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

# Report of Inspection

Embassy Bucharest,  
Romania

Report Number ISP-I-05-10A, February 2005

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## KEY JUDGMENTS

- Embassy Bucharest deals admirably with a vastly expanded bilateral relationship and a heavy flow of high-level American visitors, as Romania moves toward membership in the European Union (EU), membership on the United Nations Security Council, and participation in peacekeeping operations in Afghanistan and Iraq.
- A new Ambassador has made a strong positive impression on Romanian elites and public opinion and is rated highly by both American and Foreign Service national (FSN) staff. He and his able deputy chief of mission (DCM) were open to Office of Inspector General (OIG) suggestions to revamp the embassy's meeting structure so as to provide some access for all elements of this very varied mission and to create several new forums for thematic discussion among a restricted group of participants.
- Construction of a new embassy compound (NEC) for Embassy Bucharest is scheduled to start in FY 2009 to replace the present eight cramped and outmoded facilities. The embassy and the Department of State (Department) are in the process of securing new temporary quarters for one particularly troubled facility. They should continue to seek an early move away from that building for the public affairs (PA) section.
- The embassy is adequately managed with the exception of a failure to document procurement actions. The information management (IM) section provides excellent service to its many users and is ranked very high on OIG's workplace and quality of life questionnaire. While IM employees perform well, some procedures are lacking and should be completed to enhance overall operations.
- The embassy information office in Cluj is engaged in a broad range of activities that promote U.S. interests in Romania's important region of Transylvania. The office is underutilized and does not receive effective supervision from Embassy Bucharest. OIG made recommendations to broaden the scope of the office's activities and strengthen its relationship with the embassy.

- The consular section supplies competent and timely services, and its coordination with other embassy elements is excellent. A recently arrived consul general has significantly improved morale through dynamic meetings, transparent decision making, and judicious mentoring.

The inspection took place in Washington, DC, between September 13 and October 8, 2004, and in Bucharest, Romania, between November 8 and 22, 2004. Ambassador John McCarthy (team leader), Paul Smith (deputy team leader), Anthony Carbone, Bohdan Dmytrewycz, Ernest Fischer, Richard Jones, and Sharon Mercurio conducted the inspection.

## CONTEXT

Bordering the western coast of the Black Sea between Bulgaria and Ukraine, Romania is the largest country in Southeast Europe. The country's 22.4 million population includes 25 national minorities, the largest of which are Hungarian (seven percent) and Roma (2.5 percent). Since the fall of the communist regime in 1989, Romania has attempted to pursue reforms based on Euro-Atlantic models with spotty progress. Romania became a member of NATO in April 2004 and, together with Bulgaria, is on track to join the EU in 2007. Recent years have seen some progress in Romania's efforts toward political and economic reform, but much has to be done.



Romanian society and politics today continue to be influenced by ghosts of the past. Allied with the Axis powers in World War II, Romania is only today beginning to come to grips with wartime atrocities committed against its own Jewish population. Ethnic tensions continue to exist in some regions of the country, and government minority policies remain an issue. The 1980s was a decade of hope for populations throughout Eastern Europe and the Union of Soviet Socialist Republics, but for Romanians it was a decade of terror under the increasingly despotic rule of Nicolae Ceausescu. A violent revolution in 1989 led to his removal and public execution. Fifteen years later, while formally Romania has become a functioning democracy with free elections, politics continue to be heavily influenced by neo-communist and nationalistic elements and by politicians who occupied positions of authority under the old regime. The government's substantial control over the media constrains genuine political discussion. On the economic front, Romania has seen sustained growth at five percent for the past three years, yet pervasive corruption and the slow pace of reform hamper future economic prospects.

The Romanian government records 14,387 total cumulative cases, alive and deceased, of HIV/AIDs since 1985. Of that number 10,278 remain alive with 5,547 receiving HAART (highly active antiretroviral treatment) and 7,771 under medical surveillance. The country was shocked by the tragic pediatric AIDs revelations of the early '90s - 8,000 institutionalized/abandoned children were infected. The government now devotes 15 percent of national health system taxes to HIV/AIDS treatment. Current new infections occur mainly among heterosexual drug users (33,000 in Bucharest) and prostitutes. Cases have been reported in every county in Romania. Romania receives \$21 million in U.S. global funds used for prevention, diagnosis, and counseling.

## POLICY OVERVIEW

U.S.-Romanian relations are strong, and the bilateral political dialogue is robust at all levels. Even though the heady days of NATO accession earlier this year are now overshadowed by intensification of preparations for possible EU membership in 2007, the appearance of good working relations with U.S. officials is essential for the domestic credibility of the Romanian political leadership. U.S. and Romanian troops are fighting side by side in Afghanistan and Iraq, and public support for the strategic alliance is strong, based in part on Romania's own horrendous experience with its authoritarian past. With a cumulative investment of \$877 million, the United States is the fourth largest direct investor in Romania. U.S. exports to Romania in 2003 grew by 48 percent to \$367 million, while imports from Romania to the United States stood at \$730 million.

