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

Report of Inspection

Embassy Kolonia, Federated States of Micronesia

Report Number ISP-I-09-17, March 2009

IMPORTANT NOTICE

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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 for the U.S. Department of State (Department) and the Broadcasting Board of Governors (BBG).

PURPOSE

The Office of Inspections provides the Secretary of State, the Chairman of the BBG, and Congress with systematic and independent evaluations of the operations of the Department and the BBG. 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 economy 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; as appropriate, circulated, reviewed, and compiled the results of survey instruments; conducted on-site interviews; and reviewed the substance of the report and its findings and recommendations with offices, individuals, organizations, and activities affected by this review.

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KEY JUDGMENTS

- Despite its small size, Embassy Kolonia advances important U.S. interests and provides a range of services in the complex relationship with the Federated States of Micronesia (Micronesia).
- Interagency coordination on implementation of the Compact of Free Association (COFA) has deficiencies that require attention from Washington.
- Poor communication channels among U.S. agencies are contributing to a growing divergence of policy views on how the COFA is serving U.S. interests and whether it fosters Micronesian self-reliance or dependence.
- The embassy is generally well managed. It is heavily reliant on regional support it receives from Embassy Manila. Going forward, this support must be both robust and sustained.
- The new embassy compound (NEC) will relieve overcrowding, provide space to colocate some mission elements currently not colocated, (b) (2)(b) (2)(b) (2)
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- The public diplomacy outreach of Embassy Kolonia is impressive given the scant resources at the disposal of this nonpresence public diplomacy post.

The inspection took place in Washington, DC, between September 4 and October 3, 2008, and in Kolonia, Federated States of Micronesia, between November 5 and 13, 2008. Ambassador Rudolf V. Perina (team leader), Dr. Louis A. McCall (deputy team leader), and Joseph S. Catalano conducted the inspection.

CONTEXT

Micronesia was a United Nations Trust Territory administered by the United States until it gained independence in 1986. It then entered into a special relationship with the United States under the COFA.



Under the terms of the COFA, the United States has exclusive military rights in Micronesia and is responsible for the country's security and defense. Micronesian citizens are allowed entry into the United States without visas, and the country receives over \$90 million a year in compact assistance and approximately \$50 million in other federal grants and programs. Most of the COFA assistance is administered by the U.S. Department of the Interior

in six broad sectors: health, education, infrastructure, public sector capacity-building, private investment development, and environment.

Micronesia is a small, developing democracy with a population of just over 108,000 and a land mass of only 270 square miles, though its 600 islands span a million square miles of the Pacific Ocean. It is a loose federation of four island states: Pohnpei, Yap, Chuuk (Truk), and Kosrae. Each state has it own local government and considerable autonomy from the federal capital of Palikir. The country faces serious economic and political challenges stemming from a weak federal structure, isolated geography, and low levels of foreign investment.

The United States and Micronesia have full diplomatic relations and a close bilateral relationship. Micronesia generally supports U.S. positions in multilateral organizations and has a closely aligned voting record with the United States in the United Nations. The key strategic goals of the United States are to support economic growth and development, good governance, and self-reliance so as to promote regional stability.

The U.S. embassy is staffed by four direct-hire positions: the Ambassador, the deputy chief of mission (DCM), the management officer, and a consular/economic officer. They are supported by ten locally employed (LE) staff members. The embassy receives regional administrative support from the U.S. embassies in Manila, Bangkok, Tokyo, and Canberra.

U.S. agencies with a permanent presence in the country include the Department of the Interior, the U.S. Department of Agriculture (USDA) Rural Development, the USDA Natural Resource Conservation Service, the USDA Forest Service, and the Peace Corps, whose program includes 53 volunteers.

EXECUTIVE DIRECTION

The Ambassador, who arrived in Kolonia in September 2007, provides strong leadership to the embassy. She is an active, experienced chief of mission who takes interest in all aspects of the complex U.S.-Micronesian relationship. A new DCM arrived in September 2008.

The Ambassador holds a daily staff meeting with embassy section heads and a monthly meeting with the entire embassy staff. She also holds monthly country team meetings that include all resident U.S. agency representatives. The small sizes of the embassy and of the official American community easily allow more frequent meetings as needed. (b) (2)(b) (

Relations among country team members are professional and supportive, but broad interagency coordination has deficiencies. Some 40 U.S. government agencies have programs in Micronesia, but only four maintain permanent representation. The Ambassador has weighed in proactively on rightsizing the official U.S. presence. She has requested that the Department of Defense assign a representative to the embassy to handle increased Department of Defense activity.

