. (Action: Embassy Brasilia)

#### Dedicated Internet Networks

Mission Brazil's DINs are not being properly managed. 5 FAM 874.2 states that all posts with Internet connections outside of Opennet Plus must submit a DIN access waiver. Mission Brazil has numerous DINs, including five in remote areas for consular agents, one in the Sao Paulo HR office, two for Internet café's, and one at the Rio de Janeiro alternate command center. None of the IRM offices have requested waivers for these DINs. Further, most of them do not have licenses for the Microsoft Office software on the workstations – this is based on a mistaken idea that the Department's enterprise license extends to the DIN computers. This leaves Mission Brazil in noncompliance with Department policies, as well as violating software laws.

**Recommendation 43:** Embassy Brasilia, in coordination with the Bureau of Information Resource Management, should submit waivers and purchase necessary software for all dedicated Internet networks throughout the mission. (Action: Embassy Brasilia, in coordination with IRM)



## Embassy Brasilia

Embassy Brasilia's IRM office consists of 19 personnel, who assist the embassy as well as the three constituent posts. IRM Brasilia manages and maintains the unclassified and classified networks, pouch and mail services, the radio program, and all telecommunications. The embassy is the mission's hub for military post office mail, which will be converted to a diplomatic post office in 2007. The embassy's IRM office is customer-service oriented and provides more than the routine support provided by an average post. IRM resolves residential telephone problems and provides liaison services between post personnel and the companies that provide cellular phone service, Internet installation, and residential telephone installation support. Overall, IRM services in Brasilia are adequate. However, the OIG team determined that the records and information life cycle management program needs improvement.

### Records and Information Life Cycle Management Program

The records and information life cycle management program at Embassy Brasilia is inadequate. A review of the embassy's basement (used as storage area for some expendable supplies) and the offsite warehouse revealed that records from all sections have been kept as far back as 1997. For example, the financial management office has kept paid vouchers records from FY 1997. According to the Department's record disposition schedule these should be destroyed after three years. The motor pool office retires active files for the warehouse every three months. The OIG team also found numerous issued and refused visa files at Consulate Recife that should only be kept one year and then shipped to Kentucky Consular Center for disposition. Further, the OIG team did not find any evidence that the constituent posts have an active records and information life cycle program.

Per 5 FAM 414.5 (a) and (b), responsibilities for implementing and administering records policies, standards, systems, and procedures are that of the principal officer. Under the supervision of the management officer, the IMO is the designated posts records coordinator, and is responsible for managing post's central files and establishing procedures to assure the management of records in conformance with 5 FAM and 5 FAH guidelines. The OIG team concluded that there is a lack of management oversight in the records and information life cycle management program. The areas where embassy records are stored are cluttered. An active retirement program could free up space at both warehouses so they can be used more effectively and efficiently for inventory functions.

**Recommendation 45:** Embassy Brasilia should establish and implement a records and information life cycle management program throughout the mission. (Action: Embassy Brasilia)



## QUALITY OF LIFE

Living in Brazil is not easy for many employees. Many American staff view Brasilia as an isolated place that lacks diverse cultural options. Sao Paulo and Rio de Janeiro are plagued with street crime and traffic, making driving difficult and stressful. In Brazil, simple services such as ordering cable or Internet services can take weeks. The reality of life in Brazil is tougher than the perception generally held in Washington.

### COMMUNITY LIAISON OFFICE

Embassy personnel are relatively pleased with the CLO sponsored recreation activities, although some events are canceled due to low attendance. The CLO sponsorship program received mixed marks on the OIG questionnaires. Both the CLO coordinator and the CLO assistant, who were hired in September and August 2007 respectively, are aware of this issue, and are in the process of revamping the program and updating the CLO welcome booklet.

CLO activities are well received although there is a perception among some embassy employees that those activities are primarily targeted at families. Single adults and couples without children told the OIG team they would appreciate more programs directed to their interests. The CLO has organized events that are oriented for those officers, including a monthly dinner night out and happy hours. Other events targeting this segment of the community were organized but they were canceled due to lack of participation. The OIG team informally recommended that the CLO establish an advisory board to include officers who are single or childless to provide events ideas that appeal to them.

The Ambassador has worked closely with CLO to bring both the embassy and the constituent post communities closer. During the course of the inspection, the Ambassador hosted a luncheon for new arrivals and their spouses who had arrived at the embassy in the last six months. He used this opportunity to listen and discuss their concerns. In January 2007, a similar event took place in the embassy recreational area. Directed by the Ambassador, the CLO coordinator collects community information from all constituent posts and issues a monthly mission newsletter. The OIG team endorses these efforts and encourages Embassy Brasilia to monitor this



particular effort to determine if it is beneficial and there is enough interest from the mission community.

The CLO coordinators from Rio de Janeiro and Sao Paulo are very active, and personnel from those posts are highly satisfied with the activities that the respective CLOs organized for the community.

## HEALTH UNIT

The health unit provides quality services to mission personnel. Employees from Rio de Janeiro and Sao Paulo rated their respective health units highly in the OIG questionnaire. Consulate Recife does not have a health unit. The Foreign Service nurse practitioner from the embassy visits each consulate quarterly, and is available for medical consultations. The regional medical officer from La Paz visits Mission Brazil every four to six months, and the regional psychiatrist from Lima visits twice a year.

The health unit provides primary care services to the Department and all other agencies' U.S. direct-hire personnel and their families, facilitates access to local medical specialists, and processes medical evacuations. The OIG team received a few comments from other agency personnel that they are not treated the same as Department employees. The OIG team found that all employees are given the same services regardless of agency.

The embassy's medical supplies are securely stored, and inventories of these supplies and disposal records are properly maintained. However, the health unit in Rio de Janeiro does not maintain an inventory record of its medical supplies. Patients' files are not safeguarded in locked cabinets. Informal recommendations were made on these issues.

## EMPLOYEE ASSOCIATIONS

### Embassy Special Services Association

The embassy special services association is a nonprofit association providing a range of services for the benefit of U.S. government employees and their eligible family members. The association runs a commissary, a gift shop, a DVD rental club,

a gym, a car rental, and a gas pump. Laundry service is provided by a local vendor. The association made a small profit in calendar year 2006 on sales of \$8,542. The annual audit of commissary operations by a private auditor found no material issues. In general, the association's activities are stable, and it conducts its business in accordance with Department guidelines. Management controls on commissary operations such as cash counts and inventory controls are adequate. The OIG team made some informal recommendations to improve overall oversight of operations.

### American Consul General Services Association

The employee association in Sao Paulo is active. It is engaged in overseeing the cafeteria and coffee shop as well as all the recreational facilities at the consulate. The employee association provides support to CLO activities and the Marines. During the course of the inspection, the association submitted a late annual compliance certification to the Department. As part of its submission, the association also included an audit report and financial data. The OIG team concluded that neither document satisfies the Department requirement. Therefore, the association is still delinquent in the submission of the financial data and the independent audit report for calendar year 2006. An informal recommendation was made on these issues.

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Most children of employees (approximately 100 this academic year) attend the (b) (6)(b) (6)(b) (6)(b) (6)(b) (6)(b) (6)(b) (6)(b) (6) (b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2) for students in an international context. The school, as old as Brasilia itself, was founded in 1964, with a curriculum similar to that of a U.S. college-preparatory school including advanced placement courses and is fully accredited by the Southern Association of Colleges and Schools. The board of directors includes five U.S. embassy employees, several of whom were instrumental in righting the fortunes of the school when governance issues threatened its survival three years ago. The school receives substantial funding from the Department (\$138,000 in 2006 and \$115,000 in FY 2007). Parents expressed satisfaction with the school and its offerings, and the representative from the Department's Office of Overseas Schools gave the school high marks during a visit which coincided with the inspection.

## Equal Employment Opportunity

Embassy Brasilia, Consulates General Rio de Janeiro and Sao Paulo, and Consulate Recife all have Equal Employment Opportunity (EEO) counselors and/or coordinators. EEO announcements are posted both physically on bulletin boards and virtually on the Intranet. American and LE staff are aware of EEO workplace principles, and they understand how to seek advice and guidance from the EEO counselors and coordinators.

## Federal Women's Program

The Federal Women's Program coordinator is resident in Brasilia. She has reached out to women in the embassy, Consulates General Rio de Janeiro and Sao Paulo, and Consulate Recife asking them to suggest programs on the role of women in the federal work force. She is in the early planning stage for a possible digital videoconference during Women's History Month (March 2008).

## Avian Influenza Preparedness

Post management has been supportive of avian influenza preparedness efforts. The former counselor for environment, science, technology, and health section coordinated the embassy avian influenza monitoring committee. In 2006, the mission developed an avian influenza action plan with tripwires and a communication plan. The OIG team reviewed the plans and found them adequate and detailed in responding to different possible scenarios.

The government of Brazil's Ministry of Health has developed a plan of action for use in the event of an outbreak. The plan follows World Health Organization guidance for responding to an influenza pandemic. An officer from the U.S. Centers for Disease Control and Prevention was a consultant for the preparation of Brazil's avian influenza action plan. The consular section disseminated information about avian influenza to resident American citizens as requested by CA. No Americans have contacted the consular section with concerns about avian influenza as of the date of the inspection.

## CONSULATE RECIFE AND CONSULATES GENERAL SAO PAULO AND RIO DE JANEIRO

### Overview

Embassy Brasilia has responsibility for two consulates general and a consulate. Each consular district has its own significant importance, either political, economic or both. Geography imposes additional challenges. Brazil is a huge country, and the regions covered by constituent posts are both large and diverse. Sao Paulo is the economic and media heart of the country, and is the home of President Lula and the labor movement from which he emerged. Rio de Janeiro is the former capital and the country's cultural center. Recife is the smallest, located in a vast and increasingly important part of the country of growing interest to the mission. The embassy has provided support where it is needed in the management areas. Even though overall fiscal responsibility rests in the embassy, each post receives funding targets that allows them to operate quasi-independently.

Each constituent post requires a different level of support and guidance from the embassy. Sao Paulo is the largest and expected to grow even more, thanks in part to the mission's active encouragement to agencies with regional responsibilities to locate additional personnel and resources there. Rio de Janeiro has emerged from a right-sizing exercise leaner but is sorely in need of a new office building. Recife is small, but the mission's plans call for the consulate to absorb additional resources to cover the vast far northern reaches of the country. Three APPs (Belo Horizonte, Belem, and Porto Alegre) have been approved but not yet opened.

The embassy provides varying support to its constituent posts, depending on the resources available at post. For example, Sao Paulo neither expects nor looks to the embassy for support, except for limited HR issues, and Rio de Janeiro depends on the embassy for financial management support. Recife, on the other hand, relies on the embassy for most of its support.

Embassy funding allocations for the consulates are not earmarked for specific purposes, so the consulates constantly have to make choices between competing priorities that are all essential. The OIG team heard repeatedly from employees that they were unable to accomplish necessary travel because the Ambassador's extensive travel schedule consumed most of the travel budget. The management officer in Sao Paulo stated that he routinely had to make choices each month on whether to buy supplies or send an employee for training. His procurement section purchases supplies only on an as-needed basis, foregoing discounts for bulk purchases, and his contracting section settles contracts on a month-to-month rather than an annual basis.