Embassy Bucharest's Mission Performance Plan (MPP) is in line with current U.S. policy objectives with focus on five key goals: global war on terrorism and regional stability, international crime and drugs, economic growth and development, democracy and human rights, and diplomatic security. U.S. assistance for FY 2003 totaled more than \$61.5 million and included \$26.5 in military training and assistance, \$860,000 in export control and border security assistance and \$30.5 million in Special East European Development (SEED) assistance. With entry into the EU in 2007, Romania will graduate from SEED assistance, with final funding for select programs now planned for FY 2009.

Embassy Bucharest has 117 American employees and 338 locally employed staff (LES) representing 12 government agencies. The embassy operates out of eight separate buildings on six sites in Bucharest and maintains an information office with one American employee and two LES in Cluj-Napoca.



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## EXECUTIVE DIRECTION

Executive direction is elaborate and, in the view of many subordinates and OIG, somewhat inefficient. A newly arrived Ambassador has thus far kept in place the framework for mission coordination that he inherited. A weekly country team meeting, with restricted membership tied to room size, is supplemented by meetings four other days a week of a smaller group to coordinate schedules and activities and review significant items in the local press. Each week, the Ambassador or the DCM chairs a relatively large number of additional meetings with one, sometimes two, section chiefs or agency heads. Many of those officers, for instance those who deal with political, military, and economic issues, feel compelled to brief other concerned mission elements not present on matters that cut across several areas of competence. Law enforcement and rule of law issues, which are of concern to a large number of units at Embassy Bucharest, are the sole exception to this "stovepipe" managerial style; here, a working group chaired by the DCM meets regularly to review developments in one of the key goals identified in the MPP.

The Ambassador and DCM accepted an OIG recommendation that they reorganize executive direction at Embassy Bucharest. The embassy possesses a much larger conference room, seating more than thirty people, which could be used for sensitive but unclassified discussions. A weekly expanded country team meeting would allow for the inclusion of all interested advisers from other agencies and the rotational presence of specialist and generalist staff and would help provide a greater sense of purpose to a mission with twelve agency representatives scattered among eight buildings. This expanded meeting would admittedly be of greatest interest to the outer ring of mission elements, several of which to date have no regularly scheduled access to the front office or the rest of the mission.

They also agreed to buttress this meeting with additional thematic meetings designed to formalize communications and provide policy direction among post management and mission units dealing with at least three additional goals of the MPP: economic growth and development; strengthening democratic systems and practices; and promoting regional stability. For instance, there is currently no common forum for front office discussion of economic issues with the U.S. Agency

for International Development (USAID), the economic section, the Foreign Commercial Service (FCS), and none for reviewing political military issues between post management and the Defense attaché, Office of Defense Cooperation, and the political section. There are lower level meetings that deal with elections, press freedom, and other democracy related issues, but post management does not usually participate. Post management will decide on the desired frequency and list of participants for each of these core group meetings. Until they are established, there is a risk that matters will not be well coordinated.

If the daily activities/press meetings are to continue, OIG suggested that post management consider whether all attendees need be there and discipline itself to keep the meetings brief. Given the relatively small staff at Embassy Bucharest, the Ambassador should also reflect on how to ensure that his requests for written briefs on a growing list of issues do not interfere with overall mission priorities.

Embassy Bucharest provides little executive direction to the small information office in Cluj. OIG suggested several ways to tie that office more closely into overall embassy operations. (See section on Cluj.)

## Entry-Level Officers

Embassy Bucharest's published policy for mentoring its approximately 15 entry-level officers is ambitious. It is framed to embrace all first and second tour generalist and specialist staff, whether tenured or not. Some aspects of the program, contained in a management policy statement of May 2004, are in effect. For example, the DCM holds introductory meetings with new arrivals and sponsors representational events to introduce the group to counterparts from Romanian government ministries and third country embassies. Some officers have also been assigned control officers duties and have been encouraged to engage in public speaking events. How other aspects of the program operate is unclear to the personnel involved. For instance, in a meeting with OIG none of the entry level staff knew how their rotational presence at country team meetings works, and most of those who had arrived at post since May were unaware of the existence of the embassy policy statement. Several also noted that control officer duties seemed to be assigned repeatedly to just a few of them and without regard to how heavily this impacted on core work responsibilities. This is an issue common to many posts; what has been missing at Embassy Bucharest is a forum for entry-level staff to convey their experiences and concerns to post management. All of the entry-level staff said they have little concept of the duties of other sections and agencies at this embassy.

