

~~SENSITIVE BUT UNCLASSIFIED~~

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

Report of Inspection

Limited-Scope Inspection of Consulate General Curaçao, Netherlands Antilles

Report Number ISP-I-08-16, March 2008

~~IMPORTANT NOTICE~~

~~This report is intended solely for the official use of the Department of State or the Broadcasting Board of Governors, or any agency or organization receiving a copy directly from the Office of Inspector General. No secondary distribution may be made, in whole or in part, outside the Department of State or the Broadcasting Board of Governors, by them or by other agencies or organizations, without prior authorization by the Inspector General. Public availability of the document will be determined by the Inspector General under the U.S. Code, 5 U.S.C. 552. Improper disclosure of this report may result in criminal, civil, or administrative penalties.~~

~~SENSITIVE BUT UNCLASSIFIED~~

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 instance 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	3
EXECUTIVE DIRECTION	5
POLICY IMPLEMENTATION.....	7
Political/Economic/Commercial	8
Public Diplomacy	9
Consular.....	10
RESOURCE MANAGEMENT.....	15
Regionalization.....	15
Human Resources	16
Financial Management.....	17
General Services and Facilities Management.....	18
Security Management.....	19
Information Management.....	19
MANAGEMENT CONTROLS	21
QUALITY OF LIFE	23
FORMAL RECOMMENDATIONS	25
INFORMAL RECOMMENDATIONS	27
PRINCIPAL OFFICIALS	29
ABBREVIATIONS	31

KEY JUDGMENTS

- An active post with wide responsibilities and an important military adjunct, Consulate General Curaçao manages a difficult national security mission with skill and with full support to other U.S. government entities. Inter-agency relationships are excellent. The post enjoys a friendly working environment that could undergo strain in coming years.
- The consulate general offices, while well equipped, are very cramped. The post lacks adequate space for current personnel and operations must increase staff.
- Consulate General Curaçao is not rightsized. Without the addition of locally employed (LE) staff resources to support the reporting functions and consular services, it will not be able to carry out tasks that urgently cry out for attention. Outstanding performance by an over-stretched entry-level officer (ELO) and over-taxed LE staff can not offset this short-coming.
- The experiment in restoring nonimmigrant visa (NIV) services to Consulate General Curaçao, which began March 2007, achieved its aims of providing better service to host country nationals and determining the requirements of such service. The Bureau of Consular Affairs was correct in its September 2007 decision to continue but to reduce the service, because the unexpected surge in applicants overwhelmed this small post.
- Resource management has benefited significantly from the support of Charleston Global Financial Services (GFS) and especially the Florida Regional Center (FRC), whose frequent visits for training and evaluation have strongly supported financial and human resources management and general services. Given the almost entire year that post was without a management officer, support visits from the FRC and especially stints by the FRC regional human resources officer as acting management officer, were critically important to post operations.

The inspection took place in Washington, DC, between September 10 and October 3, 2007, at the Florida Regional Center on October 4 and 5, and in Curaçao, Netherlands Antilles, between October 22 and 25, 2007. Ambassador Robert E. Barbour (team leader), Dr. Louis A. McCall (deputy team leader), and Boyd Doty

conducted the inspection. It was part of a pilot project designed to determine whether a limited-scope inspection performed by a small team visiting small posts for a short period of time could adequately evaluate their performance in policy implementation and resource management. The inspection did not include a full review of security or information technology programs. This memorandum report sets forth the team's observations, informed impressions, findings, and recommendations.

CONTEXT

Consulate General Curaçao represents U.S. interests to three governmental authorities: the Kingdom of the Netherlands, the autonomous Netherlands Antilles,

and the quasi-independent country of Aruba. The consular district includes six islands and spreads over a distance of 500 miles. It is the destination of millions of American tourists each year, the home of about 6,000 U.S.-citizen residents, and the location of over \$1 billion of American investments. There are important – and sometimes urgent – consular and representational demands on the post for all the islands, including the farthest and smallest.



300,000, most of whom are Dutch citizens and comparatively well educated. Petroleum refining, tourism, and financial services give the Netherlands Antilles and Aruba an aura of prosperity and a per capita gross domestic product of \$16,000. But pockets of severe poverty also exist, and the overall unemployment rate is a worrisome 20 percent. The Netherlands Antilles and Aruba are thriving democracies with aggressively independent media. Both entities enjoy a substantial autonomy that includes finance, monetary and economic policies, law enforcement, and civil aviation, with the Netherlands retaining defense, foreign relations, and some judicial powers. It is a comparatively efficient, honest, and friendly working environment.