## CONSULATE GENERAL RIO DE JANEIRO

### Resource Management

The OIG team identified several weaknesses in the management section, mostly in the GSO section, that require greater attention from both the consulate and embassy management. There were some management issues affecting the consulate including tight constraints on funding, reduction of personnel due to rightsizing efforts, and an undesirable and underutilized building that, while scheduled for disposal, still requires (b) (2)(b) (2)(b) (2)(b) (2)(b) (2) maintenance upgrades if it is to remain viable until new office space is identified.

A management officer, formerly the GSO at the consulate general heads the management section. Other members of the management section include an ELO GSO, an information program officer, an ELO information management specialist (IMS), and a facilities maintenance officer. The section is supported by 58 LE staff.

The HR and budget and fiscal offices are effective. The HR office developed a pre-accreditation process that has helped expedite the process of obtaining identification cards from the Ministry of Foreign Affairs in Brasilia. The financial office processes vouchers in a timely fashion, and financial reports were reconciled properly. The OIG team found that the supervisors of these offices receive little supervision and guidance from the consulate management officer or from the embassy. The management officer's lack of knowledge and experience in these areas may be the reason for the current situation. The embassy administrative support is discussed elsewhere in this report.



The building is scheduled to be replaced in OBO's long-range plan in FY 2015. In the interim, the embassy and consulate general staff have accepted OBO's proposal to lease commercial space for the new consulate offices as a lock-and-leave facility. The OIG team endorses this proposal. Before searching for commercial space, it would be prudent for the consulate's management section to prepare a comprehensive plan that describes what type of space is needed, and which consulate sections would move to the new facility. This would be the opportunity to determine which administrative services could be outsourced. Given the constraints existing in Brazil, it would be advisable to start developing a decommissioning plan with specific milestones stating what, when, and how actions would be conducted. Because other agencies would be housed in the consulate, close coordination is needed with those agencies. The plan needs to include disposition procedures and should provide tenants with guidance on the relocation of sensitive equipment to the new site.

**Recommendation 46:** Embassy Brasilia should develop a decommissioning plan, with milestone dates, for the current consulate building in Rio de Janeiro which identifies space for personnel of all agencies, administrative services that can be outsourced, and outlines disposition plans and responsibilities for sensitive equipment. (Action: Embassy Brasilia)

## Facilities Maintenance

The consulate's elevators need attention. This issue was included in the 2005 safety, health, and environmental management (SHEM) report. Rio de Janeiro has repeatedly submitted the same budget request to repair the elevators since FY 2004, and it calls for repairs of the motor drives, controls, and selectors. The consulate would also like to replace the door equipment, wiring and control fixtures, and refurbish the gearless hoist machines, counterweight, car frames, and cab components.

During the early part of the inspection, two of the four elevators were frequently out of service. By the end of the inspection, two elevators were completely out of order, and the generator of the third elevator burned out. Only the cargo and executive elevators were functioning. Even when the elevators were repaired, they were not running smoothly. The consulate has a maintenance contract for the elevators, but it is not sufficient to maintain them in working condition. It can be argued that it is pointless to spend half a million dollars (the cost of fixing the elevators) on a building that the consulate will eventually vacate; however, the OIG team believes that at the very least, minimal repair work should be done on the elevators to guarantee the safety of the employees who work in the building.



**Recommendation 47:** Embassy Brasilia should submit a request to the Bureau of Overseas Buildings Operations with cost estimates of the minimum requirement to keep the consulate's elevators in safe operating condition. (Action: Embassy Brasilia)

Greater emphasis should be placed on establishing a safety program at the consulate. A fully functioning SHEM program does not exist at the consulate. The facilities maintenance officer, who is the post occupational safety and health officer, has never received guidance from consulate management to hold any SHEM meetings. However, in accordance with 15 FAM 933.2, a SHEM committee should be formed; the committee should convene at least semiannually with written minutes of each SHEM meeting to be maintained by the post occupational safety and health officer. During the three years that the post occupational safety and health officer had been at post, the committee had never met. A formal compliance response to the 2005 SHEM report was not available for review by the OIG team. Given the uncertainty of compliance of the recommendations of the SHEM report, and the existing maintenance deficiencies of the building, an active SHEM program is needed. The OIG team believed that sustained engagement from consulate management was necessary to protect employee health and safety.

**Recommendation 48:** Embassy Brasilia should establish and implement at Consulate General Rio de Janeiro a comprehensive safety, health, and environmental management program to include meeting at least semiannually and keeping records of those meetings. (Action: Embassy Brasilia)

## General Services

The ELO GSO is enthusiastic, but lacks experience. Although the section provides adequate services, management controls in contracting and nonexpendable property need improvement. These issues are addressed in the management controls section of this report. The OIG team found weaknesses in the housing, motor pool, and maintenance programs. Support from embassy personnel is essential for the implementation of the OIG recommendations.

## Housing

The housing program at Consulate General Rio de Janeiro needs closer attention. The absence of an active program leads employees to question the objectivity and the fairness of the housing program and affects morale adversely. The leased apartments are, for the most part, in good condition and well-furnished, despite complaints made by some employees.

Housing board meeting records for review were only available for May, June, August, and September, 2007. In reviewing the housing program, it was unclear if the IAHB meets monthly or on an as-needed basis. It appears that nonhousing board members participate, and their opinions are given just as much weight as regular board members. An informal recommendation was made on this issue. Another weakness that the OIG team identified was that both the housing questionnaire and the housing handbook were out of date. Previous general services officers did not effectively supervise these areas. In addition, the housing assistant has not received formal housing training. The housing questionnaire did not provide sufficient information about the different neighborhoods where housing is located and had no disclaimer that the post may not be able to accommodate all preferences expressed in the questionnaire. Information provided by incoming officers often was ignored by the IAHB when assignments were made, leading to subsequent requests for reassignments. The handbook, which is very comprehensive, did not reflect new Department regulations.

**Recommendation 49:** Embassy Brasilia should review and update its housing questionnaire and housing handbook to reflect the Department's housing policies. (Action: Embassy Brasilia)

Four agencies use the overseas housing allowance, and therefore, are not part of the consulate housing pool. Nonetheless, the OIG team found that the housing coordinator spent considerable time assisting these agency officers with their private leases. In addition, it also appears that their landlords contact the consulate when problems arise. An informal recommendation was made on this issue.

It was not clear if agencies using the overseas housing allowance program were in compliance with Department regulations and were operating under the purview of the IAHB. The RSO and the facilities maintenance office performed their respective security and safety inspections on the residences of those agencies under overseas housing allowance prior to occupancy. The consulate's management officer is

the sole real property manager at post. According to 15 FAM 211, “units proposed for private leases must be approved in advance by the IAHB as they are governed by the same space standards as U.S. government housing.” The OIG team did not find any documentation to show that agencies under overseas housing allowance have provided information to the IAHB about their leased residential properties.

**Recommendation 50:** Embassy Brasilia should establish and implement procedures to verify that all agencies under overseas housing allowance have received interagency housing board approval for their residences before signing leases. (Action: Embassy Brasilia)

## Motor Pool

The motor pool services are good and responsive. The consulate has 19 vehicles in the fleet, four of which are out of service, two assigned to the Marines, one is reserved for the exclusive use of the Ambassador when he is in Rio, one for the consul general, and the rest for ICASS activities. The number of motor pool drivers available is somewhat low – there are only five. Two other drivers are assigned to the consul general and four for the Marines.

The consulate general has not updated its motor pool policy since 2000. During the course of the inspection, the GSO updated the policy to reflect the Department’s new regulations. Current policy authorizes the use of official vehicles for home-to-office transportation for those officers who have shipped a private vehicle that has not yet arrived. Although the policy does not state any charge, the consulate does charge \$1.00 per trip. The OIG team could not verify the formula used for this charge and does not believe that one dollar is adequate to cover the cost of this service. The OIG team informally recommended that the consulate revise the formula to determine an accurate charge for this service.

Another anomaly noted was the official hours for motor pool operations, which are from 6:00 a.m. to 4:45 p.m. The official working hours for the consulate are 8:00 a.m. to 5:00 p.m. It was not clear why all drivers needed to start at 6:00 a.m., when only one or two are assigned to shuttle services which start at 7:00 a.m. In verifying motor pool records, some drivers earn at least two hours of overtime each day. This issue is the subject of another informal recommendation.

## Procurement

The procurement section provides good services to all consulate's agencies and sections. The section executed 1,508 procurement actions in FY 2007, totaling about \$959,621.00. Despite providing good customer service, the section is not administering its procurements as required. The management control section of this report addresses two major contracting issues.

Consulate General Rio de Janeiro needs to improve its purchase order procedures. A random sample of purchase orders showed that, in many instances, competitive quotations were not obtained for purchases above the micro-purchase threshold. Some of the purchase orders reviewed did not show important transactional information, such as competition, determination of price reasonableness, and the systematic presentation of cost and other information regarding quotations as required by Federal Acquisition Regulations 13.106-3. Some of the official procurement folders (DS-1918) were not reviewed and signed by the contracting officer as required by A/OPE. Purchases from a sole source were not documented adequately. The justifications were almost always assertions by the requesting office that sole source purchases were necessary, with no indication of further review by the procurement office. Records of correspondence between those receiving services and the procurement section, and documentation identifying who requested services, were sometimes missing. It appears that the office splits orders so they can be under the micro-purchase threshold to avoid the solicitation of three quotes. There is no oversight from the consulate's contracting office on procurement operations. Not promoting fair procurement practices is a serious weakness in the management of procurement operations.

**Recommendation 51:** Embassy Brasilia should establish and implement written procedures for purchase orders at Consulate General Rio de Janeiro so they are prepared in accordance with Federal and Department acquisition regulations. (Action: Embassy Brasilia)

## Information Management

Consulate General Rio de Janeiro's IRM office is staffed by two Americans and 10 LE staff. In addition to routine IRM functions, the office manages the reproduction unit, provides visitor reception services, and assists the general services office with arranging and revising travel for temporary duty personnel. IRM operations at

the consulate general have gone through several changes. For example, as part of a rightsizing exercise, the consulate general lost a telephone technician position, and the mailroom staff took over the reproduction unit's duties. Further, the consulate general is no longer the hub for military post office mail or classified pouches. The consulate general was in the process of a new telephone system installation while the OIG team was at post. Just as their fellow constituent posts, they are plagued by mission-wide issues that are addressed in the Mission Brazil information management section of this report. However, the OIG team found areas for improvement that are specific to this consulate general, such as changing skills requisite requirements for future IMS staff arriving at post.

### Skills Requisite for Information Management Specialists

Consulate General Rio de Janeiro incoming IMS do not have training on Nortel CS1000E. As part of a rightsizing initiative the consulate general removed the telephone technician position in 2005 and transferred responsibility for the telephones to the IMS position. The previous telephone technician is now the systems manager and serves as a backup for the telephone system. However, his duties in the computer unit are demanding and leave little time for telephones. Additionally, of the 15 weeks of training IMS staff receive at the Foreign Service Institute, only one week is telephone related. At most posts, LE staff are the telephone experts, thus IMS staff have little experience in this field. In theory, Embassy Brasilia provides emergency telephone assistance; however, the lack of travel funds precludes this from occurring. It would be beneficial for post to establish a mechanism to have all future IMS staff receive training on the telephone system at post before arrival.