The DCM accepted an OIG suggestion that he sponsor a monthly meeting with the group during office hours. Some of the meetings could be focused on allowing the entry-level staff to discuss their views about the program directly with him; others could provide briefings to the group from individuals like the regional affairs head, the defense attaché, the USAID director, and the secret service officer in charge, ensuring that over a two year assignment each new entrant would be exposed to the programs of each agency at post. Either the DCM or the group itself should designate an individual to track how officers are progressing in carrying out each of the assignments recommended in post policy. The Ambassador has had one meeting with the group since his arrival and has committed to meeting once a quarter.

## Mission Performance Plan

All embassy elements participated in preparation of the MPP at a two-day offsite that was chaired by the previous Ambassador. The MPP contains five strategic goals that reflect current U.S. government policy priorities in Romania: regional stability, international crime and drugs, democracy and human rights, economic prosperity and security, and management and organizational excellence. Most performance indicators are precise and measurable. However, the MPP does not address the consular objective of safeguarding American citizens or link the issuance of visas to the protection of U.S. borders. OIG made an informal recommendation to include these items in future MPPs.

The embassy conducted a mid-year MPP review that resulted in several adjustments, but the document does not integrate embassy program activity to the extent that it should. Regularly scheduled meetings of an interagency law enforcement working group noted earlier in this report does provide effective embassy wide coordination in this MPP area. The informal recommendation made to increase the number of working groups to cover other MPP strategic goals should result in better coordination in those areas as well.

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## POLICY AND PROGRAM IMPLEMENTATION

### POLITICAL AFFAIRS

Embassy Bucharest's event driven political reporting is targeted to the needs of Washington users. The section's focus over the last months has been reporting on coalition maintenance, local and upcoming national elections, Romania's concerns regarding the sensitive situation in neighboring Moldova's breakaway Transnistria area, and the high profile issue of changes in Romanian law that would halt international adoptions.

Section officers spend much of their time advocating U.S. goals in Romania. Most of these MPP goals, such as transformation of the judicial system, developing a transparent democratic system, encouraging Romania to work with its neighbors through the Southeast European Cooperative Initiative on regional issues including terrorism, weapons of mass destruction, and contraband arms, will require long-term efforts. Some successes this year include:

- Proposing, and then implementing, an approach on the high-profile adoption issue which successfully lowered the temperature on all sides and may achieve the U.S. goal of allowing those children now in the pipeline to be processed for adoption, including 250 destined for adoption by American families;
- The Romanian government's commitment to increase investigations and prosecutions of human trafficking cases;
- The Romanian government's agreement to offer additional troops to Iraq to protect a renewed UN presence - one of only two countries at the time of the inspection.

The section has wide-ranging contacts throughout the government and among the nongovernmental organizations active in promoting human rights and democracy goals.

Interest in Romania as a new NATO member and aspirant EU member has drawn an increasing flow of high-level visitors. Orienting a new desk officer and the arrival of a new Ambassador has added greatly to the section's workload. The section is getting by, but the demands placed upon it have meant that the section chief, in a stretch assignment and in his first supervisory job, has had little time to develop the skills of the two first-tour entry-level officers - one filling a mid-level position and one rotational - who carry broad portfolios. Some staff development has been carried out by the only other experienced officer in the section, but the section chief should make this a priority. Despite the press of business, the section chief should cultivate a more relaxed management style, which should encourage better communication within the section.

The demands of the day have also precluded the broader, more analytical reporting requested by some Washington users. The section should make sure it implements its new reporting plan, which will help satisfy that need. Reporting officers should include insights from travel to other regions to give Washington a picture of Romania outside the capital. OIG made an informal recommendation that reporting officers include more biographic data on emerging leaders, another need expressed by Washington. Biographic files should be culled and updated. E-mail is used extensively to coordinate approaches with Washington and other embassies. OIG does not believe the section abuses its use of e-mail.

The section is supported by a talented first-tour office management specialist (OMS), also stretched to the limit by the demands of the section and serving as support for the front office OMS. OIG made an informal recommendation that this duty be shared with the regional security officer's (RSO) OMS. The two section FSN political specialists have good contacts and are active in developing new ones. Their cable drafting skills are improving.

All section officers commented on the support they receive from the DCM and the collegial relations they have with the sections and agencies important to the political section's work. However, although section heads are in contact through country team and other meetings, communications at the staff level between the political and economic sections and with other agencies could be improved as the issues they cover often overlap. OIG made an informal recommendation that a combined weekly political/economic staff meeting be held with the inclusion of a political officer in the USAID staff meeting to help meet this need.

## ECONOMIC AFFAIRS

Embassy Bucharest's economic section focuses on two overriding issues - Romania's transition to a market economy with all that entails for U.S. policy makers and the growing U.S. business presence, and Romania's journey to EU membership. Mandatory and event driven reporting have largely met Washington needs. The new reporting plan should help to broaden the scope of reporting. OIG made an informal recommendation that additional focus on conditions and issues outside the capital be made, making use of the section's well thought out travel plan. E-mail is used extensively to coordinate approaches with Washington and other embassies. OIG does not believe the section is abusing its use of e-mail.