The most serious problem of interagency coordination relates to implementation of the COFA—the foundation and most important element of the U.S-Micronesian relationship. The agency most directly charged by statute with COFA implementation is the Department of the Interior. It has one representative on the country team but his focus is on COFA-related programs such as airport improvement and air weather service assistance rather than on the six sectors of COFA assistance proper, which include, for example, provision of operating expenses for most schools and hospitals in the country. Oversight of COFA assistance is provided by a branch office in Honolulu of the Department of the Interior, Office of Insular Affairs.

Coordination between the embassy and the Department of the Interior is not working effectively under this arrangement. The Ambassador is the day-to-day interlocutor with the Micronesian government but often finds herself inadequately

informed about Department of the Interior actions regarding COFA implementation. COFA assistance is not factored properly into the mission strategic plan, and the Ambassador is unable to exercise chief of mission oversight of how U.S. assistance is utilized. The poor communication channels are contributing to a growing divergence of policy views on how the COFA is serving U.S. national interests and whether it fosters Micronesian self-reliance or dependence.

This problem must be addressed before it leads to further deterioration of coordination and oversight regarding COFA implementation.

Recommendation 1: The Bureau of East Asian and Pacific Affairs, in coordination with Embassy Kolonia, should develop and implement a plan to improve coordination with the Department of the Interior on issues of Compact of Free Association implementation. (Action: EAP, in coordination with Embassy Kolonia)

POLICY AND PROGRAM IMPLEMENTATION

POLITICAL AND ECONOMIC REPORTING AND ANALYSIS

The embassy has no U.S. direct-hire political reporting position. Most reporting is done by the Ambassador and DCM with assistance from one LE staff member who also works on support of law enforcement and Department of Defense activities. Washington end-users have characterized mission reporting as timely and appropriate and commended the Ambassador for attention to detail in keeping readers informed of developments. Reporting is keyed to the Mission Strategic Plan.

Economic/Commercial

The economic/commercial officer is also the consular officer. There are no economic/commercial LE staff to assist him. The ambassador has tasked the economic/commercial officer with reporting and developing contacts with U.S. local business and with the Foreign Commercial Service partner post at Embassy Manila. There is a post reporting plan that includes economic/commercial issues. Reporting coordination is accomplished via the Ambassador's daily meeting. Though only recently arrived at Embassy Kolonia, the economic/commercial officer has already visited Kosrae and Chuuk states for reporting purposes. He combined each trip with consular work.

Micronesia is a small country with a small market. Government, rather than private enterprise, is the major sector of the economy and the country's largest employer. The United States is Micronesia's top bilateral trading partner. Hawaii and Guam are Micronesia's closest U.S. ports. However, Chinese-made goods are pervasive in the local markets.

Fisheries are a major resource and industry. Micronesia is part of the Western Pacific Tuna Commission. The U.S. Government has an agreement with that international body. There is approximately \$30 million from the U.S. government given to the Commission annually, plus matching funds from the U.S. tuna fishing industry. The money is paid out to the members of the West Pacific Tuna Commission to

compensate them for the fish taken from their economic zone waters. The Bureau of Oceans, Environment, and Science leads the talks to the commission. The regional environmental officer based at Embassy Suva participates.

The economic/commercial officer has regular contacts with U.S. businessmen. However, the embassy has not done any advocacy nor has any been requested.

Environment, Science, Technology, and Health

The regional environment officer at Embassy Suva assists Embassy Kolonia. The regional environmental officer visited shortly after the recent arrival of the DCM, who is also the environment, science, technology, and health officer for the embassy. Micronesia has lobbied the Federal Emergency Management Agency to help with the problem of tidal overflow to agricultural areas. The Acting Administrator of the Federal Emergency Management Agency declined the request in a letter to the Micronesian president in October 2008. Oil-leaking Japanese WWII wrecked warships sunk by U.S. forces are a growing environmental issue. Micronesia has sought both American and Japanese help. The leaking oil affects Chuuk's lagoon and harbor.

Trafficking in Persons

There are some suspected trafficking-in-persons cases in Guam originating in Micronesia. That portfolio is covered by the DCM and the LE staff political specialist. The Micronesian Transnational Crime Unit, which covers such crimes as trafficking in persons, was set up by the U.S. and Australian governments. By all accounts, it is functioning well. There are no refugees in Micronesia.