Three important installations, besides the consulate general, are related to American security and located in the consular district: (1) a \$50 million U.S. Air Force forward operating location (FOL) on Curacao (see Figure 1 below) with a permanent

staff of six but with temporary military presences that can exceed 300; (2) a similar but smaller FOL on Aruba, and (3) also on Aruba, a Department of Homeland Security (DHS) Customs and Border Protection preclearance facility with 14 U.S. direct-hire employees and a floating number of contractors.

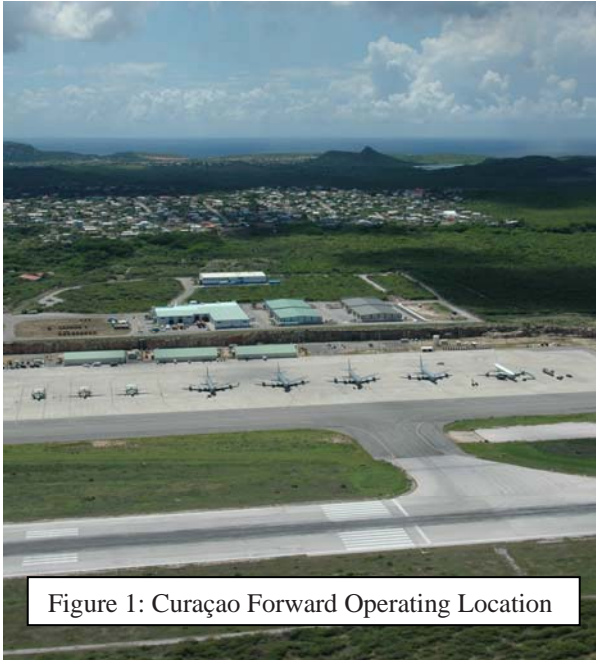


Figure 1: Curaçao Forward Operating Location

Coming events could affect the satisfactory solidity of the U.S. official presence on these islands and the islands' own traditionally tidy tranquility. For example, the 10-year bilateral agreement authorizing antinarcotics access to, and use of, Dutch facilities in the Netherlands Antilles and Aruba expires in 2011. All predictions cite the friendly atmosphere surrounding the FOL's presence, its economic benefits, the common purpose that it represents and, not least, the assurances received from the local governments and see an easy conclusion of a five-

year successor agreement with the same authorities. But, by December 2008, new constitutional arrangements between the Dutch government and the Netherlands Antilles will come into effect. Curaçao and St. Maarten will follow the course that Aruba took in 1985 and become "countries" within the Dutch kingdom, while the remaining islands will take on the status of municipalities. There is also the new Hugo Chavez factor. There are claims that his virulent anti-American "Bolivarian revolution" is achieving some success in the islands, but there are no good estimates of how significant it is. How, if at all, these new factors will affect American FOLs is unknown, but some spill-over is not inconceivable.

EXECUTIVE DIRECTION

The new consul general provides experienced, morale-restoring leadership to a post that is far busier than is generally recognized. Consulate General Curaçao is an independent mission reporting directly to the Assistant Secretary for Western Hemisphere Affairs. The principal officer's official title is Chief of Mission (COM). From a previous assignment he also has the personal one of Ambassador. The Netherlands is the sovereign power in the consular district, but the post has no formal link to Embassy The Hague.

Six U.S. government entities in the consulate general and their 17 people come under the COM. Most are Drug Enforcement Administration elements, and those representing them are both permanently assigned and on temporary duty, so that numbers and identities of the agencies as well as people present in the building change frequently. An additional organization, the DHS preclearance facility on Aruba, is also under COM authority. The FOL is not under COM authority, but, at the insistence of local authorities, it must obtain country clearances through the consulate general for its aircraft and senior officers. It has become commonplace that the FOL agreement imposes on the Curaçao COM an obligation to ensure that all FOL operations conform to it. The Office of Inspector General (OIG) team finds no textual basis for this assertion in the agreement itself and notes that, even with supplemental authority, such an obligation would be virtually impossible to fulfill. In fact, the OIG team was unable to find any specific basis for the wide powers that the principal officer exercises other than the Chief of Mission title. This apparent anomaly was discussed with the Bureau of Western Hemisphere Affairs.