The section spends considerable time advocating MPP goals in Romania. Corruption and lack of transparency are major impediments both to Romanian development and to U.S. business interests. Areas of particular focus include:

- Intellectual property rights issues, working with U.S. companies, the Romanian government, and the Department of Justice's representative in Romania;
- Addressing reform in the national health system and combating corruption in pharmaceutical procurement. A working group with USAID was recently established to better coordinate efforts;
- Working with the central bank on issues of financial fraud and money laundering, modernizing and opening up the banking system;
- Promoting the \$2.8 billion Bechtel highway project, working with the contractor and the ministries of Finance and Transportation.

The section also arranges programs for, and accompanies, the large number of official U.S. delegates participating in proliferating conferences, workshops, and meetings associated with Romania's economic and political transformation. The arrival of a new Ambassador has added substantially to demands from the front office.

The section chief is a mid-level first time supervisor. His officers include an entry-level rotational officer and a second tour entry-level officer filling a mid-level slot. The section chief understands his responsibility to manage and develop these officers but finds that overall work demands make this difficult. The arrival of an at-grade mid-level officer next summer should provide some relief. OIG counseled



him, and he agreed, on the need for a more collegial management style. He also agreed that portfolios dividing the section's work need to be adjusted to suit the growing competence of the rotational officer. The American family member OMS position has been advertised for some time and has attracted no bidders. The embassy has considered opening the job to resident American citizens but doubts that the community will respond. OIG endorses the embassy's MPP request for a Foreign Service OMS position to support this busy section. The section's three FSN economic specialists need to work more closely together and cross train in order to provide back-up capacity. OIG recommends that they be located in the same office.

The section chief meets with the DCM daily and praises his support. Although relations with other offices and agencies are collegial, there is lack of communication at the staff level with those working on cross-cutting issues. A combined political/economic staff meeting, as mentioned above, would help. An economic staff member should attend the FCS and USAID staff meetings.

## TRADE PROMOTION

Romania's location, well-educated work force, low salaries, and growing economy have attracted increasing numbers of U.S. firms interested in exporting to, and investing in, this EU applicant state. U.S. companies now employ 37,000 Romanians. Major areas of opportunity for exports include infrastructure industries such as telecom, energy, transportation, automotive, environmental, and air and water products. U.S. businesses face major obstacles including widespread corruption, legislative instability, intellectual property rights infringement, an undeveloped judiciary, and high import tariffs vis-à-vis EU competitors. Conditions are particularly difficult for small and medium enterprises. Such barriers probably discourage many businesses from entering the market.

Business promotion and advocacy take about equal shares of the time of the embassy's FCS office. The staff, one FCS officer and six FSNs (one located in Cluj), will decrease to three in FY 2006 with the loss of positions funded by Central and Eastern European Business Information Center funds. The American Chamber of Commerce is well developed with about 200 members and working groups, with embassy participation, focused on business impediments.

## EMBASSY INFORMATION OFFICE IN CLUJ-NAPOCA

In 1994, under congressional mandate, Embassy Bucharest opened an information office in the Transylvanian city of Cluj-Napoca to monitor Romanian treatment of the 1.6 million Hungarians living in the region. Transylvania played an important role in the cultural histories of both Romania and Hungary. Following World War I, the Trianon Peace Treaty transferred the territory from Hungary to Romania, creating tensions between the two countries that even today have not been completely resolved. During the decade since the information office was established, significant progress has been made to protect the rights of the Hungarian minority in Romania and resolve property claims. A Hungarian political party fully participates in Romanian national politics and is now a member of the governing coalition.

The Cluj information office is located on the university campus in the center of the city and is staffed by one FS-03 American officer and one FSN employee. Salary and operating costs in FY 2004 are estimated at \$174,000. The Department of Commerce also maintains a Central and Eastern Europe Business Information Center representation at the office with one FSN.

The American office director is a self-starter who is engaged in a wide range of public diplomacy, commercial promotion, and American citizens services consular support activities. The population of roughly 150 American citizens in the region will soon expand significantly with the beginning of a \$2.5 billion highway construction project through the region by the American firm Bechtel. The office director also teaches a course in American history at the university (Romania's second most important university after Bucharest) and spends significant time on the road covering the region. He maintains close communication with PA, USAID, FCS, and the consular section and provides effective support to their programs and interests throughout Transylvania.