PUBLIC DIPLOMACY

There is no dedicated public affairs officer (PAO). PAO work is done by a locally hired American who works under a personal services agreement (PSA) Plus. Public affairs work is 40 percent of his position description, plus five percent of his time set aside for educational advising. Forty percent of his remaining time is as a staff assistant to the Ambassador, with the remaining time given over to other non-public diplomacy assignments. He has been in the position since 2006. The direction and guidance of the embassy's public diplomacy outreach is set by the Ambassador and

the DCM. The Ambassador is being very active on public diplomacy and making sure Micronesian people are aware of every dollar of assistance. The regional PAO, located at Embassy Suva, has been to Kolonia once and has funded a few small items. The relationship is a new one and is still developing.

Media Relationships and Opportunities

There is only one newspaper for Micronesia, and it is located in Pohnpei. It is privately owned and operated. Each of the four Micronesian states has a public radio station, although the public radio station in Chuuk is currently off the air. The embassy can easily place items in the media. Internet media is strong in Micronesia. Embassy Kolonia monitors the country's privately sponsored interactive Internet site, but for now has chosen not to make postings of its own there.

U.S-Micronesian Exchanges

Because of the unique relationship of the COFA, Micronesia is not eligible for Fulbright scholarships or Humphrey fellowships. However, Pell grants, which are limited to \$4,310 each in FY 2008, are widely available for Micronesians. China, Australia, Japan, and various European Union countries are each giving scholarships to Micronesians. The Chinese have given approximately 30 this year.

Military Relationships

Military links are a major way in which U.S.-Micronesian exchanges are supplemented. There is a higher percentage of Micronesians serving in the U.S. armed forces than that of any state of the United States. About 2,000 Micronesian nationals currently serve in the U.S. military. Five Micronesians serving with U.S. forces have died in Iraq. The son of the Micronesian Vice President is in the U.S. Army. The Micronesian President's daughter is active-duty U.S. Air Force. Under the COFA, the Ambassador can make one appointment per U.S. service academy (Army, Navy, Air Force, and Coast Guard) per year. Currently, there are two Micronesians in the U.S. Naval Academy. These current service academy appointments are with full-cost waivers.

High Level Visits and Public Affairs Events

In May 2008, the USS Nimitz was conducting operations north of Guam. The Micronesian President, chief of staff, the President's daughter (brought in from her U.S. Air Force duty post in Guam), and the Assistant Secretary for the Americas and

European Affairs, were guests on board. The visit helped deliver the message on the U.S. level of commitment to defense of Micronesia under the COFA.

In April 2008, the Commander of the Pacific Command (PACOM) paid the first visit by a PACOM commander to Micronesia. It included interaction with the Micronesian President, the cabinet, and the Speaker of the Congress, among others. The visit was initiated through the efforts of the Ambassador. During the visit, the Admiral met with a Micronesian who was an Iraq veteran and is a paraplegic. In 2005, at Walter Reed Hospital in Washington, DC, President Bush presented U.S. citizenship and medals to the.

The USNS Mercy hospital ship visited Chuuk in August 2008, helping nearly 17,000 patients from Micronesia. Mobile medical teams set up clinics on shore in Yap, Pohnpei, and on several lagoon island locations. The Micronesian President spent three days observing USNS Mercy activities. In addition, over 20 attached U.S. Navy Sea Bees completed major engineering projects, including refurbishing Chuuk's hospital and two elementary schools.

CONSULAR OPERATIONS

The consular section in Kolonia is adequately staffed by the economic/consular officer performing consular duties assisted by a full-time LE staff assistant and other LE staff performing backup or subcashier duties.

The management officer, who had a previous tour of duty as a consular officer, is the consular officer backup for 20 percent of his time. He has also taken the refresher consular course at the Foreign Service Institute. During all of July 2008, he was both acting DCM and consular officer, in addition to his regular management duties. The LE staff person who provides secretarial support to the executive office is the backup consular subcashier and sits in the crowded consular section.

The consular section space in the NEC is an excellent space and will resolve most of the deficiencies of the consular space in the current chancery. Consular contractors are scheduled to arrive by March 2009 to set up consular systems at the NEC.

American Citizen Services

The nonofficial American community in Micronesia is small and scattered. An estimated 650 U.S. citizens reside in Micronesia with approximately half of them in Pohnpei. The embassy has a warden network based on reliable long-term U.S. citizen residents.