Management of this multiagency consular establishment is accomplished with a necessarily light but skillful hand. The COM's previous political-military assignments, including as political advisor to Southern Command, give him a useful standing among the post's military elements and offer a justified basis for their assuming that he understands their problems. Working relations throughout the consulate general are, therefore, very close and mutually supportive. The principal officer's many workstation visits and personal meetings supplement the post's main command and control body, the country team meeting. The FOL commander also attends these meetings, as does the U.S. Navy liaison officer to the Dutch naval command, and others. DHS Aruba is also present on occasion, the infrequency pointing toward a more distant COM supervision of that preclearance operation.

POLICY IMPLEMENTATION

After suffering a near-death experience with a threat of closure in 1998, the office was revived with Drug Enforcement Administration assistance as a two-officer post to help that agency carry out its antinarcotics operations and, later, to provide a diplomatic umbrella for the FOLs in Curaçao and Aruba. It has since expanded into a four-officer post with multiple law enforcement missions and an almost overwhelming consular workload. Public diplomacy has also surged in importance as a nutrient for today's favorable attitudes toward the wide-ranging American presence. With travel and representational demands, the post's mission becomes a multifaceted one under the dominant goal of combating international crime and drugs.

As in all small posts, policy implementation has suffered from staffing gaps in key positions. However, the consul general's recent arrival, and that of the long-awaited management officer have brought the post up to an almost full complement and with it a higher level of policy potential.

The consulate general has a difficult mission. Priorities compete. Despite its overarching national security mission, one of its facets, consular demands, can be both unpredictable and transcendent.

In normal times, there was not much of a readership for Curaçao reporting. However, over the next few years, a readership will develop as the Netherlands Antilles moves toward a new constitutional status with the Netherlands, as local elections approach and, especially, if popular attitudes towards the United States and the FOLs become affected by Venezuelan rhetoric. This will be particularly true in the military commands.

Public diplomacy will also require new attention. The Curaçao FOL has a very active range of public diplomacy outreach and civic action that draws on consulate general LE staff, and is viewed by the principal officer as integral to the post's own program. The consul general willingly lends his presence to FOL-sponsored events, thereby guaranteeing greater media attention than they would otherwise receive.

Representation is another adjunct of the overall mission. Travel around the consular district to meet with local officials, participate in ceremonies, cut a ribbon, or serve generally to maintain the friendly face of the American presence are all necessary and are likely to become more so. In Curaçao itself, and in Aruba, relations with the local elected governments are close and very friendly, unmarred by the visa refusal resentments that are classic in this part of the world. The people of the Netherlands Antilles and Aruba can, for the most part, enjoy visa-free travel to the United States, unless they are among the 10,000 or more said to be on a Netherlands Antilles drugs-related no-fly list.

POLITICAL/ECONOMIC/COMMERCIAL

The post's political/economic/commercial officer is also the consular officer. He also manages the public affairs portfolio. The explosion in consular work from the pilot NIV project that began in March 2007 limited even more what this officer is able to do in terms of the reporting function. Moreover, during a period in the summer of 2007, as a first-tour ELO, he was the only Department officer at post. Despite a crushing workload, he acquitted himself well. Curaçao has the appearance of a prosperous locality in South Florida with a multiplicity of U.S. franchises and subsidiaries, but little commercial work is done by this post. There is no country commercial plan, but if called upon, it can provide advocacy for U.S. firms. Because there is no American Chamber of Commerce, American businesses often have U.S. managers and necessarily work through the local chambers of commerce.

The LE staff person who assists with political/economic/commercial matters also helps with public affairs, for which he is developing a post web site that he will have to maintain. He is also the de facto information officer, and is in regular touch with the media. This alone consumes 60 percent of his time, thus making it impossible to attend many working sessions of either the Netherlands Antilles or Curaçao Parliaments. Nonetheless, he spends personal time after hours and on weekends attending political events and speeches so as to maintain contacts and keep informed. This situation is not acceptable for the employee or for the subject. Most of the islands in the post's consular district are in a period of constitutional change, and some minority parties with representation in the Curaçao Parliament are pro-Chavista or have pro-Chavista sympathizers in their ranks. The addition of a dedicated LE staff position for political/economic/commercial work would help liberate the multifunctional ELO and create time for the currently over-tasked LE position to do some of the things that are being left undone.

Recommendation 1: The Bureau of Western Hemisphere Affairs, in coordination with the Bureau of Resource Management, should give favorable consideration to Consulate General Curaçao's request for an additional locally employed staff position for political, economic, and commercial support. (Action: WHA, in coordination with RM)

PUBLIC DIPLOMACY

Notwithstanding the public diplomacy work that is done, Consulate General Curaçao has no public affairs section, and there is no assigned officer with public diplomacy in the position description or included in the assignments cable. Nor is there a dedicated LE staff position for this function, so that public diplomacy resources are lacking at a time when demands for them look to increase. Nevertheless, using a fraction of one LE staff person's time and a fraction of the time available from the consular/political/economic/commercial officer, the post has done remarkably well.