The Cluj office director is supervised by the embassy's political section chief, but communication between the two is minimal, especially on substantive issues such as advocacy, reporting, and the MPP. The officer provides frequent reporting input by e-mail on Transylvanian political and economic developments, but during 2004 only three were sent to the Department as cables. The office does not receive copies of embassy unclassified cables in the weekly pouch. The office director has made only three one-day consultation trips to Bucharest during the past year. During OIG's visit, a fourth trip was planned and ticket purchased but at the last

minute was canceled by the embassy. Trips to the region by embassy officers are equally rare, although after his arrival, the Ambassador's first trip outside of Bucharest was to Cluj.

The last OIG inspection report (1999) recommended closing the information office in Cluj because, despite the modest annual operating costs, the office was not considered effective. Within the current political and economic environment, OIG believes that the office could add unique value to U.S. government efforts in Romania if the embassy makes a clear commitment and takes specific steps to fully integrate the office into its mission.

With the exception of visa support, the responsibilities of the Cluj information office, as defined by the director's work requirements, are identical to those of a constituent consulate. OIG does not believe that direct supervision of this position by the chief of the political section is appropriate.

**Recommendation 1:** Embassy Bucharest should transfer supervisory authority for the Cluj information office director from the chief of the political section to the deputy chief of mission. (Action: Embassy Bucharest)

The embassy will soon establish American Corners in two key regional capitals, Timisoara and Iasi. The location of both of these northern Romanian cities is much closer to Cluj (which lies roughly equidistant between the two) than to Bucharest in the south. On September 9, 2004, the Department endorsed innovative methods for conducting modern diplomacy in key regions of a given country without a physical diplomatic presence. In addition to American Corners, State 203909 outlined the virtual presence post concept, which combines systematic travel, intense media outreach, and development of a web site to accomplish approximately 50 percent of the workload of an actual consulate. The Cluj information office is ideally located to coordinate the development of both of these American Corners into virtual presence posts.

**Recommendation 2:** Embassy Bucharest should broaden the mandate of the Cluj information office to include supporting program efforts in Timisoara and Iasi. (Action: Embassy Bucharest)

## PUBLIC AFFAIRS

Embassy Bucharest has fully integrated public diplomacy<sup>1</sup> into every element of the MPP both in word and action. The PA section plays a central role in developing the MPP itself, then follows up with a PA program plan keyed to MPP themes which it updates quarterly.

The PA section is staffed by a public affairs officer (PAO), a cultural affairs officer, an information officer, and 17 FSNs. The experienced and forceful PAO has earned the full trust of the Ambassador and DCM and meets with both at least once each day. All elements of the PA section, including offices, information resource center (IRC), and 100-seat auditorium are located in three interconnected buildings two blocks from the embassy. Problems related to this facility are discussed in the classified security report. Active lease negotiations for a new temporary facility were underway during OIG's visit.

The section provides PA support for all embassy elements and works especially closely with USAID in administering and promoting SEED funded reform programs, with the embassy law enforcement working group and with Department of Defense elements involved in military training and assistance. While communication between PA and other embassy elements is excellent, OIG found that information flow within the section itself was less effective. There are currently no regularly scheduled staff meetings within PA and employees of the three section elements - culture, information, and IRC - are often unaware of what the other elements are doing. Over time, this has created a sense among FSNs that their primary responsibility is to the section element in which they work and not to other elements. Cooperation and sharing of information between the elements has suffered. Regularly scheduled PA section meetings, possibly once a week for American personnel and once a month for all employees, will improve the sharing of information and cooperation between elements.

The international visitor program is tied closely to MPP themes and is well run. The DCM chairs a mission international visitor program committee that is represented by all embassy elements. Thirty-eight Romanian international visitor program participants traveled to the United States during FY 2004. The Democracy Commission managed \$320,000 in small grants during FY 2004. One FSN, with

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<sup>1</sup>In this report, public diplomacy refers to the function of engaging, informing, and influencing key public international audiences. The public affairs section at an embassy directs public diplomacy.

PAO oversight, ably manages the program and provides detailed documentation and follow up evaluation. The PAO chairs the Democracy Commission grant selection meetings, which are represented by all embassy elements except the executive office. Current practice requires the PAO to forward all grant proposals recommended by the commission with justifications to the executive office for final approval. This step often requires time-consuming follow-up communication to clarify commission recommendations and in one recent case required an additional meeting of the full commission to develop alternate recommendations. This process would be improved if the DCM participated in the selection process with the entire commission.

## Information Resource Center

The IRC maintains a broad and aggressive information outreach program. Three FSN employees of equal grade manage the facility under the supervision of the information officer. Electronic journals in thirteen MPP theme categories are sent daily by e-mail to approximately 200 Romanian contacts, and a daily summary of U.S. and international press treatment of Romania is distributed within the embassy. The embassy web site is updated daily with additional information products. The IRC maintains an active digital videoconference schedule to support embassy programs and provides seven internet terminals for research two days a week by the public. Between 20 and 50 Romanian contacts use the facility each day. Information recipient lists are drawn almost exclusively from contacts within the PA section with only occasional input from other embassy elements. OIG found that many employees from other embassy elements were not aware of the IRC information outreach program.