Nonimmigrant Visa Services

Most nonimmigrant visa (NIV) applicants are third country applicants from the Philippines or China who live in Micronesia. Under the terms of the COFA, citizens of Micronesia do not require visas to enter the United States for purposes of visiting, business, work, or study. Total NIV applications have declined from 676 in FY 2006, to 564 in FY 2007, and to 486 in FY 2008. Only 11 visa applications were denied. There were 275 NIVs issued to Filipino applicants, which accounted for 58 percent of issuances. There were 103 NIVs issued to Chinese applicants, which accounted for 22 percent of issuances.

Visas Viper Program

The Visas Viper Program stipulates that information on "people who may threaten the welfare of the United States" be given by mission elements to the consular section for forwarding to the Department. This is used to "watch list" known or suspected international terrorists in the consular lookout and support system and other systems. The Department reviews such consular reports to identify persons for inclusion in the consular lookout and support system. Embassy Kolonia's Visas Viper committee meetings, although not limited to Department elements, have not included certain other agency mission elements. According to 9 FAM 40.37 N4.1 and 9 FAM 40.37 N1.1 a., the Visas Viper committee should include input from other appropriate mission entities. As currently constituted, the Visas Viper committee does not include mission elements with a presence in the Micronesian state of Chuuk. Embassy Kolonia indicated to the OIG team that it would address OIG concerns, following the departure of the inspection team, at the next monthly meeting of the country team and the following Visas Viper committee meeting.

Recommendation 2: Embassy Kolonia should review the composition of its Visas Viper committee attendees and revise it to include appropriate mission elements with a presence in Chuuk. (Action: Embassy Kolonia)

RESOURCE MANAGEMENT

OVERVIEW

Embassy Kolonia is a well-run, adequately funded and staffed post that strives to improve under the strong leadership of its management officer. Embassy Kolonia's small, multitasked administrative staff provides administrative services to six service subscribers, including the Department. It is assisted by, and heavily reliant on, the regional support it receives, primarily from Embassy Manila. Embassy Kolonia is dissatisfied with some of the services now received. Embassy Manila has demonstrated a renewed interest in providing the quality and level of services required. A revised memorandum of understanding between the two embassies will soon go into effect. The Bureau of East Asian and Pacific Affairs' executive office endorses the effort. In March 2009, Embassy Kolonia is expected to move into a NEC, which will provide a safe and secure workplace now absent at the present chancery. Presently, only one agency is slated to colocate to the NEC. Embassy Kolonia, with assistance, is addressing several legacy human resources issues.

Resource Table

Agency	U.S. Direct-	U.S.	Locally	Total	Total
	Hire Staff	Local- Hire Staff	Employed Staff	Duni	Funding FY 2008
State – D&CP	3	1	2	6	\$368,500
State – Pacific Island Fund Small Development Grant	n/a	n/a	n/a	n/a	\$26,540
State – ICASS (with carryover funds)	1	2	5	8	\$869,600
State – Diplomatic Security	0	0	0	0	\$69,819
State – Representation	0	0	0	0	\$9,200
State – OBO	0	0	0	0	\$167,771
Peace Corps	3	1	17 (1 is vacant)	21	\$1,314,000
Interior	1	0	0	1	\$1,300,000

USDA – Rural Development	5 (2 are vacant)	0	4	9	\$2,572,437
USDA – Natural Resource Conservation Service	2 (1 is vacant)	0	2	4	\$521,000
USDA – Forest Service	1	0	0	1	\$64,750 (operations only, not projects)
Totals	16	4	30	50	\$7,283,617 1

Source: Embassy Kolonia

RIGHTSIZING

Embassy Kolonia performed a rightsizing review in 2005 in anticipation of the NEC. As a result, the embassy gave up the full-time equivalent for the chief of mission's office management specialist position in exchange for an economic officer position. That position has become the economic/consular officer position. Embassy Kolonia also hired a PSA information management specialist, an LE executive secretary, and a PSA staff public diplomacy/staff assistant. Embassy Kolonia no longer supports the assignment of a facilities manager to Embassy Kolonia. It now favors the status quo with Embassy Manila providing facilities maintenance services. Embassy Kolonia anticipates not requiring additional maintenance or custodial positions for the NEC.