The web site that is being built is still some time away. Although the post has digital videoconferencing equipment, it is stored away, and has not been used in two years. The OIG team informally recommended that this tool be used for public diplomacy outreach.

The post produces a daily review of the local media, including the Dutch and Papiamento language press. This is made available to the various agencies at post and to Washington.

The COM is well supported in his public diplomacy activities. Similarly, the FOL commander, who does not have his own public relations officer, voiced high praise to the OIG team for the public diplomacy support received from the consulate. This cooperative arrangement makes possible a program of major public diplomacy outreaches by the Consulate General Curaçao-FOL team. These include U.S. naval ship visits. The FOL has a modest budget of \$3,000 per quarter in its commander's impact account that is skillfully employed. There is also voluntary labor of FOL personnel in community service and humanitarian projects. The public diplomacy staff at Consulate General Curaçao has done a masterful job of leveraging media coverage of these events, which at times include participation by the COM.

The Venezuelan government, through its state run petroleum firm, Petróleos de Venezuela S.A., which has the management contract for the refinery in Curaçao, has started to make its presence felt with humanitarian donations far greater than the consulate or the FOL can match. For example, in October 2007, the petroleum firm donated \$3.6 million to St. Elizabeth Hospital and announced it would partially pay for a radio facility on the hospital premises. Although there is concern over the degree of sympathy for the Venezuela's "Bolivarian Revolution," estimates for the degree of that sympathy vary widely. Without some valid polling data to establish a baseline, it would be impossible for the post to gauge opinions about Venezuelan events or about the United States, particularly as these islands navigate their passage through constitutional changes.

Recommendation 2: Consulate General Curaçao should request that the Bureau of Intelligence and Research design and conduct a program of opinion research. (Action: Consulate General Curaçao, in coordination with INR)

CONSULAR

Nonimmigrant Visas

The consular section operates with a portion of one officer and with one LE staff position. That is less than what was available prior to the NIV pilot program launched in March 2007. Previously, the post receptionist also worked part of her time as a consular assistant. However, when that position was filled following a vacancy, it was reprogrammed to be dedicated 100 percent to management support. The six-month experiment in restoring NIV services to Consulate General Curaçao achieved its aims of providing better service to host country residents who do not enjoy visa-waiver status (after being without a local NIV service for 10 years) and determining how broad that service should be, but it generated an unexpected and overwhelming demand. The Bureau of Consular Affairs was correct in its decision to continue the new service but to reduce its scope.

The number of applicants more than doubled over what was expected, based on the number of NIV applicants for the Netherlands Antilles who had previously been processed at Embassy Caracas, Venezuela. This was due to unexpectedly large numbers of third country nationals, most of whom were legal residents of the Nether-

lands Antilles, seeking NIVs for business or tourism (category B-1/B-2). Temporary duty consular officers from Embassy Caracas were also impressed by the desirability of having a consular officer with Spanish language capability to better interview the Spanish speaking applicants. The OIG team observed that Spanish language interviews were frequent. However, by deciding to end the issuance of B-1/B-2 visas, and thus requiring applicants for those categories of visas to apply in Caracas, as had been done previously, the need for Spanish, or for the addition of a full-time LE staff position in the consular section is now obviated. Even so, NIV appointments were backlogged until April 2008, based on appointments taken prior to the decision in September 2007 to have B-1/B-2 cases revert to Caracas. The OIG inspection does support the addition of an LE staff position, on a seasonal basis, to handle better the increase in workload from those seeking student visas.

Recommendation 3: Consulate General Curaçao should request, and the Bureau of Consular Affairs should approve, an agreement for the annual addition of a locally employed staff position for the peak nonimmigrant visa period or a part-time position to be filled on a year round basis. (Action: Consulate General Curaçao, in coordination with CA)

The post management officer has a consular exequatur for all of the islands in the consular district, and took consular training at the Foreign Service Institute prior to his arrival at post. The OIG team informally recommended that he spend a few hours each month working in the consular section in order to maintain his skills as the consular back up. Prior to his arrival, consular officers from Embassy Caracas provided temporary duty support.