**Recommendation 52:** Embassy Brasilia should require incoming information management specialists arriving at Consulate General Rio de Janeiro to be trained on the post's current telephone system. (Action: Embassy Brasilia)

## CONSULATE GENERAL SAO PAULO

Sao Paulo is the industrial and financial heart of Brazil. Consulate General Sao Paulo is located in a neighborhood in the southern zone of the city. The move to this new site was completed in January 2004 and placed all U.S. government agencies, including the Agriculture Trade Office and the U.S. Foreign Commercial Service, onto one large and spacious government-owned compound. In addition, the

consulate general also hosts the Drug Enforcement Administration, Department of Agriculture's Inspection Service, and a contingent of Marine security guards.

Because of the consular district's economic and political importance, the consulate general ranks high among Foreign Service posts, and is one of the largest consulates general in the world. The consular section is one of the busiest in the world, and Sao Paulo now ranks as the fifth largest NIV issuing post.

Economic and commercial work is equally important as the consulate general supports over 500 American companies that have investments in Sao Paulo. It also promotes U.S. exports through the U.S. Foreign Commercial Service. The number of trade events and U.S. companies traveling to Brazil to participate in U.S. Foreign Commercial Service and Foreign Agriculture Service programs has tripled over the last three years.

## Management

The consul general is a respected and experienced officer who has just arrived in Sao Paulo and has already taken a hands-on management approach. A good listener, he spent his first few weeks learning as much as possible about the consulate before making any changes. Sao Paulo's management operations are in reasonably good shape. A first time supervisory GSO, assisted by an assistant GSO with a military background, runs a tidy and relatively efficient operation. Both officers are ably assisted by an experienced facilities maintenance officer who runs an extensive consulate and residential maintenance program.

Larger than many embassies, Consulate General Sao Paulo requires a firm management hand at the tiller, but the performance of the mid-level management officer has been mixed, albeit under difficult conditions. The management sections spend a substantial part of their time and limited resources in support of the Ambassador, who visits Sao Paulo frequently (in excess of 50 times over the past year alone) as well as a steady stream of high-level visitors. This leaves officers with very little time or resources for other important tasks or for planning their work. Financial resources allocated to the consulate general, while sufficient, are extremely tight, and managers have to make difficult choices among equally deserving alternatives all the time.

In interviews, most respondents directed criticism at the HR operation (see HR section). In its defense, the section was short one employee for most of the year at the same time that a substantial number of new employees were being recruited for the consular section. Nevertheless, the section was described as unresponsive and hostile to LE staff. (b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)





## Property and Warehouse

The consulate general manages its property well. Physical inventory and reconciliation certifications were on file, and annual inventories of U.S. government-owned property are up to date and submitted to the Department on time. Except for some other agency personnel, residential inventories are current and complete. The GSO assesses employees for lost or damaged items, and collects reimbursements prior to departure from post.

The on compound warehouse is spacious, clean, and well organized, but access is available to any American by checking out the key at Post One. The OIG team made an informal recommendation to limit access to authorized personnel only.

New and used household furniture and appliances are neatly arranged and shelved by agency. Items are appropriately segregated and tagged for easy identification between ICASS and program. The receiving area is segregated from the warehouse, but access is not controlled. The OIG team made an informal recommendation to limit access.

## Housing

Sao Paulo's housing program is well run as attested to by the scarcity of comments in employee personal questionnaires. The housing pool consists entirely of short-term leased apartments except for six single family residences on an enclosed compound. Most of the housing is in the Jardins neighborhood in the vicinity of the old consulate general. Many staff members with small children prefer to live on the residential compound, close to the American School of Sao Paulo. Two apartments are leased in the city of Santos for the DHS Container Security Initiative employees based there. Sao Paulo was recently selected to be part of OBO's pilot program Real Benchmarking Initiative that eliminates the requirement for requesting residential lease waivers for those properties that are under \$50,000, at or below the established Real Benchmarking Initiative and within required space standards.

Employees who live in the Jardins neighborhood, in particular, are very satisfied with their housing, and are reluctant to relocate to the neighborhoods around the new consulate despite traffic congestion or a longer commute. Sao Paulo's IAHB is representative of the consulate community, and members take their roles seriously. They work well together under a very dedicated and capable chairperson. The board makes all housing assignments and listens to and adjudicates appeals fairly.

## Facilities

The consulate general is located in several buildings on an attractive and spacious compound, with well maintained grounds that provide a secure and pleasant work environment. Sao Paulo's zoning regulations are strict and environmentally friendly. City authorities require, for example, that each tree on the compound be accounted for, and permission must be sought before one is cut down. Before moving onto the compound in 2004, the building contractor had cleared space by cutting down some trees, but when the city government learned of it they assessed a fine of R48,000 (about 23,000 USD).

Despite the U.S. government's inability to sell any property, the management officer, with OBO guidance, has been negotiating to transfer the old consulate general building to an interested buyer under an agreement that will allow occupancy but not a transfer of title. Once Brazil passes the necessary legislation, title will be transferred.

## Shipping

Several respondents complained about inordinate delays in receiving shipments and registering personally owned vehicles. Release of shipments and registration of vehicles is a time-consuming process requiring clearances by several Brazilian government departments with exacting and precise requirements. The resulting delays frustrate many employees and contribute to a poor perception of the section's service delivery and customer service. Welcome kit information sent to incoming employees and check-in materials generally describe procedures and timelines to clear incoming household effects and register personally owned vehicles. Even armed with this information, employees will likely experience frustrating delays as long as Brazilian government processes remain unchanged. The efficacy of shipping and customs received relatively low workplace and quality of life questionnaire scores.

## Travel

Consulate General Sao Paulo has far less resources than Embassy Brasilia to handle the steady flow of official visitors. The Ambassador's frequent travel to Sao Paulo taxes the limited motor pool and human resources of the post, and his spouse's visits divert significant resources (an armored vehicle and driver, a guard, an expeditor, and a protocol assistant) in support. The consulate general does not have a visitor's office to coordinate visits. In addition to political officers, the management officer, the GSOs, the deputy principal officer, and consular officers get involved on an ad hoc basis in preparation for visits and as control officers. Consulate

General Sao Paulo has no established formal visitor management program but relies on Brasilia's visitor management handbook for guidance.

## Information Management

Sao Paulo's IRM office consists of three Americans and 13 LE staff. The IRM office provides the normal IRM functions and also serves as the classified pouch hub for the country. The consulate general is providing adequate support; however, technological requirements for the alternate command center should be reassessed.

## Technological Requirements for Alternate Command Center

The consulate's technological requirements for their alternate command center should be reassessed. The alternate command center should have similar supplies as the emergency action committee's command center as described in 2 FAH-1 H-261b. The alternate command center for the post has one workstation. The OIG team does not believe this is feasible for an alternate command center with 14 members and six from other agencies. In the event of an emergency, post may find it ineffective to share one workstation while trying to keep their respective agencies abreast of issues. The OIG team made an informal recommendation for post to evaluate the technological needs of the alternate command center and make necessary changes.

## CONSULATE RECIFE

Recife's principal officer has done an excellent job balancing her substantive responsibilities with her numerous consulate management responsibilities. Until a month ago, she and one public diplomacy LE staff member were responsible for all public diplomacy, political, and economic activities in the consulate's district. Although the steady stream of construction projects and the six-month gap in the management officer position taxed her time, she accomplished a number of successful outreach activities, produced helpful and timely reporting, and coordinated numerous activities and visits from embassy staff. She also has been proactive in rectifying problems in the consular section. Both the Ambassador and the DCM gave her high marks for her substantive accomplishments as did other embassy section heads.

The principal officer also received outstanding marks from her staff on leadership skills. She is well respected and has a reputation for being a hard worker. Morale among both Americans and LE staff is high, facilitating the mission's ability

to creatively accomplish its most important goals with limited resources. Communication within the consulate is excellent; the principal officer holds a weekly meeting with all consulate staff to discuss the upcoming week's events and Embassy Brasilia's priorities.

## Resource Management

Recife depends heavily on the embassy for staffing, funds, and expertise. The consulate is often staffed with inexperienced officers and, with only five direct-hire American positions, is significantly impacted by the summer transfer cycle. While the embassy appears to have done its best to minimize the impact of staffing gaps (for example, by rotating management officers into Recife during one gap), the mission has not been aggressive in ensuring that embassy staff responsible for Recife travel to the consulate communicate regularly with staff there. As discussed in the classified annex, the lack of regular IMO visits has contributed to problems with classified systems and in meeting unclassified requirements. Lack of coordination between Embassy Brasilia's previous facilities manager and one of Recife's prior management officers contributed to the misuse of 7901 funds for the construction of a warehouse. (OBO has been alerted to this issue.) Additionally, the consulate's chronic fire alarm problems stem partially from a lack of coordination and communication between the consulate's maintenance section (which has had a number of LE staff supervisors over the last few years), Embassy Brasilia's facilities manager, and OBO project managers. The current facilities manager has taken steps to correct the fire alarm problems.

Recife will likely continue to be plagued by staffing gaps, and will be expected to operate with inexperienced officers lacking training in all of the disciplines for which they are responsible. The newly assigned management officer, for example, is assigned as the post security officer but has not yet received formal training (as discussed in more detail in the classified annex) and will require close oversight from the RSO.

**Recommendation 53:** Embassy Brasilia should establish and fulfill a formal oversight schedule to ensure that all officers with responsibilities for Consulate Recife have the funding and time to travel to Recife on a regular basis. (Action: Embassy Brasilia)

During and just prior to the inspection, the supervisory consular chief, PAO, and management officer arrived to bring consulate staffing to full strength. These officers will relieve the principal officer of many of the tasks she took on including conducting cash counts, physical inventories, maintenance staff meetings, and visiting an American prisoner. The principal officer stressed that she needed an additional direct-hire position to cover information management and security operations. While the OIG team acknowledges the consulate's problems with information technology equipment and security operations (discussed further in the classified annex), the enforcement of quarterly visits by embassy staff and the newly arrived direct hires should improve those operations.

Consulate Recife officials informed the OIG team that both a public diplomacy LE staff member and a Foreign Commercial Service LE staff member were going to be relocated to Recife. However, these personnel actions were not mentioned in the MSP and had not been requested through the formal NSDD-38 process. (Recife had requested a political/economic LE staff member in the last two MSPs.) The embassy's facilities manager informed the OIG team that the proposed office space for the Foreign Commercial Service representative is not safe. Given the recent consular section upgrade and the consulate's hopes to add public diplomacy, Foreign Commercial Service, and political/economic LE staff members to the compound, the OIG team made an informal recommendation that the facilities manager develop a new site plan for Recife incorporating planned staffing additions.