At present, only the Department of the Interior will colocate at the NEC. The embassy anticipates the future addition of one Department of Defense employee, who will be colocated. The Peace Corps has received a colocation waiver, and both United States Department of Agriculture (USDA) Rural Development and USDA Natural Resource Conservation Service have requested colocation waivers. The Ambassador and regional security officer (RSO) have approved these waivers. The Bureau of Diplomatic Security is considering them. A 2008 proposal to base a United States Agency for International Development (USAID) regional disaster management program at Embassy Kolonia was considered. USAID decided to go elsewhere in the region.

¹Not included in these totals are approximately \$140 million in grant assistance to Micronesia from the U.S. government, both COFA related and non-COFA.

REAL PROPERTY

The \$10 million NEC, with a planned move-in date of March 2009, will be a vast improvement over the present chancery. It will relieve overcrowding and provide physical security. The NEC's interior space, approximately 6,500 square feet, was designed to accommodate staffing levels as presented in the 2005 rightsizing review which projected only the colocation of the Department of the Interior and a Defense attaché.

The NEC has adequate space to accommodate the USDA Natural Resource Conservation Service, but there are no plans for it to colocate there. The embassy would like to use the NEC's limited additional space to accommodate temporary duty visitors. The USDA Natural Resource Conservation Service will pay rent that could be avoided for space that is less safe than the chancery. In addition, space in the NEC will not be fully utilized. Good business practice would dictate colocation of USDA to save funding and to provide a safer environment for its two U.S. direct hires and two LE staff.

Recommendation 3: Embassy Kolonia, in coordination with the Bureau of Overseas Buildings Operations, should colocate the United States Department of Agriculture Natural Resource Conservation Service to the new embassy compound. (Action: Embassy Kolonia, in coordination with OBO)

The NEC will meet all blast and setback requirements and forced-entry/ballistic-resistant requirements. It will meet all lock-and-leave standards and will have a full Security Management System enterprise with connections to the Department and Embassy Manila's engineering services center (ESC). (b) (2)(b) (2)(b) (2)(b) (2) (b) (2)(b) (2

Decommissioning of the existing chancery will start after the move to the NEC. ESC has already visited Kolonia to develop a decommissioning plan for the security infrastructure.

The newly leased, recently constructed, Chief of Mission residence (CMR) is a vast improvement over the previous CMR, which now serves as the DCM residence. Both the DCM residence and the residence of the economic/consular officer are

located adjacent to the CMR, which provides them an added degree of security. The CMR is protected by a perimeter fence/wall and local guard protection around the clock. The other two residences are outside of the perimeter fence/wall. The management officer's leased residence is distant from the CMR and somewhat isolated. If the landlord of the CMR were to build a residence on property adjacent to the CMR, the embassy would consider leasing it. Discussions along these lines have already occurred.

The Department and Peace Corps direct-hire employees are in leased housing. Other direct-hires, with the exception of USDA Rural Development, are in living quarters allowance housing. USDA Rural Development provides no housing benefits. Residential property in Kolonia is severely limited, particularly those approximating U.S. housing amenities so the mission tends to keep its residences. For that reason, Embassy Kolonia has not seen a need to establish an interagency housing board. The inspection team counseled the mission to establish an interagency housing board as a way to promote a safe, secure, and economic housing program.

MANAGEMENT OPERATIONS

Embassy Kolonia's management operations are well run and greatly appreciated as evidenced by the high scores received on the FY 2008 International Cooperative Administrative Support Services (ICASS) Customer Services Survey and the OIG Workplace and Quality of Life Questionnaire. In 2008, the Washington ICASS Service Center recognized Embassy Kolonia's management officer for outstanding ICASS services. The management officer is supported by an LE staff of seven that includes an American citizen general services assistant and information management specialist, hired through PSAs. The management officer is the post security officer and backup for the consular officer. At this small embassy, the LE staff are required to perform multiple, varied duties as each provides backup for colleagues. As a group, they are generally well-trained and striving to become expert in their primary duties. Embassy Kolonia lacks a health unit, American employee association, and community liaison office. There is no Department-assisted international school in Kolonia.