## Fulbright Commission

The U.S.-Romania Fulbright Commission was established in 1992 and during FY 2004 provided grants to 17 American and 21 Romanian scholars. The United States provides most of the program funding and the Romanian government contributes office space, local currency stipends for American grantees, and covers international travel for the Romanian grantees. An American Fulbright alumna was selected as the new executive director in November 2003 and brought solid management skills and new ideas to the job.

## CONSULAR OPERATIONS

The consular section supplies competent and timely services. Six Foreign Service officers and 19 LES work in the section. Limitations on consular associate visa authorities commencing October 1, 2005, resulted in the addition of two additional entry-level consular section positions to be filled in 2005. Most officers hold responsibilities (detailed in the management controls section of this report) for specific sensitive materials assigned to their units. Visa matters consume about 80 percent of Embassy Bucharest's consular resources. The section receives about 200 print communications and about 1000 telephone inquiries per week. Coordination between the consular section and other sections at post is excellent. The embassy's Internet site includes a consular information page on Romania. Position descriptions are current, and efficiency reports are completed on time. FSN on-the-job experience ranges from 21 years to three months. Consular managers encourage employees to enhance job-related skills through training, including distance-learning consular studies offered by the Foreign Service Institute. Three employees were scheduled to participate in offsite training at the time of the inspection.

Consular staff members told OIG that the recently arrived consul general substantially improved section morale. His methods include regularly scheduled, dynamic meetings, transparent decision-making, and judicious mentoring. The consul general acknowledges that his next task is to upgrade section planning and organization. OIG suggested methods such as evaluating the workflow, eliminating bottlenecks and unnecessary work, and refining processes to enhance productivity. Examples include giving priority to people who submit electronic (bar coded) nonimmigrant visa (NIV) applications. Electronic applications decrease processing time and effort and hence, improve client satisfaction. The consular and public diplomacy sections could use outreach efforts to demystify the visa processes and keep the public current on consular initiatives.

Many U.S. embassies use telephone call centers to enhance productivity by outsourcing selected routine tasks (provision of information, appointment scheduling, and specialized fee collection, for example). This allows staff to concentrate on essential work. Clients benefit from this streamlined practice by receiving individualized attention, saving time, and reducing frustration. OIG endorses this concept for Embassy Bucharest. OIG advocated other techniques including development of embassy specific, written consular standard operating procedures

and formal outreach, representation, and reporting programs. Embassy specific programs help clarify functional methodologies and focus section effort. The consular section began adapting generalized guidance to its specific needs during the inspection.

The present MPP and consular package seek two more FSN positions for the section. Although inspection time limitations did not permit OIG to confirm the basis for this request, observation strongly suggests that the section requires additional FSN positions. Embassy Bucharest should continue to document the need and follow up via the annual consular package and MPP. Consular Management Assistance Teams, composed of Bureau of Consular Affairs experts, travel to selected posts to act as expert consultants. They have the ability to concentrate on observing and improving services and efficiencies without being distracted by managing a demanding work flow. They explain ways to redesign procedures and obtain necessary, upgraded equipment. The consul general agreed with OIG that Embassy Bucharest would benefit from a Consular Management Assistance Team visit.

## Policy Issues

Statutory consular objectives include serving and protecting U.S. citizens and their interests and safeguarding American borders. The MPP includes international crime, human rights, and economic prosperity targets among its strategic goals. However, the MPP contains no specific consular policy or functional tactics, strategy, or objectives linked to those goals representing American citizens and their interests or explicit visa/entry-related U.S. border protection points. OIG advised the embassy to incorporate consular activity relating to these issues in the MPP.

## American Citizen Services

Nearly 100,000 American citizens visit Romania annually. About 1,500 U.S. citizens, including potential dual national retirees and minor children, who live in Romania have registered with the consular unit. The unit estimates that roughly 4,000 additional Americans live in Romania. In FY 2004, the consular section adjudicated approximately 1,850 citizenship/passport requests and performed nearly 700 notarial services. Americans in Romania may encounter problems ranging from minor difficulty to serious crises. To help resolve such matters, the consular unit developed excellent working relationships with Romanian authorities. Natural disasters, such as earthquakes, and catastrophes, like airplane crashes,



could affect U.S. citizens in Romania. The embassy's well-organized warden system meets requirements to develop effective emergency safety and/or evacuation plans for Americans. OIG suggested that the unit evaluate the number of hours it is open for non-emergency services. This may support a reduction in nonproductive public hours and corresponding improvement in the focus of out-of-office advocacy and reporting in addition to better office management.