Consulate Recife staff complained that their representation and travel budgets were cut in half from FY 2006 and FY 2007. Travel for training was deferred until the end of the fiscal year, jeopardizing professional development. The principal officer said it was difficult maintaining contacts with limited budgets, and consular officers said they would benefit from additional travel within the consular district. However, officers also noted that they would have had difficulty using additional travel funds because of the need to cover the vacant management officer position, to supervise ongoing construction work, and the inability of consular officers to get away from the visa window.

Other Recife management operations were on track largely due to cooperation among American staff and the experience and motivation of the LE staff. As with any small consulate, most staff accomplish varied tasks, and a separation of duties is not always possible.

## Information Management

Management of Consulate Recife's IRM duties is complex. The consulate has five direct-hire Americans assigned to post and over 30 LE staff. The post does not have the traditional IRM office with centralized duties because of the small staff. As a result, most individuals are assigned more than one area of responsibility. For example, the primary systems manager for the unclassified network is also responsible for telephones. The senior LE staff member for the general services office is the backup systems manager. The mailroom clerk is also the principal officer's chauffeur – his backup is the GSO assistant. The telephone operators are also clerks in the consular section. Additionally, a frustrating consequence of being a small post is that there is no American systems manager, and Embassy Brasilia's information systems security officer must provide periodic visits to handle matters on the classified network. Despite this array of duties, most of the consulate's IRM duties are being performed adequately. The OIG team identified areas of improvement such as the protection of privacy, access controls for the server room, cellular phone policy, and creating and maintaining password acknowledgement receipts.

## Protection of Privacy

Protection of privacy information needs improvement. While analyzing the unclassified network, the OIG team identified a document with privacy information for Mission Brazil personnel in a public folder. The OIG team determined that the majority of personnel at the consulate have the home phone and cellular phone numbers of their coworkers. Personal phone numbers are provided to staff because most of them are performing collateral duties. The OIG team is concerned that privacy is not being properly protected according to 5 FAM 462. Given the crime threat in Brazil, a relaxed environment leaves the potential for privacy information to be given to persons with malicious intent, and the results can have minor to serious consequences.

**Recommendation 54:** Embassy Brasilia should review Consulate Recife's privacy policies and establish and implement procedures according to Department guidelines for the protection of privacy information for its personnel. (Action: Embassy Brasilia)

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### Cellular Phone Policy

The consulate has no documented cellular phone policy. Approximately 25 consulate staff members have government-issued cell phones. The systems manager distributes the cellular phones, maintains the inventory, and provides a verbal briefing to recipients. Upon receipt of the cellular phone, the employee signs a document acknowledging receipt, but does not acknowledge that they are aware of the cellular phone policy. All posts or bureaus should establish and document a cellular phone policy and its requirements as stated in 5 FAM 526.1. All personnel with government-issued cellular phones should be aware of and acknowledge their responsibilities in accordance with Department policy. The OIG team made an informal recommendation for the consulate to document and disseminate a cellular phone policy to all personnel with government-issued cellular phones.

### Password Acknowledgement Receipts

The consulate’s system manager does not provide password acknowledgement receipts for the unclassified network. Upon arrival at post, the systems manager provides a user identification and password for the unclassified network on a piece of paper. Users at the consulate do not sign an acknowledgement receipt for their unclassified user identification and password. Additionally, because this is not being done, the information systems security officer is unable to maintain the password



receipts as required by 12 FAM 622.5. Users must acknowledge receipt of their password and user identification by signing a receipt as stated in 12 FAM 622.1-3d. This leaves the consulate and the embassy in noncompliance with Department guidelines. The OIG team made an informal recommendation for the consulate to begin using password receipts when providing user identifications and passwords on the unclassified network.



## MANAGEMENT CONTROLS

The OIG inspection identified several weaknesses in internal controls and lapses in management oversight. Several high-risk areas in the embassy and constituent posts need greater attention. The risk assessment questionnaire completed by the embassy and its constituent posts shortly before the inspection and scored by the Bureau of Resource Management showed acceptable scores in all sections, with some scoring 100 percent.

As required, the annual Chief of Mission management certification was prepared, signed, and forwarded to the Department on July 18, 2007 with no major reportable deficiencies. The certification that was conducted by Embassy Brasilia and all constituent posts said that it was conducted in a conscientious and thorough manner in accordance with the Department's Internal Control Directive, but that is not the case. Two reportable weaknesses have existed during the period for which the certification was prepared. In Rio de Janeiro, the doctor who provides medical services has been paid without a valid contract since 2002. Also, for two years the consulate general has been requesting language services and paying the language instructor without a valid obligating document. Because they constitute serious weaknesses, they must be reported with an accompanying plan to correct deficiencies. In accordance with 2 FAM 023.2, the embassy needs to submit to the Department a revised certification and report.

**Recommendation 56:** Embassy Brasilia should prepare and forward a corrected certification of management controls in the format required by the Department's Foreign Affairs Manual. (Action: Embassy Brasilia).

### Financial Management

A number of financial management controls need to improve. As mentioned in the Consulate Recife section above, a number of construction activities occurred in Recife using incorrect funding sources and without the facilities manager's knowledge. Embassy Brasilia financial management staff certify all Consulate Recife

payments, and are responsible for ensuring that payments are made using the proper funding source. The FMO noted that Consulate Recife supporting documentation is sometimes not detailed enough, and agreed to work more closely with Embassy Brasilia's facilities manager to keep abreast of ongoing construction projects. The OIG team made an informal recommendation that Embassy Brasilia request that Recife provide more detailed supporting obligation and payment documentation. The OIG team also made informal recommendations related to travel advances, the supervisory cashier's safe, and other agency advice of allotment cables.

## Internal Controls

The OIG team reviewed travel, including premium and invitational travel, and found deficiencies in internal controls and a lack of oversight in managing travel.

The embassy's use of premium travel was difficult to assess because, unlike most embassies, Brasilia does not have a central travel office where travel files are located and maintained. Information on travel resides in several offices. Travel authorizations are kept in the HR office, travel vouchers are filed in the financial management office, and travel itineraries and schedules are stored in the Carlson Wagonlit Travel office on the compound. Consequently, the OIG team was unable to determine if premium travel at Embassy Brasilia had been authorized and performed as required by regulations. Those travel vouchers reviewed by the OIG team contained a wide assortment of problems, a number of which will require that the traveler reimburse the U.S. government for unauthorized or inappropriate reimbursements related to travel. With the increased use of e-tickets, travelers are no longer including ticket stubs with their vouchers for reimbursement nor are boarding passes required as substitutes. Some travelers are submitting itineraries as substitutes, but these do not establish what actual flights were used.

In reviewing travel, the OIG team found a number of trips in which the traveler was authorized premium travel for a trip that was less than 14 hours in duration. On many others, travelers were allowed to travel business class on flights longer than 14 hours in duration even though there were regularly-scheduled U.S. carrier flights covering the same route in less than 14 hours. During interviews with the travelers as well as with management officers handling travel, it was clear that the mission was not exercising proper oversight and management control of premium travel.

**Recommendation 57:** The Bureau of Resource Management, in coordination with the Bureau of Administration, should conduct an audit of all premium class and home leave travel performed by the staff of Mission Brazil in fiscal years 2006 and 2007 and should seek reimbursement for any inappropriate reimbursements. (Action: RM, in coordination with A)

In performing official travel within Brazil, the embassy uses blanket travel authorizations extensively. Ideally, to ensure proper internal control, each in-country trip should be authorized and funded separately, and the purpose for the trip clearly stated. However, blanket authorizations were routinely used for in-country travel, and often were used to fund the domestic legs of international trips. The blanket authorizations used for this domestic travel included authorizations for actual lodging expenses, when necessary.

A review of travel vouchers, both domestic and international, uncovered a number of instances when the traveler was reimbursed for actual lodging expenses, well above the per diem rate, but no justification for the higher reimbursement rate was made part of the travel voucher. Discussions with the management officers responsible for certifying vouchers revealed that such actual lodging costs were routinely approved for payment at the higher subsistence rate without returning the vouchers to the traveler for a justification of the higher rate.

**Recommendation 58:** Embassy Brasilia should enact a procedure to require any traveler claiming a lodging rate above per diem to provide a justification for the request for actual charges. (Action: Embassy Brasilia)

The embassy was not seeking authorization from the regional bureau in advance of all official travel outside of Brazil by the Ambassador, nor was the purpose of his trip adequately explained in several instances. In some cases, the cables requesting permission for the Ambassador to depart Brazil did not explicitly advise the Department that the planned travel was official and would be performed using mission program funds. During the course of the inspection, the OIG team reviewed the correct procedures for use in seeking authorization for and properly documenting official chief of mission travel to the United States for the Front Office support staff and the management officers. The embassy instituted these procedures during the course of the inspection so no formal recommendation was made.

In several instances, the management officer authorized embassy travelers to accept invitational travel in-country, on privately owned aircraft (or in one case, on government of Brazil aircraft), as required by regulation. In other instances, invitational travel to an international destination was authorized by the executive director or the Assistant Secretary of the regional bureau (though in some cases, that authorization was sought after the fact). These acceptances of invitational travel by embassy travelers were duly reported in the embassy's annual solicitation and/or acceptance of gifts reporting to the Department, but the report did not list the acceptance by the spouses of the travelers. Finally, in all instances where the embassy requested Washington approval for acceptance of invitational travel, or in which the embassy management officer approved a domestic acceptance of invitational travel, the post neglected to obtain L/Ethics approval for the acceptance of such travel by the spouse of the traveler. In discussions with the responsible management officers at post, it was clear that this had been due to a lack of understanding of Foreign Affairs Manual regulations regarding acceptance of invitational travel rather than a conscious omission. The OIG team counseled the management officers on the proper procedures for approval of invitational travel, and the embassy had already adopted the new procedures during the course of the inspection. An informal recommendation was made to seek advice from the Office of the Legal Adviser regarding the proper method to seek retroactive approval for those instances of invitational travel that had not been cleared in advance.

A review of travel vouchers identified at least one case when the traveler flew on a foreign flag carrier from Brazil to the United States. The voucher did not contain a copy of the memo of justification nor did the material explain the circumstances that necessitated the employee to use a foreign flag carrier in lieu of the regularly scheduled U.S. carrier flight.

**Recommendation 59:** Embassy Brasilia should seek repayment from the traveler for the cost of the flight performed on the foreign flag carrier unless the traveler is able to produce a properly executed and signed justification memo that was approved in advance of the flight. (Action: Embassy Brasilia)

The OIG team also reviewed the mission's use of U.S. government resources for other than official use and found that there was insufficient oversight and control leading to inappropriate use of these resources.