Embassy Manila provides the following services to Embassy Kolonia: human resources, financial, facilities, medical, security, and communications/systems. Embassy Canberra had provided outstanding human resources support. This responsibility has shifted back to Embassy Manila, where it once resided. Embassy Kolonia is satisfied with the regional support it receives in human resources, financial management, security engineering services, and facilities maintenance. Embassy Manila's

current facilities maintenance officer is credited with turning this program around and providing an acceptable level of service. (b) (2)(b) (

HUMAN RESOURCES

One LE staff member, with the able assistance of Embassy Manila, is responsible for human resources at Embassy Kolonia. She has multiple other duties including those of financial assistant, Class B cashier, and backup consular assistant. Prior to the transfer of regional human resources responsibility to Embassy Manila, Embassy Canberra provided excellent services but made infrequent visits. During the lull in visits, LE staff files were not well maintained. This has since been remedied. Because an off-the-shelf salary survey for the Kolonia labor market is not available and Embassy Canberra could not conduct one, the Bureau of Human Resources' Office of Overseas Employment (HR/OE) staff conducted a survey in 2007. This work resulted in a 14 to 21 percent salary increase. Through the persistence of the management officer, a supplemental retirement plan was finally established in 2008. HR/OE had approved it in 2002. The inspection team made an informal recommendation for Embassy Kolonia to update its LE staff handbook that was last revised in 2004.

USDA Rural Development employs four Micronesian citizens who are paid under the U.S. Civil Service pay plan, which is higher than the LE staff compensation plan. All LE staff should be paid under the LE staff compensation plan. According to 3 FAM 7313.1(6), USDA is responsible for adhering to the LE staff compensation plan. USDA Rural Development has not been exempted from this requirement. This situation has been allowed to persist for years. USDA Natural Resource Conservation Service converted its employees from the Civil Service pay plan to the LE compensation plan in 2001. Embassy Kolonia has sought guidance from Embassy Manila and the Department on how best to address this issue.

Recommendation 4: Embassy Kolonia, in coordination with the Bureau of Human Resources, should require the United States Department of Agriculture Rural Development to pay its locally employed staff in accordance with the local employee compensation plan. (Action: Embassy Kolonia, in coordination with HR)

Embassy Kolonia employs three local American citizens on PSA appointments paid on the Foreign Service pay plan. Their pay exceeds that paid under the LE staff compensation plan. They are the public diplomacy/staff assistant, information management specialist, and the general services assistant. Each has been declared not ordinarily resident by HR/OE. Embassy Kolonia has determined that the labor pool in Kolonia is very limited especially for skilled positions so it will continue to be required to pay above the LE compensation plan to attract and retain employees for several skilled positions. It would prefer to seek exception rate ranges in such cases rather than not-ordinarily-resident status. It is working with Embassy Manila on how best to transition from not-ordinarily-resident status to exception rate ranges for its current PSA staff. This is timely, as the public diplomacy/staff assistant will be leaving to take another job and some LE staff have complained that the practice is unfair.

SECURITY

The management officer is the post security officer. (b) (2)(b) (2)(b) (2)(b) (2) (b) (2)(b) (2)(b)

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Embassy Kolonia has contract local guards at the chancery, CMR, and NEC. All locations have a guard presence around the clock. Embassy Kolonia experienced and reported some administrative difficulties with the local guard contractor to Embassy Manila's contracting officer and A/RSO, and appropriate actions were taken including using the deduct schedule in the guard contract. The management officer is the contracting officer's representative for the contract. The contractor has little if any real competition in Kolonia. (b) (2)(b) (2)(b

FINANCIAL MANAGEMENT

Embassy Kolonia's financial management operations, handled by one LE staff member, with the support of Embassy Manila, are well run. Embassy Manila prepares Embassy Kolonia's program budget. Embassy Kolonia prepares its own ICASS budget. Embassy Manila is responsible for funds controls for the two budgets, obligations, and voucher certification. Embassy Kolonia prepares and approves vouchers for certification. The LE staff member performs Class B cashiering duties (b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)

Unannounced monthly cash counts are performed by the management officer. The practice of conducting unannounced monthly cash counts of the subcashier's (b) (2)(b) (2) began recently.

GENERAL SERVICES OPERATIONS AND FACILITIES MANAGEMENT

The general services assistant is responsible for the control of expendable and nonexpendable property, customs and shipping, the motor pool, facilities management, and the safety and occupational health and fire protection programs. He supervises the maintenance assistant/chauffeur and the custodian. The management officer is responsible for the procurement and travel functions, which are handled by the travel/procurement/management assistant. With a few exceptions, general services operations and facilities management programs appear adequate. Embassy Manila's facilities management support is viewed as good. It had been viewed as inadequate, but the current facilities manager has turned the program around. Embassy Manila's contracting and procurement office handled the solicitation and awarding of the local guard contract. It too received high praise.