## International Adoptions

Numbers of American citizens seek to adopt Romanian children. This substantially increases time spent in advising prospective adoptive parents and processing related documentation. On January 1, 2005, a law virtually banning inter-country adoption of children out of Romania will go into effect. The law allows only expatriate blood grandparents to adopt their grandchildren. Americans were in the process of adopting about 250 children when the law was passed on June 23. On October 18, 2004, the French and Romanian Prime Ministers proposed an international commission to oversee resolution of some of the approximately 1,000 pending inter-country adoption cases. The embassy welcomed and supports this proposal. It actively engages Romania's Prime Minister plus relevant government of Romania agencies to press for resolution. Primary targets include agreement on a comprehensive, transparent process that will resolve as many pending adoption cases as possible and American representation on the commission.

## Visas

Antiterrorism concerns figure prominently in visa eligibility issues. Meticulous evaluation of visa applicants protects U.S. borders by identifying and excluding terrorists, curtailing illegal immigration, and promoting bona fide travel to the United States. The consular section underscores antiterrorist efforts and fully implements related legal/procedural parameters. It performs full name checks for terrorist or criminal histories and other forms of disqualifying behavior. During FY 2004, the section adjudicated nearly 46,000 NIV applications. It also processed about 4,000 immigrant and diversity visa applications for Romania and neighboring Moldova. Estimates for FY 2005 project a slight overall increase. The consular section works to provide courteous, efficient service while maintaining the integrity of U.S. laws and regulations by carefully evaluating visa applications.



## Visa Fraud

Fraud ranks high on the visa unit's concerns. Some 40 percent of Embassy Bucharest's first time visitor visa applicants do not qualify for visas. People ineligible for American immigrant visas may apply for NIVs as a way to enter the United States. Others use false documents or identities in attempts to obtain a visa. Reapplications by applicants who cannot qualify for visas add to the workload and psychological pressures on the staff. The embassy's tasks include determining identity and citizenship, validating educational records, substantiating work histories, and authenticating family relationships.

One full time FSN, supervised by the visa unit chief, works in the antifraud unit; he also assists with regular NIV work when needed. He verifies information and investigates suspicious cases but has few opportunities to look into situations outside Bucharest. The investigator verifies information for immigrant and diversity visa applicants sited in Romania and Moldova besides examining Bucharest-sited NIV cases. The inspection revealed an outstanding working relationship between the consular antifraud and the regional security offices. OIG found that the post does not precisely count antifraud work in consular package statistics and suggested ways to improve tracking and reporting it.

## Visas Viper Program

Information on "people who may threaten the welfare of the United States" held by any mission element must be shared with the consular section for submission to the Department under provisions of the visas viper program. The Department reviews consular reports to identify persons for possible inclusion in the automated visa lookout system. Embassy Bucharest holds monthly visas viper program committee meetings and has a commendable history of identifying visas viper program candidates.

## Physical Environment and Security

Consular section public waiting areas, in four locations on several levels in an embassy annex, remain cramped and confusing in spite of renovations several years ago. Currently, planning for construction of two consular processing booths at the annex entry proceeds at a quick pace. No wheelchair access exists. The warren-like public areas cannot accommodate the clientele, so visa applicants wait on the

street without protection from the elements, sometimes for hours. Unsatisfactory waiting space makes it difficult to serve the public and intensifies client anxiety and irritability. Lack of privacy during interviews further impedes operations. The consular section has sufficient if noncontiguous office space, but the building floor plan restricts officer line-of-sight supervision. The section needs several additional interview windows, requested in its 2004 consular improvement initiative request, to efficiently serve the visa public. Section physical security measures include client screening at the street entry and in the waiting room and standard interview and document pass-through windows.

## REGIONAL SECURITY OFFICE

The security program in embassy Bucharest is strong, proactive, and technologically advanced. The program is directed by an experienced and creative RSO and receives appropriate oversight and guidance from the Ambassador and DCM. A \$2.7 million perimeter security enhancement project for the chancery/consular compound is scheduled for ground breaking in January 2005 with planned completion in six months. When complete, this project will provide a protected compound access control screening area for the consular section and a complete perimeter wall for the entire compound. The embassy is on the Department's Bureau of Overseas Buildings Operations long-range planning list with a NEC scheduled for 2009.





funds may have been unspent and probably lost to the post. This lack of attention to fiscal management continues and is discussed in the financial management section of this report. The most immediate result of tight budgets has been the post's inability to fully fund FSN pay increases authorized by the Department and to fund training. The country's expected entry into the EU in 2007 has already started increased economic activity and speculation that is driving up property values and will soon affect local salaries.

The workplace and quality of life questionnaires composite scores were generally good indicating overall satisfaction with the services provided. Lower ratings regarding office space and the lack of recreation facilities were a reflection of the existing facilities that are substandard.