Motor pool dispatcher, driver, expeditor, security, and protocol resources have been provided on a reimbursable basis by both the consulates general to support members of the Ambassador's family. The DCM, management counselor, and RSO had decided that this was the safest way to provide such support. Based on their advice, the Ambassador agreed to this arrangement, but asked that he be billed for all costs involved in such support. Senior management then authorized the use of vehicles and other resources in the mistaken belief that reimbursement by the Ambassador would be acceptable. The OIG team also found that even where reimbursement was sought, the value of such resources or services was significantly undervalued. Embassy management officers decided that they could only bill the Chief of Mission for staff overtime costs and for a set mileage rate for motor vehicles on the logic that it would be inappropriate to charge for costs of U.S. direct-hire employees during their normal working hours. To do so, they argued, would charge the Ambassador for resources already funded by appropriations. The OIG team counseled the management officers, reviewed the allowable other authorized uses of U.S. government vehicles and informed them that U.S. staff members could not be used to support nongovernmental activities, even in those instances when reimbursement is charged. The Ambassador immediately directed the management section to cease providing any such support to his family members and directed them to enact a process to ensure that no inappropriate use be made of U.S. government resources in the future. He also volunteered to reimburse the U.S. government for the full cost of support provided to his family.

**Recommendation 60:** Embassy Brasilia should seek guidance from the Office of the Legal Adviser to clarify whether it is appropriate to charge the Ambassador for the use of U.S. government resources already expended to support his family members and, if it is determined that it is appropriate, seek reimbursement. (Action: Embassy Brasilia)

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## Consulate General Rio de Janeiro

### Contracting Activities

Consulate General Rio de Janeiro does not use any hiring mechanism to obtain services from a language instructor for the post language program. In fact, there is no binding agreement that sets rates and prescribes how the services would be delivered. The consulate general maintains that the relationship is between the instructor and the students. However, the consulate general provides educational materials for language instruction. The instructor works three days a week for a total of 20 hours although the instructor sometimes works more hours.

A purchase order or nonpersonal service contract would be appropriate when language services are procured from a language institute or business and the company's employees report to the mission (in this case the consulate), or the employees go to the company or the institute's offices. In this case, A/OPE needs to review the procurement proposal to make sure that it is an appropriate procurement action and that an employer/employee relationship does not exist.

A/OPE also cautions that if a teacher is working on U.S. government premises, using U.S. government property and supplies, the individual may be more properly considered a personal service employee. Furthermore, if the teacher only teaches for the U.S. government and for no one else, the relationship could be construed as an employer-employee relationship.

The consulate general has set up a nontraditional way for payment. A voucher is prepared monthly, the students pay the instructor, and the consulate then reimburses the students. In reviewing the process, the OIG team verified that some students who had not paid the instructors were reimbursed anyway. Despite requests for further details, the OIG team could not determine how the process works. In reviewing the paid vouchers, the instructor was paid two different rates for the same services. Not having any kind of agreement or verifying that adequate documentation supports payments are major management oversights. The reimbursement process does not meet any Department financial guidelines.

**Recommendation 62:** Embassy Brasilia should stop requesting the services of the language instructor without any legal binding document, seek the assistance from the Bureau of Administration to determine what hiring mechanism is appropriate for the language instructor, and establish and implement proper payment procedures at Consulate General Rio de Janeiro. (Action: Embassy Brasilia)

## Medical Services

The medical doctor at Consulate General Rio de Janeiro has been paid without a valid contract. This contract does not have a designated contract officer representative on file. The last renewal (which the consulate calls an “amendment”) on file expired in 2002. In accordance with the original contract, the doctor provides six hours of services every week. The doctor submits a voucher for his services and receives an electronic funds transfer payment from Global Financial Services in Charleston when the services are certified.

The original contract, signed in 1996, states the rate that the government pays as \$41.67 per hour, but this is not the case. In reviewing payments, the OIG team found that the rate that the doctor charges is \$50.00 per hour. There were no justifications attached regarding the increased rate nor is there a valid amendment included reflecting the rate change. In effect, payments related to this contract may have resulted in unauthorized commitments by the certifying officer.

The consulate’s certifying officer failed to follow prescribed procedures for voucher review before processing payments. 4 FAM 425 requires the prepayment examination and approval of vouchers by an authorized officer before being certified for payment. Prepayment examination consists of checking for proper, legal, and correct payment, and for proper supporting documentation.

Criteria for certification of vouchers for payment are based upon documentary evidence for obligations (4 FAM 082.6) that in part states: “The Supplemental Appropriations Act of 1955 (31 U.S.C. 1501) as amended, Section 1311 of Pub. L. 663 of the 83rd Congress, provides that obligations of the government of the United States be supported by documentary evidence of: (1) A binding agreement in writing between the parties, including government agencies, in a manner and form and for a purpose authorized by law, executed before the expiration of the period of availability for obligation of the appropriation or fund concerned for specific goods to be delivered, real property to be purchased or leased, or work or services to be performed.”

**Recommendation 63:** Embassy Brasilia, in coordination with the Bureau of Administration and Bureau of Resource Management, should report the potential fiscal irregularities involved in the payments that were made to the recipient of contract number S-BR-820-C-95-0001 when a valid obligating document did not exist and ratify the transactions involved in such contract. (Action: Embassy Brasilia, in coordination with A and RM)

## Property Management

The value for both nonexpendable and expendable inventories in FY 2006 was \$3,212.854. Although the reported figures for shortage and overages were within acceptable standards, there is no assurance that those figures are correct. The section is not working efficiently. Personnel in the office perform all inventories by hand, and input that information into the web nonexpendable property application system. A review of the residential files showed that household inventories are also not accurate. Some occupants have not returned their household inventory certifications to the general services section on time, or when they do, reconciliation of missing items is not updated. The property section had not been closely supervised, and the weaknesses described above affect the overall management controls program.

The OIG team found other weaknesses with property record keeping and management, including:

- The receiving duties were not performed as stated in regulations.
- Spot checks on inventories have not been performed or documented.
- The employees of the property office interchangeably performed the property management functions of warehousing, receiving, inventory record keeping, and disposing. This represents a weakness in internal controls.
- Receiving documentation was not always prepared at the time property was received, and data was not always entered into inventory systems for receipts and issuances of property in a timely manner.
- The poorly controlled environment was highlighted by the section's lack of written policies and procedures.
- None of the property employees has received formal training in property management.

- The property staff was unaware of internal controls requirements.
- The disposal area was not clearly identified.
- Storage of many of the items found in the warehouse is disorganized; the furniture is extremely cluttered. The furniture items placed on the top shelves cannot be reached easily.

The GSO needs to dedicate a significant amount of time to establish internal controls and discipline in the management of property. In addition, the OIG team believes that the consulate general might need additional staff to adequately maintain management controls over personal property.

**Recommendation 64:** Embassy Brasilia should establish and implement proper accountability and management controls over expendable and nonexpendable property at Consulate General Rio de Janeiro. (Action: Embassy Brasilia)

## FORMAL RECOMMENDATIONS

### RIGHTSIZING

- Recommendation 1:** Embassy Brasilia should cease the approval of additional direct-hire positions until adequate working space has been identified. (Action: Embassy Brasilia)
- Recommendation 2:** Embassy Brasilia should review and revise its chancery building plan to ensure that all direct-hire employees have adequate and secure working space. (Action: Embassy Brasilia)
- Recommendation 3:** Embassy Brasilia should require the Library of Congress field office in Rio de Janeiro to perform a baseline study of its operational and staffing requirements to determine whether its operations could be conducted from a regional platform in Sao Paulo and/or by contracting out portions of its work such as packing and shipping. (Action: Embassy Brasilia)

### POLITICAL

- Recommendation 4:** Embassy Brasilia, in coordination with the Bureau of Democracy, Human Rights, and Labor, should carry out a plan to increase reporting on labor, human rights, and trafficking in persons and to streamline preparation of its annual human rights report. (Action: Embassy Brasilia, in coordination with DRL)
- Recommendation 5:** Embassy Brasilia should prepare and carry out a travel reporting plan, appointing a travel coordinator to ensure that countrywide travel makes the best use of resources by combining work for different agencies and sections and including a public diplomacy component. (Action: Embassy Brasilia)
- Recommendation 6:** Embassy Brasilia should complete rebuilding of the political files it inadvertently lost in 2007 and put in place procedures to ensure that necessary records are maintained and used. (Action: Embassy Brasilia)

**Recommendation 7:** Embassy Brasilia should request assistance from the Bureau of Democracy, Human Rights, and Labor to put in place a more effective and less onerous system for conducting Leahy Amendment checks on all Brazilian officials recommended for training in the United States. (Action: Embassy Brasilia, in coordination with DRL)

## ECONOMIC AND COMMERCIAL AFFAIRS

**Recommendation 8:** Embassy Brasilia should prepare a reporting strategy to guide economic reporting, link it to the mission's policy priorities, and clarify how each consulate can best contribute to mission-wide reporting. (Action: Embassy Brasilia, in coordination with WHA)

**Recommendation 9:** Embassy Brasilia should reprogram position number 01807000 from the political section to the economic section. (Action: Embassy Brasilia)

**Recommendation 10:** Embassy Brasilia should name a terrorist finance coordinator and devise and carry out a plan to increase its efforts in this area, establishing a central record of activities and following up on all Brazilian promises of action in response to its demarches. (Action: Embassy Brasilia)

## LAW ENFORCEMENT AND NARCOTICS AFFAIRS

**Recommendation 11:** Embassy Brasilia, in coordination with the Bureau of International Narcotics and Law Enforcement Affairs, should make the heads of its political and narcotics assistance sections members of its law enforcement working group, ensuring that they are included, as appropriate, in policy deliberations and should keep and distribute minutes of the working group's meetings. (Action: Embassy Brasilia, in coordination with INL)

## FOREIGN ASSISTANCE PROGRAMS

**Recommendation 12:** Embassy Brasilia should create a foreign assistance coordinating group, chaired by U.S. Agency for International Development and including all agencies with policy or program interests in assistance. (Action: Embassy Brasilia)



## PUBLIC DIPLOMACY

**Recommendation 13:** Embassy Brasilia should build on existing mechanisms, such as the monthly country-wide digital videoconference programs and the daily press briefing, to devise, implement, and follow a program planning strategy to keep public diplomacy officers informed so they can support Ambassadorial outreach more efficiently and effectively. (Action: Embassy Brasilia)

**Recommendation 14:** Embassy Brasilia, in coordination with the Bureau of Western Hemisphere Affairs, should conduct a country-wide public diplomacy program and operations review to assess results and effectiveness, identifying mandatory responsibilities and high priority programs, and identifying lower priority activities that can be eliminated, so that public diplomacy Brazil's human and financial resources are aligned in support of mission goals and objectives, reflecting budget, staffing, and policy realities. (Action: Embassy Brasilia, in coordination with WHA)

**Recommendation 15:** Embassy Brasilia should review and revise the work requirements statements of public affairs officers Rio de Janeiro and Sao Paulo, information officer Rio de Janeiro, and cultural affairs officers Brasilia and Sao Paulo to reflect new responsibilities assumed after the elimination of Foreign Service officer positions in their respective posts. (Action: Embassy Brasilia)

**Recommendation 16:** Embassy Brasilia should clearly establish the role, responsibilities and work requirements statements for American presence officers Belem, Belo Horizonte, and Porto Alegre, along with clear and consistent rating and reviewing officers within 45 days of the arrival at post of each officer. (Action: Embassy Brasilia)

**Recommendation 17:** Embassy Brasilia, in coordination with the Bureau of Western Hemisphere Affairs, should work to obtain and set aside the necessary program funds to support each American presence officer's necessary travel to Belem, Belo Horizonte, and Porto Alegre prior to the resolution of the bilateral tax dispute and the acquisition of appropriate office space and housing in those cities. (Action: Embassy Brasilia, in coordination with WHA)