Embassy Kolonia lacks sufficient warehouse and storage space. The NEC will not have a warehouse, so the current leased warehouse will be kept. The embassy's limited expendable supplies are not warehoused. They are purchased when needed and maintained as cupboard stock. Receiving for nonexpendable property is normally done at the chancery. Receiving reports are not prepared. The inspection team made an informal recommendation that the embassy prepare receiving reports. The embassy has not established a preventive maintenance schedule for its official vehicles and as a result vehicles receive routine servicing on an ad hoc basis with only annual oil and filter changes. The inspection team made an informal recommendation that the embassy establish and follow a preventive maintenance schedule for its vehicles.

Information Management Section

Embassy Kolonia's information programs center runs well. It is led by a technically proficient, knowledgeable, and service-minded computer management specialist. He is an American citizen with a top secret clearance hired locally under a PSA Plus, not-ordinarily-resident arrangement.

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The embassy is in compliance with requirements regarding designation of information systems security officer (ISSO) responsibilities as stated in 12 FAM 613.3, 5 FAM 823 b. and d., and telegram STATE 114585 of August 15, 2007. However, this is done by designating two generalist officers, the management officer and the economic/consular officer, as ISSO and the alternate ISSO respectively. Both have taken the ISSO course prior to coming to Embassy Kolonia. The management officer is also the communications security custodian and has received the necessary training for those duties.

The computer management specialist functions as the information programs officer and is the system administrator for both the unclassified and classified communications systems, as well as being the alternate communications security custodian. The embassy rightly desires that he also be designated an alternate ISSO, since he is the only one with the overall technical expertise. Because the computer management specialist is not a U.S. direct-hire, 5 FAM 1067.1 d. requires that an exception to the U.S. direct-hire requirement be justified and submitted to the Department's chief

¹ 07 STATE 114585 with the subject "Information Assurance Training for the Information Systems Security Officer (ISSO), IA-101, FY 2008 Training Schedule."

information security officer. Embassy Kolonia made such a request with its justification in January 2008 but has received no response from the chief information security officer in the Bureau of Information Resource Management. (b) (2)(b) (2) (b) (2)(b) (2)(b (b) (2)(b) (2)(b (b) (2)(b) (2)(b (b) (2)(b) (2) (b) (2)(b) (2)(b (b) (2)(b) (2) (b) (2)(b) (2)(b (b) (2)(b) (2)(b (b) (2)(b) (2)(b (b) (2)(b) (2) (b) (2)(b) (2)(b (b) (2)(b) (2)(b (b) (2)(b) (2) (b) (2)(b) (2)(b (b) (2)(b) (2)(b (b) (2)(b) (2)(b (b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)

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EQUAL EMPLOYMENT OPPORTUNITY

Embassy Kolonia's Equal Employment Opportunity (EEO) program does not have any active cases, and the OIG team did not receive negative comments on the program from staff. The program is in compliance with the exception of the EEO counselor. A recently arrived officer was designated as the EEO counselor. Although he previously served as EEO counselor at another post, his training is not current. The OIG team made no recommendation because the embassy included funds for training the EEO counselor in its FY 2009 training plan.

QUALITY OF LIFE

MEDICAL UNIT

The embassy is isolated, and medical care leaves much to be desired. It has no medical unit but does have a range of up-to-date vaccines on hand. There is limited commercial air service from the various island states of Micronesia and mission elements are located in each of these states. Commercial flights to Guam are only every other day. It took over 24 hours in September 2007 to get an SOS medical evacuation (MEDEVAC) flight to Manila. Singapore is the official regional MEDEVAC center for the entire Manila region including Kolonia. Manila may be approved as a MEDEVAC destination on a case-by-case basis, based on medical capability and the patient's medical condition. Guam is an alternate approved evacuation point for a limited range of cases.

Since December 2007, the embassy had a strained relationship with the regional medical officer at Embassy Manila, but not including all elements of his office. There were differences of opinion or perspective between the regional medical officer and some Embassy Kolonia clients that required some time to overcome. As a result, ICASS satisfaction was low for the service. The embassy, including the Ambassador, and the regional medical officer have tried to improve the relationship, and the relationship is improving. The Foreign Service health practitioner from Embassy Manila came to the embassy during the OIG inspection and administered flu shots. The embassy was also pleased with regional support from the Department's regional psychiatrist at Embassy Tokyo.