Consular Agents

The Consulate General Curaçao consular district includes six islands (Aruba, Bonaire, Curaçao, St. Maarten, Saba, and St. Eustatius) widely separated by distance (some close to Venezuela and some close to Puerto Rico) and by no means monolithic in culture, ethnicity, linguistic proclivities, or in their preferences regarding their degree of future autonomy. Two of four Mission Strategic Plan goals are consular related. Goal number three is assistance to U.S. citizens abroad. In that regard, in its FY 2009 Mission Strategic Plan, the post termed the need for consular agents

in Aruba and St. Maarten as “urgent.” Indeed, in the last inspection report, OIG recommended establishment of a consular agent in Aruba.¹ Aruba, Curaçao, and St. Maarten are the principal tourist destinations for U.S. citizens. As can be seen from Table 1. below, Curaçao lags far behind the others in this sector. A major share of post travel resources goes to quarterly American citizens services visits to Aruba and St. Maarten. The Western Hemisphere Travel Initiative is now in effect. This increases the American citizens services lost-passport workload in support of U.S. citizens who must now carry passports for visits to the islands, even when traveling on cruise ships. Further, there are a number of deaths, arrests, and other American citizens services cases from this clientele. The post processes an average of one death case a week. Consulate General Curaçao cannot provide the high level of American citizens services it envisions in its Mission Strategic Plan, and which American taxpayers expect, without the establishment of consular agencies in Aruba and St. Maarten. The situation is particularly acute in St. Maarten, where there is no official U.S. presence at all.

Table 1. United States Citizen Visitors to Aruba and the Netherlands Antilles

Year	Aruba		Curaçao		St. Maarten		Total		Cruise+Air
	Cruise	Air	Cruise	Air	Cruise	Air	Cruise	Air	
2003	542,327	464,466	279,378	41,146	1,171,734	222,247	1,993,439	727,859	2,721,298
2004	576,320	535,133	227,534	44,293	1,348,450	251,155	2,152,304	830,581	2,982,885
2005	552,819	535,448	275,957	46,510	1,488,461	246,858	2,317,237	828,816	3,146,053
2006	591,474	496,131	321,551	48,677	1,421,645	246,064	2,334,670	790,872	3,125,542

Data source: Tourism Bureaus and Central Banks in Netherlands Antilles and Aruba

Recommendation 4: Consulate General Curaçao should formally request, and the Bureaus of Western Hemisphere Affairs and Consular Affairs should authorize and fund, the establishment of consular agencies in Aruba and St. Maarten. (Action: Consulate General Curaçao, in coordination with WHA and CA)

¹Inspection of Consulate General Curaçao, Netherlands Antilles, Report Number ISP-I-02-18, May 2002, pps. 9-10.

Preclearance

Fourteen representatives from DHS, Customs and Border Protection, operate from a preclearance facility at the Aruba airport to handle the large volume of air passengers traveling from the Aruba airport to the United States. On occasion, they provide some assistance to American citizens at the request of, and in support of, the consular section in Curaçao, as the situation permits.

RESOURCE MANAGEMENT

Consulate General Curaçao was without an assigned management officer for almost a year, until two months before the inspection. The energetic new incumbent, working closely with the COM, is striving to get the consulate general back on track and functioning as an effective unit. This management team is focusing the majority of the post's budget toward upgrading the infrastructure, an area that has been neglected for three years. This former special embassy program post receives extensive support, especially from the FRC and Charleston GFS.

REGIONALIZATION

Consulate General Curaçao receives excellent support from the Charleston GFS, and especially from the FRC. The regional financial management officer visited five times earlier this year and is currently at post. The regional human resources officer came to post three times to serve stints as acting management officer during the nearly one-year gap in that job. The new regional human resources officer visited post in September 2007, and is due to do so again soon. In addition, during October, there were two support visits from the regional information management center, two each by the regional security officer (RSO) from Caracas and his assistant, and an extended stay by a team performing a security upgrade. A visit from the Bureau of Overseas Buildings Operations area officer was scheduled to take place immediately following the inspection.

Staffing

Curaçao, an “independent mission within WHA,” has 27 direct-hire and eligible family member personnel and 13 LE staff personnel. This includes the DHS facility in Aruba. The two FOLs in Aruba and Curacao are not under COM authority but receive some International Cooperative Administrative Support Services.