## CONSULAR AFFAIRS

**Recommendation 18:** Embassy Brasilia should request, and the Bureaus of Consular Affairs and Western Hemisphere Affairs should approve, the creation of a FS-03 deputy nonimmigrant visa chief position for the consular section in Sao Paulo. (Action: Embassy Brasilia, in coordination with CA and WHA)

**Recommendation 19:** Embassy Brasilia should request and the Bureaus of Consular Affairs and Western Hemisphere Affairs should approve an additional six entry level officer positions for nonimmigrant work in Brazil (in addition to those approved in 2007) and fund a commensurate additional increase in locally engaged staff for nonimmigrant visa operations. (Action: Embassy Brasilia, in coordination with CA and WHA)

**Recommendation 20:** Embassy Brasilia should devise a plan, and the Bureau of Consular Affairs should support it with additional resources, for how it could utilize effectively non-Portuguese-speaking when actually employed officers. (Action: Embassy Brasilia, in coordination with CA)

**Recommendation 21:** Embassy Brasilia should design and implement an expansion of the intake capacity from the sidewalk into the street-side nonimmigrant visa processing area in Sao Paulo. (Action: Embassy Brasilia)

**Recommendation 22:** Embassy Brasilia should install a sophisticated queuing system for the nonimmigrant visa unit in Sao Paulo. This would be tied in with the appointment system to allow for electronic verification of appointments and allow multiple streams of queues in nonimmigrant visa processing. (Action: Embassy Brasilia)

**Recommendation 23:** Embassy Brasilia should replace the locally employed staff member who works as a receptionist in the NIV waiting area in Sao Paulo with a contract employee and reassign that locally employed staff member to work inside the nonimmigrant visa work area. (Action: Embassy Brasilia)

**Recommendation 24:** Embassy Brasilia, in coordination with the Bureau of Western Hemisphere Affairs, the Bureau of Overseas Buildings Operations, and the Bureau of Diplomatic Security, should design and implement a plan to expand the nonimmigrant visa waiting area in Sao Paulo. (Action: Embassy Brasilia, in coordination with WHA, OBO, and DS)

**Recommendation 25:** Embassy Brasilia, in coordination with the Bureau of Western Hemisphere Affairs and the Bureau of Overseas Buildings Operations, should design and implement a plan to construct several additional windows in the non-immigrant visa unit in Sao Paulo. (Action: Embassy Brasilia, in coordination with WHA and OBO)

**Recommendation 26:** Embassy Brasilia should fund a redesign of the work area in the nonimmigrant visa unit in Rio de Janeiro and furnish it to accommodate the increased officer and locally employed staff positions that have been approved and those that should be requested. (Action: Embassy Brasilia)

**Recommendation 27:** Embassy Brasilia should approve and fund the creation of a fourth locally employed staff position in the American citizens services unit in Rio de Janeiro. In addition, the most senior position in that unit should be designated as the supervisor of the other three locally employed staff, and the position should be reclassified. (Action: Embassy Brasilia)

**Recommendation 28:** The Bureau of Overseas Buildings Operations should fund the construction of a second window for American citizens services in the consular section in Rio de Janeiro. (Action: OBO)

**Recommendation 29:** Embassy Brasilia should formulate and implement a plan in which each supervisory consular officer makes a personal visit at least once each year to their respective consular agencies and prepares an assessment, copies of which are to be sent to the Department. (Action: Embassy Brasilia)

## HUMAN RESOURCES

**Recommendation 30:** Embassy Brasilia should conduct a mission-wide review of all position descriptions, revise those that are not accurate, and reclassify the affected positions. (Action: Embassy Brasilia)

**Recommendation 31:** The Bureau of Human Resources should seek guidance from the Office of the Legal Adviser as to whether its interpretation that regional bureaus and overseas missions may select the “best” qualified candidate over a “minimally” or “fully” qualified eligible family member or veteran candidate in the Professional Associates Program is appropriate. The final opinion should be used to revise and reissue Professional Associates Program guidance. The revised guidance should clarify whether the Bureau of Human Resources, the regional

bureau, or the mission is responsible for applying eligible family member and veterans preferences, for reviewing the cost implications of the selection (if applicable), and for making the selection. (Action: DGHR)

## FINANCIAL MANAGEMENT

**Recommendation 32:** Embassy Brasilia's financial management officer should host regular meetings, at a minimum quarterly, with staff responsible for specific fund sources (the regional security officer, the public affairs officer, the narcotics affairs section director, and the facilities maintenance manager) to discuss the status of funds and to keep abreast of ongoing activities to ensure that proper funding sources are used. (Action: Embassy Brasilia)

## GENERAL SERVICES

**Recommendation 33:** Embassy Brasilia should cease the practice of rewiring newly acquired housing units to reduce the electrical current from 220 to 110 volts, and in consultation with the safety, health, environmental management division, should instead issue residents with step-down transformers. (Action: Embassy Brasilia).

**Recommendation 34:** Embassy Brasilia should assign nonforeign affairs agency personnel to government-owned properties only when the housing requirements of the foreign affairs agencies have been met. (Action: Embassy Brasilia)

**Recommendation 35:** Embassy Brasilia should establish in writing, and implement throughout the mission, required procedures and controls for contracts as described in the Federal Acquisition Regulations and Department of State Acquisition Regulations. (Action: Embassy Brasilia)

**Recommendation 36:** Embassy Brasilia should implement procedures to appoint contracting officer's representatives during the post award orientation conference in future contracts and require all contracting officer's representatives to take the Department's contracting officer's representative training course. (Action: Embassy Brasilia)



**Recommendation 44:** Embassy Brasilia should determine and purchase a sufficient quantity of backup tapes for six months of unclassified and classified electronic information throughout the mission. (Action: Embassy Brasilia)

**Recommendation 45:** Embassy Brasilia should establish and implement a records and information life cycle management program throughout the mission. (Action: Embassy Brasilia)

Consulate General Rio de Janeiro

## GENERAL SERVICES

**Recommendation 46:** Embassy Brasilia should develop a decommissioning plan, with milestone dates, for the current consulate building in Rio de Janeiro which identifies space for personnel of all agencies, administrative services that can be outsourced, and outlines disposition plans and responsibilities for sensitive equipment. (Action: Embassy Brasilia)

**Recommendation 47:** Embassy Brasilia should submit a request to the Bureau of Overseas Buildings Operations with cost estimates of the minimum requirement to keep the consulate's elevators in safe operating condition. (Action: Embassy Brasilia)

**Recommendation 48:** Embassy Brasilia should establish and implement at Consulate General Rio de Janeiro a comprehensive safety, health, and environmental management program to include meeting at least semiannually and keeping records of those meetings. (Action: Embassy Brasilia)

**Recommendation 49:** Embassy Brasilia should review and update its housing questionnaire and housing handbook to reflect the Department's housing policies. (Action: Embassy Brasilia)

**Recommendation 50:** Embassy Brasilia should establish and implement procedures to verify that all agencies under overseas housing allowance have received interagency housing board approval for their residences before signing leases. (Action: Embassy Brasilia)







**Recommendation 64:** Embassy Brasilia should establish and implement proper accountability and management controls over expendable and nonexpendable property at Consulate General Rio de Janeiro. (Action: Embassy Brasilia)



## INFORMAL RECOMMENDATIONS

Informal recommendations cover matters not requiring action by organizations outside of the inspected unit and/or the parent regional bureau and are 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.

### RIGHTSIZING

Embassy Brasilia's NSDD-38 instructions do not provide a comprehensive estimate of the costs involved in the support of a proposed position.

**Informal Recommendation 1:** Embassy Brasilia should provide the Chief of Mission with a comprehensive list of estimated costs involved in the support of a proposed staffing change at the embassy.

Embassy Brasilia's NSDD-38 instructions do not provide an estimate of the effect of a proposed position change on the ICASS costs of all agencies.

**Informal Recommendation 2:** Embassy Brasilia should provide the Chief of Mission with an estimate of the impact of the proposed position change on each agency's International Cooperative Administrative Support Services charges.

Embassy Brasilia's revised NSDD-38 does not call for comment by the ICASS council as required under Departmental guidelines.

**Informal Recommendation 3:** Embassy Brasilia should seek International Cooperative Administrative Support Services council input into NSDD-38 decisions.

### Political Affairs

Results of some important meetings are not reported to Washington on a timely basis because draft cables have to wait for approval when the Ambassador is away from post.

**Informal Recommendation 4:** Embassy Brasilia should ensure that, during the absence of the Chief of Mission, reporting cables are approved by the charge d'affaires.

## ECONOMIC AND COMMERCIAL AFFAIRS

Embassy-Washington coordination to negotiate the 2007 agreement on biofuels was seamless, but coordination within the mission needs to be improved in order to produce the needed follow-through.

**Informal Recommendation 5:** Embassy Brasilia should continue strengthening coordination and information-sharing by all agencies and consulates responsible for aspects of the complex biofuels issue, using such tools as a common list for internal e-mail dialogue and a central, mutually accessible record of activities.

Economic and other reporting officers provide high-quality support to a sharply increased pace of official visitors but do not have the tools to do this work efficiently.

**Informal Recommendation 6:** Embassy Brasilia should provide reporting sections that support high-level visits with standardized checklists of procedures and explore the use of a dedicated visitor support unit like those used by some missions.

Coordination of spot and analytical reporting by the embassy and consulates is close, but the mission might be able to stretch its thin reporting resources in Rio de Janeiro and Recife by a unified sectoral reporting system under which each consulate would take lead responsibility for a sector such as aviation or infrastructure.

**Informal Recommendation 7:** Embassy Brasilia should experiment with a unified system of reporting on economic sectors, assigning each constituent post the lead responsibility for an appropriate issue country-wide.

## LAW ENFORCEMENT AND NARCOTICS AFFAIRS

Lines of authority and communication in the NAS need to be clarified in order to ensure American officer control of all significant disbursements.

**Informal Recommendation 8:** Embassy Brasilia should revise the work requirements of locally employed narcotics affairs section staff and use counseling as appropriate to clarify their responsibilities and authority.

## ENVIRONMENT, SCIENCE AND TECHNOLOGY, AND HEALTH AFFAIRS

Mission Brazil has granted NSDD-38 approval to establish a new position of health attaché but has not yet done sufficient planning to determine how it will coordinate the work of the new position with existing work by USAID and the ESTH section.

**Informal Recommendation 9:** Embassy Brasilia should prepare and circulate a strategy for how it will use its newly created health attaché position and coordinate the work of this position with that of existing mission elements.

Friction between the ESTH section and the regional environmental hub has been replaced by close coordination, but some (not all) of the reasons why a regional hub was originally placed in Brasilia rather than a city with better transport links appear to have changed.

**Informal Recommendation 10:** Embassy Brasilia should review its policy on basing regional offices in Sao Paulo with the Bureau of Oceans, Environment and Science Affairs to determine whether the bureau's regional hub in Brasilia should continue to be located there.