COMMUNITY LIAISON OFFICE

Embassy Kolonia does not have a community liaison office coordinator. The Family Member Employment Report, due semiannually, is submitted by the management officer. Family members have had some success in finding employment outside the mission but not at rates of remuneration large enough to be attractive or to meet family needs.

MANAGEMENT CONTROLS

Embassy Kolonia has a strong, comprehensive management controls program. To ensure widespread understanding of the program among all mission employees, it is the subject of an embassy management notice. The DCM is the management controls coordinator. All pertinent information for the coordinator's designation has been provided to the Bureau of East Asian and Pacific Affairs. With the active support of the Ambassador, the embassy implemented standard operating procedures and policies for controlling the use of cell and landline phones, and official vehicles.

In preparation for the inspection, the embassy conducted a risk assessment review that was scored by the Department. All functions scored well, with consular affairs the only function receiving less than 80 percent.

Embassy Kolonia submitted its chief of mission annual management certification on August 13, 2008. It reported no management control weaknesses.

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RECOMMENDATIONS

- Recommendation 1: (b) (2)(b) (
- **Recommendation 2:** Embassy Kolonia should review the composition of its Visas Viper committee attendees and revise it to include appropriate mission elements with a presence in Chuuk. (Action: Embassy Kolonia)
- **Recommendation 3:** Embassy Kolonia, in coordination with the Bureau of Overseas Buildings Operations, should colocate the United States Department of Agriculture Natural Resource Conservation Service to the new embassy compound. (Action: Embassy Kolonia, in coordination with OBO)
- **Recommendation 4:** Embassy Kolonia, in coordination with the Bureau of Human Resources, should require the United States Department of Agriculture Rural Development to pay its locally employed staff in accordance with the local employee compensation plan. (Action: Embassy Kolonia, in coordination with HR)
- Recommendation 5: (b) (2)(b) (
- Recommendation 6: (b) (2)(b) (
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- $\begin{array}{c} \textbf{Recommendation 10:} (\ b) \ (2)(b) \ ($
- Recommendation 11: (b) (2)(b) (2)(b)

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.

MANAGEMENT

The embassy's LE staff handbook was last updated in 2004. Significant changes to the LE compensation plan have since occurred.

Informal Recommendation 1: Embassy Kolonia should update its LE staff handbook.

The embassy does not prepare receiving reports. It makes annotations on procurement documents to record property receipts.

Informal Recommendation 2: Embassy Kolonia should prepare receiving reports.

The embassy lacks a preventive maintenance schedule for its official vehicles. Vehicles now receive routine maintenance on an ad hoc basis.

Informal Recommendation 3: Embassy Kolonia should establish and follow a preventive maintenance schedule for its official vehicles.

The current chancery has some first aid supplies but lacks a defibrillator.

Informal Recommendation 4: Embassy Kolonia should purchase and install a defibrillator in the new embassy compound.

PRINCIPAL OFFICIALS

	Name	Arrival Date
Ambassador	Miriam Hughes	09/05/2007
Deputy Chief of Mission	William Douglass	09/11/2008
Chiefs of Sections:		
Political	William Douglass	09/11/2008
Management	Jonathan Floss	07/30/2007
Economic	Carl-Heinz Jason Wemhoener-Cuite	
	•	07/31/2008
Consular	Carl-Heinz Jason Wemhoener-Cuite	
		07/31/2008
Other Agencies:		
Peace Corps	David Reside	01/12/2005
U.S. Department of Agriculture:		
Rural Development	Cheryl Burkindine	03/29/2004
Natural Resource Conservation Service	Bridget Darr	05/09/2007
Forest Service	Marjorie Falanruw	01/01/1980
	•	
Department of the Interior	Victor Hobson	01/19/1998

ABBREVIATIONS

A/RSO	Assistant regional security officer
CEPA	Crisis and Emergency Planning Application
CMR	Chief of mission residence
COFA	Compact of Free Association
DCM	Deputy chief of mission
EEO	Equal Employment Opportunity
ESC	Engineering services center
HR/OE	Bureau of Human Resources, Office of Overseas
	Employment
ICASS	International Cooperative Administrative Support Services
ISSO	Information systems security officer
LE	Locally employed
MEDEVAC	Medical evacuation
NEC	New embassy compound
NIV	Nonimmigrant visa
OIG	Office of Inspector General
PACOM	Pacific Command
PAO	Public affairs officer
PSA	Personal services agreement
RSO	Regional security officer
USAID	United States Agency for International Development
USDA	U.S. Department of Agriculture

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