The post profiles for staffing (authorized positions) are:

	American Direct Hires		Locally Engaged Staff		Total
	State	Other Agency	State LE	Other Agency LE	
Curaçao	4	23	13	0	40

Resources

According to the Post Profiles, the initial FY 2008 budget targets for Department operations are:

	ICASS Traditional	Program	PD	Rep [*]	OBO	DS	Total
Curaçao	\$660,500	\$384,300	\$0	\$7,100 ^{**}	\$30,400 ^{***}	\$487,000	\$1,569,300 ^{****}

* Total of Department and public diplomacy representation funds

** Target still in development

*** Leasehold, maintenance, and repair (7901) figures are in development

**** Target same as FY 2007 (FY 2008 targets still in development)

HUMAN RESOURCES

The newly arrived management officer has considerable experience in human resources work, and is well positioned to pursue the post’s various human resources challenges. There are 13 LE staff positions, of which 12 were filled at the time of the inspection. In the past year, five of these LE staff (and one American officer) received training. The management officer is preparing a comprehensive training plan based on the most glaring needs. The planned budget includes a 30 percent increase in training/travel funding. When the budget is approved, the management officer will allocate the funds according to the prioritization of the training plan and initiate the training plan.

Whereas all LE staff used to report directly to the previous management officer, the current incumbent has restructured them into teams with LE supervisors. He will pursue with the regional personnel officer the possibility of FRC providing LE supervisory training at post.

As noted above, the consulate general gets excellent support from the FRC, with six visits from the regional financial management officer and five from the regional human resources officer in just the past year. The FRC noted that it regards itself not as merely “regional” financial and human resources officers, but as “virtual” officers, with frequent actual visits supplemented by constant e-mail and telephone contact. Due to the brief time available, the OIG team relied extensively on the detailed trip reports from these visits to evaluate the areas reviewed.

Although the local staff has received no salary increases in the past three years, they do receive two annual bonuses, which are each 8 1/3 percent of their salaries and a meals allowance. They have unlimited sick leave, medical and dental coverage at no cost to the employee, and 19 paid holidays. Due to the absence of files, the new management has been unable to determine whether the Bureau of Human Resources, Office of Overseas Employment (HR/OE), has sent salary recommendations. The OIG team informally recommended that post management contact HR/OE to determine the status of any salary surveys. Post will also, of course, watch closely in the ensuing year for circumstances that might impact the salary decision.

Based on the management operations questionnaire, besides more training opportunities and the lack of a cafeteria/snack bar, the most commonly mentioned problem noted by the LE staff was the need for an improved telephone system. However, post has paid \$28,000 for a new phone system that should be installed later this year.

Curaçao is a 15 percent cost of living post and a three-year, two rest and recuperation, assignment. ELOs get a two-year tour with one rest and recuperation break.

The LE staff have a defined contribution retirement plan for which they contribute five percent of their salary, and post contributes 10 percent. This is in addition to the regular Curaçao social security system.

Although there is no Equal Employment Opportunity counselor at post, the consulate general uses the counselor at Embassy Bridgetown, Barbados. There were no open cases at the time of the inspection.

FINANCIAL MANAGEMENT

Curaçao is well supported by the Charleston GFS via cashier support, disbursement, payroll, and accounting. Post is investigating a trial period of using the Charleston Post Support Unit to perform a limited certifying of vouchers. It will need to determine whether the cost of acquiring this service is worth the investment. Also, the consulate general has plans to convert from batch processing to on-line via direct connect with Charleston starting in November. The frequent visits by the FRC regional financial management officer (RFMO) and the ability to interact by phone and e-mail between visits means Curaçao financial management also gets help in budgeting, vouchering, electronic processing, cashiering, and banking. The consulate general's biggest financial management challenge is the continuing need to ensure that a proper separation for internal controls is maintained by this small finan-

cial management staff (which the RFMO regards as one of the best in the Caribbean area). Based on the RFMO trip reports and discussions with the management officer and the RFMO, the OIG team concluded that there did not appear to be any major unaddressed financial problems.

GENERAL SERVICES AND FACILITIES MANAGEMENT

Although a detailed review of the various areas of general services was precluded by the time available, it was evident that the management officer was working to address his general services challenges. Confronted with a lack of inventory records, he has almost completed a comprehensive current inventory of all properties. He has requested that a Florida regional assistance team (FRAT) be sent to post to assist in conducting a sale of surplus supplies and furniture. This will facilitate the elimination of the downtown leased warehouse and the consolidation of supplies into the two reorganized warehouse spaces on the compound. The FRAT can also ensure warehouse and receiving procedures are in order. The OIG team supported this planned FRAT visit to assist with property sales, warehousing, and receiving. As mentioned earlier, the management officer is assembling a comprehensive training plan to better equip his small staff to accomplish their duties.