## PUBLIC DIPLOMACY

While the Brasilia public affairs officer and the DCM see each other on a regular basis, there is no formally scheduled meeting during which they can review program schedules, travel dates, and the running of the section.

**Informal Recommendation 11:** Embassy Brasilia's public affairs officer (or the acting public affairs officer) and the deputy chief of mission (or the acting deputy chief of mission) should have a regularly scheduled weekly meeting to discuss public diplomacy programs and activities.

Because of the urgent need to report to post, the incumbent Embassy Brasilia PAO had no Portuguese language training prior to his arrival; his predecessor received only half the required 24-week language class. Their respective work responsibilities did not allow time to participate in the post language program, thereby forcing them to rely on interpreters or to communicate with English-speaking contacts only.

**Informal Recommendation 12:** Embassy Brasilia should adopt a policy that all public diplomacy Foreign Service officers have Foreign Service Institute certified language ability at the designated level prior to arriving at post.

The LE staff art graphics specialists in Embassy Brasilia and Consulate General Rio de Janeiro each support print operations producing print runs of under 500 for invitations, posters, programs, and business cards.

**Informal Recommendation 13:** Embassy Brasilia should carry out a cost benefit analysis of the print operations in Embassy Brasilia and Consulate General Rio de Janeiro to determine if both operations are still needed.

Public diplomacy Brazil conducts monthly digital videoconferences among the embassy and Consulates General Rio de Janeiro and Sao Paulo and Consulate Recife to discuss programming and operations. Consulate American and LE program staff participate, but the LE administrative staff do not.

**Informal Recommendation 14:** To facilitate communication among public diplomacy staff countrywide, consulate administrative locally employed staff should also participate in the monthly program digital videoconference call so they are ready to prepare requests for program funds quickly and smoothly to the general services office and financial management sections.

## CONSULAR AFFAIRS

The electronic visa application form has not yet been made mandatory for all visa applicants in Brazil. As a result, extra time is being spent by the LE staff in data entry and correcting errors in data entries.

**Informal Recommendation 15:** Embassy Brasilia should make the electronic visa application form mandatory for all visa applicants in Brazil.



The NIV windows in the consular section in Sao Paulo were inoperable. Finger scanners have not been installed in all windows. Without such scanners, officers cannot conduct interviews as they often have to verify the applicants' fingerprints.

**Informal Recommendation 16:** Consulate General Sao Paulo should request a sufficient number of two-print finger scanners to be in all nonimmigrant visa windows that will not have the ten-print scanners.

The American citizens services unit in Sao Paulo is managed on a day-to-day basis by ELOs who rotate through the unit every few months. Each officer has different ideas on procedures, creating confusion for the LE staff.

**Informal Recommendation 17:** Consulate General Sao Paulo should write standard operating procedures for American citizens services.

In Rio de Janeiro, Recife and Brasilia, consular staff meetings (especially for the NIV units) have not been held on a regular basis due to the workload demands. As a result, communications among the staff have been poor.

**Informal Recommendation 18:** The consular managers in Rio de Janeiro, Recife, and Brasilia should ensure that staff meetings are held regularly for consular staff, especially those who work in the nonimmigrant visa units.

The efficiency of the NIV unit in Rio de Janeiro has been hampered by the fact that officers and LE staff have not been assigned specific duties on a rotating basis. As a result, it is not always clear who is responsible for accomplishing tasks involved in processing visas.

**Informal Recommendation 19:** Consulate General Rio de Janeiro should create systematic work plans for the nonimmigrant visa unit to ensure that officers and locally employed staff are assigned specific duties on a rotating basis.

The NIV unit in Rio de Janeiro has windows that are not interoperable and are therefore not being fully utilized. For example, windows for document intake are not set up to do fingerprinting and vice versa. This means that managers are hampered in increasing NIV appointment numbers.

## HUMAN RESOURCES

Locally employed staff working in admin management (political) specialist position numbers C10-105-015 and C01-105-010 are not performing duties described in the position descriptions.

**Informal Recommendation 20:** Embassy Brasilia should ensure that position descriptions for staff working in positions C10-105-015 and C01-105-010 are revised to reflect duties actually being performed and then reclassified.

Locally employed drivers working in security guard/chauffeurs position numbers N01-710-035 and N01-710-030 have not been engaged with the RSO on security-related duties described in their position descriptions.

**Informal Recommendation 21:** Embassy Brasilia should ensure that position descriptions for staff working in positions N01-710-035 and N01-710-030 are revised to reflect duties actually being performed and then reclassified.

Although locally employed mail room supervisors in Consulate General Rio and Embassy Brasilia (position numbers N55-130-020 and N55-130-130) appear to be performing the same functions, they have different grades.

**Informal Recommendation 22:** Embassy Brasilia should review position descriptions for staff working in positions N55-130-020 and N55-130-130 to ensure that they are accurate and determine why the staff have different grades.

Embassy Brasilia is behind in reclassifying a number of constituent post position descriptions. Only one LE staff is trained to classify positions and she has numerous additional responsibilities and priorities.

**Informal Recommendation 23:** Embassy Brasilia should identify and train another locally employed staff to classify positions.

American staff at Consulate General Sao Paulo lack the level of HR expertise of a senior HR officer; a problem that impacted the consulate general's ability to hire much needed consular section staff.

**Informal Recommendation 24:** Embassy Brasilia should ensure that the senior human resources officer travels quarterly to Consulate General Sao Paulo to ensure that human resources operations are on track.



## FINANCIAL MANAGEMENT

A number of Consulate General Sao Paulo staff complained about the timeliness of travel voucher processing. Additionally, non-Department agencies did not believe the level of support they received was equitable to services provided to Department customers. 6 FAH-5 H-160 requires that ICASS support providers evaluate compliance with its service standards.

**Informal Recommendation 29:** Consulate General Sao Paulo International Cooperative Administrative Support Services providers should evaluate compliance with its service standards.

Neither the accountant nor the voucher examiner responsible for INL obligations and payments have had training specific to that funding source.

**Informal Recommendation 30:** Embassy Brasilia should ensure that accountants and voucher examiners responsible for International Narcotics and Law Enforcement Affairs accounts receive appropriate training.

## GENERAL SERVICES

Leased housing units in Brasilia and Rio exceed the \$25,000 annual cost ceiling, many by substantially more. In most cases, the post has not provided, nor has OBO asked for adequate justification for the higher cost.

**Informal Recommendation 31:** The Bureau of Overseas Buildings Operations should conduct a real estate assistance visit to validate Brasilia and Rio's rental costs for short-term leased residential properties and reconcile post's actual leasing history. The Bureau of Overseas Buildings Operations should also procure an independent rental market survey and establish rental benchmarks for each category of housing.

The memorandum of understanding between Embassy Brasilia and Carlson Wagonlit Travel agency has not been reviewed since April 2005.

**Informal Recommendation 32:** Embassy Brasilia should review and if necessary issue a new memorandum of understanding with Carlson Wagonlit travel agency.

The contracting specialist, who has had limited training, administers all the contracts. The supervisor of the procurement office, who took the Department's procurement training, does not administer any contracts.

**Informal Recommendation 33:** Embassy Brasilia should direct the supervisor of the procurement office to administer some embassy contracts.

The use of blanket purchase orders has not been efficient.

**Informal Recommendation 34:** Embassy Brasilia should review purchases to determine which actions would be more efficient and advantageous to use blanket purchase agreements.

The purchases for installation of security equipment for leased apartments have been improperly obtained through a blanket purchase agreement.

**Informal Recommendation 35:** Embassy Brasilia should cancel its blanket purchase agreement and use a purchase order for installation of security equipment for leased apartments in Rio de Janeiro.

The purchase cards transactions and blanket purchases agreements are not bulk funded.

**Informal Recommendation 36:** Embassy Brasilia should bulk fund purchase cards and blanket purchase agreements transactions.

Some of the daily vehicle use record (OF-108) forms' reverse sides were not completed and signatures of passengers were missing.

**Informal Recommendation 37:** Embassy Brasilia should complete the OF-108 form and require passengers' signatures after the use of official vehicles.

Passengers have not listed whether the purpose of transportation was official U.S. government business or other authorized use.

**Informal Recommendation 38:** Embassy Brasilia should require motor pool users to indicate whether the purpose of transportation was official U.S. government business or other authorized use.

Some drivers do not require passengers to use seat belts.

**Informal Recommendation 39:** Embassy Brasilia should enforce the requirement for drivers to require passengers to wear seat belts.

Embassy Brasilia and Consulate General Rio de Janeiro nonoperational armored vehicles have been authorized to be disposed of, but no action has been taken, awaiting a decision from the embassy regional security office.

**Informal Recommendation 40:** Embassy Brasilia should make a decision on how to dispose its nonoperational armored vehicles countrywide.

Although accident reports are completed, they are not organized and are not being submitted to the Department.

**Informal Recommendation 41:** Embassy Brasilia should organize and submit to the Department accidents reports for official vehicles.

There is no written finding for other authorized use of DS vehicles, particularly other authorized use for on-call duty personnel.

**Informal Recommendation 42:** Embassy Brasilia should issue a written finding for other authorized use of Bureau of Diplomatic Security vehicles, particularly other authorized use for on-call duty personnel.

Embassy Brasilia does not charge for its shuttle service.

**Informal Recommendation 43:** Embassy Brasilia should charge for its shuttle service.

The OIG team was not able to review the formula used to charge for the “other authorized use.”

**Informal Recommendation 44:** Embassy Brasilia should use the appropriate formula to capture the costs for the shuttle services.

The embassy off-site warehouse does not have clear designated receiving and disposal areas.

**Informal Recommendation 45:** Embassy Brasilia should clearly designate receiving and disposal areas.

There are no established written minimum and maximum stock levels.

**Informal Recommendation 46:** Embassy Brasilia should establish written minimum and maximum stock levels.

The facilities maintenance unit and other embassy agencies maintain items at the warehouse that have not been used for some time.

**Informal Recommendation 47:** Embassy Brasilia should sell or dispose of items that have not been used for some time to make usage of the warehouse more efficient.

Neither the embassy's TM TWO cable nor its web site includes any information about potential delays in receipt of household effects, air freight, or privately owned vehicle shipments.

**Informal Recommendation 48:** Embassy Brasilia should include in its cables and on its web site information about potential delays in receipt of household effects, air freight, and privately owned vehicle shipments.

## INFORMATION MANAGEMENT

Mission Brazil IRM staff lack necessary training. None of the telephone technicians have received formal training; most of the information technology staff in Brasilia and Sao Paulo have not attended the Information Assurance for System Administrators or Windows 2003 courses. Further, most of the IRM LE staff and IMS supervisors throughout the mission have received no supervisory training.

**Informal Recommendation 49:** Embassy Brasilia should develop and implement individual development plans for the Information Resource Management staff throughout Mission Brazil.

Mission Brazil's IRM work request software is inadequate. The current software is not an effective management tool for IM management. The software does not allow for management to document trouble tickets, identify patterns and related trends, document the length of time it takes to resolve issues, identify number of tickets assigned to personnel at any period of time, or provide reports. Such information could be useful for IM management by providing information on workload balance, identifying recurring problems, and identifying the normal wait time for resolution of issues.

**Informal Recommendation 50:** Embassy Brasilia's information resource management office should evaluate the work request software to determine and implement methods to make the software a more effective management tool for the mission.

## EQUAL EMPLOYMENT OPPORTUNITY

**Informal Recommendation 51:** Embassy Brasilia Equal Employment Opportunity counselors should update the Equal Employment Opportunity pages on the Intranet.

## CONSULATE GENERAL SAO PAULO

Access to the Sao Paulo on-compound warehouse which contains substantial property including high value items is available to any American by checking out the key at Post One.

**Informal Recommendation 52:** Consulate Sao Paulo should institute appropriate access controls to the on-compound warehouse to restrict access to authorized employees only.

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The American Consul General Services Association submitted a late annual 2006 compliance certification to the Department. However, neither document satisfies Department requirements.

**Informal Recommendation 54:** The American Consul General Services Association should submit the required compliance certification to include correct financial data and an independent audit report for 2006 that conforms to Department requirements.

## CONSULATE RECIFE

**Informal Recommendation 55:** Consulate Recife should ensure that all equipment in the warehouse is included in the mission’s inventory system and properly stored.



Consulate Recife has excess furniture, furnishings, and telephone equipment cluttering up the compound unnecessarily.

**Informal Recommendation 56:** Consulate Recife should identify all excess furniture, furnishings, and telephone equipment and follow appropriate disposal procedures.

Issued visa files that are more than one year old are taking up consulate storage space unnecessarily and are not stored under lock and key as required. Issued visa files can be shipped to the United States after one year.

**Informal Recommendation 57:** Consulate Recife should develop and maintain a schedule for shipping visa files back to the United States one year after issuance.

**Informal Recommendation 58:** Consulate Recife should request that the Embassy Brasilia facilities manager identify and/or construct an area for proper storage of issued visa files.

Consulate Recife plans to add additional public diplomacy, foreign commercial service and political/economic Foreign Service LE staff positions to the compound though safe office space has not yet been identified.

**Informal Recommendation 59:** Consulate Recife should coordinate with the Embassy Brasilia facilities manager to ensure that adequate office space is available for planned staffing additions.

A number of employees in Recife do not know who their Equal Employment Opportunity representative is.

**Informal Recommendation 60:** Consulate Recife should reissue its Equal Employment Opportunity notice.

Because Consulate Recife does not maintain a U.S. dollar cash advance, staff traveling to the United States on official travel must obtain advances in Brazilian currency and then exchange them for U.S. dollars at an alternate location. Staff claim that they have lost money on the exchange rates and were told that they could not claim those losses on travel vouchers.

**Informal Recommendation 61:** Embassy Brasilia should explain to Consulate Recife how staff members may claim exchange rate losses.

Consulate Recife lacks a documented cellular phone policy. The systems manager distributes the cellular phones, maintains the inventory, and provides a verbal briefing. Upon receipt of the cellular phone the employee signs a document acknowledging receipt but no acknowledgement that they are aware of the cellular phone policy.

**Informal Recommendation 62:** Consulate Recife should document a cellular phone policy in accordance with Department policy.

Documentation of password acknowledgement for Consulate Recife's unclassified network is inadequate. Users at the consulate do not sign a receipt for their unclassified user identification and password.

**Informal Recommendation 63:** Consulate Recife should immediately require users to sign and acknowledge receipt of the user identification and passwords for the unclassified network and provide a copy of this document to the information systems security officer at Embassy Brasilia.

## CONSULATE GENERAL RIO DE JANEIRO

### Resource Management

The interagency housing board minutes are not detailed and it appears that nonvoting members' opinions are given just as much weight as voting members.

**Informal Recommendation 64:** Embassy Brasilia should prepare housing board minutes with sufficient detail to reflect voting members' discussions and approvals at Consulate General Rio de Janeiro.

The housing coordinator at Consulate General Rio de Janeiro spends a significant amount of time explaining private leases to those officers who are on overseas housing allowances.

**Informal Recommendation 65:** Embassy Brasilia should provide leasing services in Consulate General Rio de Janeiro only to those agencies that signed up for such services under International Cooperative Administrative Support Services.

The consulate general charges \$1.00 per trip for its shuttle services.

**Informal Recommendation 66:** Embassy Brasilia should review its formula for charging for shuttle services at Consulate General Rio de Janeiro.

The hours of the motor pool drivers are not staggered to ensure proper services and some overtime is accrued.

**Informal Recommendation 67:** Embassy Brasilia should stagger the working hours of the motor pool drivers at Consulate General Rio de Janeiro to ensure proper services and overtime is kept to a minimum.

A spot check of items in the warehouse at Consulate General Rio de Janeiro was not possible because the warehouse was too cluttered.

**Informal Recommendation 68:** Embassy Brasilia should assist Consulate General Rio de Janeiro with reviewing its holdings in the warehouse with a view to eliminating some items.

## COMMUNITY LIAISON OFFICE

Single adults and couples without children told the OIG team they would appreciate CLO programs directed to their interests.

**Informal Recommendation 69:** Embassy Brasilia's community liaison office should establish an advisory board with officers who are single or childless to provide events ideas that appeal to them.

## HEALTH UNIT

The health unit at Rio de Janeiro does not maintain an inventory record of its medical supplies.

**Informal Recommendation 70:** Embassy Brasilia should maintain an inventory record of its medical supplies at Consulate General Rio de Janeiro.

The patients' files at Consulate General Rio de Janeiro are not safeguarded in locked cabinets.

**Informal Recommendation 71:** Embassy Brasilia should safeguard patients' files in locked cabinets at Consulate General Rio de Janeiro.

## EMBASSY SPECIAL SERVICES ASSOCIATION

The Embassy Special Services Association provides a small space within the commissary to a laundry service company without charging a concession fee. The laundry company is only at the embassy three times a week.

**Informal Recommendation 72:** Embassy Brasilia should charge a concession fee to the laundry company for the use of its space.

The Embassy Special Services Association has not disposed of voucher receipts since 1991.

**Informal Recommendation 73:** Embassy Brasilia should direct the employee association to dispose of records that are not longer needed.

Although purchases of duty-free items in the commissary are minimal, the Embassy Special Services Association has not established any quotas.

**Informal Recommendation 74:** Embassy Brasilia should establish and monitor sales of duty-free items sold by the Embassy Special Service Association.

## MANAGEMENT CONTROL

The embassy did not obtain the necessary approval from the Office of the Legal Adviser for the acceptance of several instances of invitational travel by the Ambassador.

**Informal Recommendation 75:** Embassy Brasilia should seek advice from the Office of the Legal Adviser on the proper method to seek retroactive approval for those instances of invitational travel by the Ambassador that had not been cleared in advance.

Documentation that Embassy Brasilia relies upon to certify Consulate Recife vouchers does not contain sufficient detail to ensure that payments comply with laws and regulations.

**Informal Recommendation 76:** Embassy Brasilia should request that Consulate Recife provide more detailed descriptions of goods and services ordered and purchased.

A number of travel advances have been outstanding since 2006.

**Informal Recommendation 77:** Embassy Brasilia should initiate collection procedures for its outstanding travel advances.

The supervisory cashier's safe contains documents from 1998 that need to be appropriately disposed of and cashier vouchers that are in transit are stored outside of the safe.

**Informal Recommendation 78:** Embassy Brasilia should dispose of outdated documents in the supervisory cashier's safe and instead store in-transit vouchers in the safe.

Other-agency advice of allotment cables, including those from the Centers for Disease Control and Prevention, are not always distributed to the mission's financial management section. This hampers the financial management section's ability to adequately service those other agencies. When other agencies submit invoices for payment, the financial management section may assume unauthorized commitments have occurred due to lack of funding.

**Informal Recommendation 79:** Embassy Brasilia should review other-agency allotment cables to determine which other agencies do not regularly tag allotment cables for the financial management section and then request that those agencies add a financial management section tag to allotment cables.



## PRINCIPAL OFFICIALS

	<b>Name</b>	<b>Arrival Date</b>
Ambassador	Clifford M. Sobel	08/06
Deputy Chief of Mission	Phillip T. Chicola	07/04

### **Chiefs of Sections:**

Management	Frank J. Manganiello	08/04
Consular	Simon Henshaw	08/04
Consul General Rio de Janeiro	Elizabeth Lee Martinez	07/06
Consul General Sao Paulo	Thomas J. White	08/07
Consul Recife	Diana P. Page	08/05
Political	Stephen M. Liston	08/07
Economic	Tara Elizabeth Feret	09/07
Public Affairs	Richard W. Stites	08/06
Regional Security	Christopher Culver	03/07

### **Other Agencies:**

Department of Defense		
Defense Attaché Office	COL Brian Butcher	07/05
Military Liaison Office	COL Michel H. Butikofer	01/07
DHS/ICE, Acting	Charles Allen	04/07
Drug Enforcement Administration	Mark Night	04/05
Foreign Agricultural Service	Alan Hrapsky	08/05

Foreign Commercial Service	Rebecca Armand	04/07
Federal Bureau of Investigation	David Brassanini	08/06
Force Protection Detachment	Stanford L. Raborn	05/07
HHS –CDC-COMM	Jeremy Sobel	07/07
HHS –CDC - PAHO		
Brendan N. Flannery		
U.S. Agency for International Development	Jennifer Adams	08/06
U.S. Secret Service	Albert T. Rice	01/05



## ABBREVIATIONS

A/OPE	Office of the Procurement Executive
ACS	American citizen's services
APP	American presence post
ATA	Anti-Terrorism Assistance
BPA	Blanket purchase agreement
CA	Bureau of Consular Affairs
CLO	Community liaison office
COR	Contracting officer's representative
DAO	Defense attaché office
DCM	Deputy chief of mission
DEA	Drug Enforcement Administration
DIN	Dedicated Internet Network
EAC	Emergency action committee
EEO	Equal Employment Opportunity
EFM	Eligible family member
ELO	Entry-level officer
ESTH	Environment, Science and Technology, and Health
FMO	Financial Management Officer
FSN	Foreign Service national
FSNI	Foreign Service national investigator
GAO	Government Accountability Office
GSO	General services officer

GTM	Government technical monitor
HHS	Department of Health and Human Services
HRO	Human resources officer
IAHB	Interagency housing board
ICASS	International Cooperative Administrative Support Services
IRM	Information Resource Management
IMO	Information management officer
IMS	Information management specialist
INL	Bureau of International Narcotics and Law Enforcement Affairs
IV	Immigrant visa
J-1	Exchange visitor visa
LE	Locally employed
LEWG	Law enforcement working group
MSP	Mission Strategic Plan
NAS	Narcotics affairs section
NIV	Nonimmigrant visa
NSDD	National Security Decision Directive
OBO	Bureau of Overseas Buildings Operations
OIG	Office of Inspector General
PAO	Public affairs officer
PAS	Public affairs section
RSO	Regional security officer
SHEM	Safety, Health, and Environmental Management
USAID	U.S. Agency for International Development
VPP	Virtual presence post
WAE	When actually employed
WHA	Bureau of Western Hemisphere Affairs

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