The consulate general compound facilities suffered from neglect and lack of maintenance and repair efforts for several years. The management officer has already compiled and funded a 47-item list of maintenance and repair projects (23 were required for the deputy chief of mission residence) that he is pursuing. Given the lack of able contractors in Curaçao, the consulate general is often lucky to get even one response to a request for bids. Then it must push the designated contractor to start the project and closely monitor the work afterwards.

The OIG team observed that the small chancery is quite crowded, with insufficient work space for the number of people who are located there. Two officers work full-time in the vault. The OIG team agrees with post management that additional work space is needed, and supports the proposal to use a space next to the chancery in the secured compound for additional LE staff offices. Erecting a small preconstructed modular structure would permit a redistribution of current space within the chancery and make room for the critically important temporary duty support on which post relies. Such additional space would also permit work assignments to be reviewed and the need for another LE position to be weighed.

SECURITY MANAGEMENT

The regional security office from Embassy Caracas provides security support for Consulate General Curaçao. With the arrival of a new COM, there has been a renewed focus on security issues. As previously noted, the RSO has visited post twice and an assistant RSO has visited six times in the past year. Post has requested, and the RSO is in agreement, that the same assistant RSO should come for the regular visits to build up both knowledge of post and relationships with contacts. The consulate general is hopeful that Bureau of Diplomatic Security funding will continue to be provided to ensure at least quarterly, week-long assistant RSO visits. The OIG team supports this continuing requirement. With the pending addition of a security engineering officer based in Caracas, additional security engineering officer support from there will become possible.

The focus of the security visits is to ensure that security procedures are in place and are self-sustaining, to work closely with the post security officer and the Foreign Service national investigator on security operations, and to support the current \$600,000 security upgrade project. This will improve access control and allow remote closed-circuit television and alarm monitoring by the RSO in Caracas and the Bureau of Diplomatic Security in Washington. The RSO has confidence in the local guard contractor and in the professionalism of the 18-person local guard force.

Curaçao is a medium threat for crime post. This usually manifests particularly towards tourists in Curaçao. The RSO strives to emphasize this threat during visits to post.

INFORMATION MANAGEMENT

An LE staff position is partially dedicated to information management, including managing OpenNet Plus and the unclassified local area network. Because there is no cleared American officer at post to manage the classified local area network, it is handled remotely by FRC information management in Fort Lauderdale, Florida. On a quarterly basis, FRC information management support comes to Consulate General Curaçao on temporary duty to take care of classified communications needs and assists with classified communications custodian responsibilities.

(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)

(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)

The operation of consular systems is very slow. For example, it takes up to five minutes to do the bio-scan of a visa applicant's fingerprints. This is because the post uses the server at Embassy Caracas. This problem, regretfully, adds to the time required to conduct consular services. The post will receive a new upgraded telephone system, but the LE staff charged with telephone support is not available for training; it is only for cleared Americans.

MANAGEMENT CONTROLS

The new management team at Consulate General Curaçao is working to assure that the post has good management controls. However, the absence of post records from 2004 onward makes it difficult to make historical comparisons. In her July 2007 trip report, the acting management officer noted that the 2007 Annual Chief of Mission Compliance Statement was submitted, but there are no copies at post. Because there are no copies of inventories, post is in the process of completing a comprehensive set of inventories. During the preinspection survey conducted by the OIG team, the Bureau of Administration's Office of Logistics Management indicated that Curaçao's inventories were current and properly filed and reconciled to within the required one percent. The designation of responsibility list was complete. Post completed the risk assessment, received high scores, and was informed by the Bureau of Resource Management that there were no areas requiring follow-up.

The OIG team inquired about use of business and first class travel for the last year. There were no instances.

The detailed trip reports from the regional human resources officer and the RFMO show that those areas have been running smoothly with no major management control issues. In the acting management officer's July report, she noted that the U.S. disbursing officer had informed the consulate general that two counterfeit \$100 bills had been tendered. Post then acquired a screening machine to check bills. The consular section also instituted a policy under which high denomination bills will only be accepted after a photo copy of the bill along with the identification page of the passport of the presenter is made and retained.

FORMAL RECOMMENDATIONS

Recommendation 1: The Bureau of Western Hemisphere Affairs, in coordination with the Bureau of Resource Management, should give favorable consideration to Consulate General Curaçao's request for an additional locally employed staff position for political, economic, and commercial support. (Action: WHA, in coordination with RM)

Recommendation 2: Consulate General Curaçao should request that the Bureau of Intelligence and Research design and conduct a program of opinion research. (Action: Consulate General Curaçao, in coordination with INR)

Recommendation 3: Consulate General Curaçao should request, and the Bureau of Consular Affairs should approve, an agreement for the annual addition of a locally employed staff position for the peak nonimmigrant visa period or a part-time position to be filled on a year round basis. (Action: Consulate General Curaçao, in coordination with CA)

Recommendation 4: Consulate General Curaçao should formally request, and the Bureaus of Western Hemisphere Affairs and Consular Affairs should authorize and fund, the establishment of consular agencies in Aruba and St. Maarten. (Action: Consulate General Curaçao, in coordination with WHA and CA)

INFORMAL RECOMMENDATIONS

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

Public Diplomacy

There is a public diplomacy-coned ELO at post who has scant time to become involved in public diplomacy work because of more pressing and higher priority consular, political, economic, and certifying officer duties.

Informal Recommendation 1: Consulate General Curaçao should provide opportunities for the public diplomacy-coned Foreign Service officer in the consular section to contribute to public diplomacy work.

The consulate general's digital videoconferencing equipment has been stored away for two years. The new COM, who was unaware that it even existed, is open to digital videoconferencing programs being done from his office, the only suitable program space in this small facility.

Informal Recommendation 2: Consulate General Curaçao should design a program to make appropriate use of its digital videoconference capability for public diplomacy work in support of Mission Strategic Plan goals.

Consular

The management officer was trained as the consular backup in preparation for his assignment to Curaçao but does no consular work to maintain those skills owing to a full load of management obligations.

Informal Recommendation 3: Consulate General Curaçao should arrange for the management officer to perform consular work for a few hours each month to maintain his skills as the consular officer backup.

Human Resources

Due to the absence of historical files, the new management officer has been unable to determine whether HR/OE has sent salary recommendations.

Informal Recommendation 4: Consulate General Curaçao should contact the Bureau of Human Resources, Office of Overseas Employment, to determine the status of any salary surveys for post.

General Service and Facilities Management

Post has requested a FRAT visit to assist in conducting a sale of surplus supplies and furniture, but has not requested assistance with warehouse and receiving procedures.

Informal Recommendation 5: Consulate General Curaçao should request a Florida regional assistance team visit to assist post with warehousing and receiving.

The small Curaçao chancery is quite crowded with insufficient work space for the number of people who are located there.

Informal Recommendation 6: Consulate General Curaçao should erect a small preconstructed modular structure for locally employed staff and contractors next to chancery on the secured compound.

Security Program Management

The regional security office out of Embassy Caracas has been actively supporting Consulate General Curaçao.

Informal Recommendation 7: Consulate General Curaçao should request that Bureau of Diplomatic Security funding will continue to be provided to ensure at least quarterly, week-long assistant regional security officer visits from Caracas.

PRINCIPAL OFFICIALS

	Name	Arrival Date
Chief of Mission	Timothy J. Dunn	07/07
Chiefs of Sections:		
Management	Donald J. Feeney	08/07
Consular/Political/Economic/ (Public Diplomacy)	William J. Furnish	08/06
Regional Affairs	Vacant	
Other Agencies:		
Drug Enforcement Administration	Michael Rzepczynski	07/06
Department of Defense	Vacant	
Department of Homeland Security (Aruba)	Lee Ann Harty	09/04

ABBREVIATIONS

COM	Chief of Mission
DHS	Department of Homeland Security
ELO	Entry-level officer
FOL	Forward operating location
FRC	Florida Regional Center
FRAT	Florida regional assistance team
GFS	Global Financial Services
HR/OE	Bureau of Human Resources, Office of Overseas Employment
LE	Locally employed
OIG	Office of Inspector General
RFMO	Regional financial management officer
RSO	Regional security officer

FRAUD, WASTE, ABUSE OR MISMANAGEMENT
of Federal programs
and resources hurts everyone.

Call the Office of Inspector General
HOTLINE
202/647-3320
or 1-800-409-9926
or e-mail oighotline@state.gov
to report illegal or wasteful activities.

You may also write to
Office of Inspector General
U.S. Department of State
Post Office Box 9778
Arlington, VA 22219
Please visit our website at oig.state.gov

Cables to the Inspector General
should be slugged "OIG Channel"
to ensure confidentiality.

~~SENSITIVE BUT UNCLASSIFIED~~

~~SENSITIVE BUT UNCLASSIFIED~~