An experienced management officer leads the administration section with American officers in financial management, human resources (HR), general services (two), facilities management, medical, and IM (six). The management office is further supported by a locally hired community liaison office (CLO) coordinator, 12 other locally hired or family member American positions (six filled at the time of the inspection), plus 158 FSNs. The overall workplace and quality of life questionnaire responses show satisfaction levels that are average to good indicating that the staff works at a level to meet its objectives and performance goals. Issues identified by OIG can be addressed by using existing staff with added emphasis and training.

## HUMAN RESOURCES AND COMPUTER ASSISTED JOB EVALUATION

The HR section effectively manages its programs and has earned the respect of embassy staff. The HR officer, although on his first tour in the Foreign Service, brought 25 years of HR experience working for a major international oil company. There was some frustration within the section that its efforts were often countered by a lack of available funds. For example, the section had aggressively worked to prepare training needs and plans for each FSN in the embassy, only to learn that funds were not available to provide training even to those whose training was a high priority. One FSN commented that the credibility of the section suffered because the section had pressed for preparation of individual plans without results. Even though some FSNs complained about the preparation of plans with little to show for the effort, none blamed the HR section.

The section collectively was well informed of the needs and concerns of its clients, as confirmed during a meeting with the FSN committee. The most important issues for them were economic. Even though the Department had approved some substantial pay increases, funding limitations do not allow implementation of the full authorized amounts. Documented evidence does not exist before 1998, but one senior FSN employee believes that the last fully funded increase occurred in 1991. While such shortcuts can be made in the short term with some disgruntlement, repeated under-funding will cause recruitment and retention problems that may not be felt until serious and damaging losses have occurred. Romania will enter the EU in 2007. There is expectation that the build up to entry and the net results of membership will create significant shifts in the labor markets. If the embassy does not keep abreast of the job market, it could find itself so far behind that catching up will be a long and painful process. This issue is not unique to Romania, and OIG will raise it at the appropriate levels within the Department.

FSNs are not happy with the recent decision to make salary payments via electronic funds transfer to a commercial bank. The use of electronic funds transfer is in compliance with federal law with little option left to the embassy. Even though the process has yet to be implemented by the financial center in Charleston, all FSNs have opened private accounts and are incurring fees and other charges. Some FSNs have identified commercial banks that offer more favorable terms, but that information had not been adequately shared throughout the FSN community. OIG provided informal recommendations.

The embassy completed evaluation of all positions using the computer assisted job evaluation methodology resulting in authorization to upgrade 21 positions affecting 37 employees, but the Department has delayed implementation until full funding becomes available. There were no complaints regarding the process.

## Rightsizing

Embassy Bucharest has a staff that is generally adequate to fulfill its MPP goals. If the two promised consular officers are provided to replace the two consular associates, the consular section can continue with current American staff although some adjustment in FSN staff will be required. The administrative section is adequately staffed, but the embassy has been informally advised to seek the opinion of the Department regarding the added burdens to the general services office (GSO) section that NEC construction would create to determine if an additional assistant GSO is warranted.

## Members of Household Program

Embassy Bucharest makes commendable efforts to support members of households (MOH), both with employment and visa issues. These efforts, as they relate to visa issues, are especially appreciated by post employees and MOH given Romania's visa and documentation practices that are more akin to a communist dictatorship than to a nation seeking entry into the EU. To ease the visa issues faced by MOH, the Ministry of Foreign Affairs issues them visas and identity cards that would normally be issued to those individuals who fall under the "in the service of . . ." category under the Geneva Convention on Diplomatic Relations, but without the concomitant privileges and immunities. In one instance, however, a MOH has been granted privileges and immunities, as a dependent of a diplomatic agent under the Vienna Convention on Diplomatic Relations in direct violation of Departmental directives (2 FAM 221.2a and 3 FAM 4181b (1)).

**Recommendation 3:** Embassy Bucharest should not seek immunities and privileges under the Vienna Convention on Diplomatic Relations for members of household. (Action: Embassy Bucharest).

## FACILITIES

None of the eight buildings housing embassy operations meet current standards. Several are late nineteenth century residences with ornate interiors that are impractical for office use. The embassy is scheduled to start construction of a NEC in 2009 with an estimated completion date in late 2011. The building currently housing the PA section is not suitable for occupancy for such a long period of time. The embassy and the Department have identified an alternative site, and the landlord has agreed to an interim contract pending the availability of full funding from the Department.

In 2004, the Department provided funds to purchase new residential housing. The search for suitable properties was more difficult than expected. Problems with clear titles to property, lack of construction records, and inadequate work to meet seismic standards created delays that forced the embassy to return money to the Department after purchasing twelve units. The embassy is confident that sufficient money will be provided to purchase five additional units. The investment in residential property will save considerable future rental costs in an escalating housing market.

## GENERAL SERVICES AND FACILITIES MAINTENANCE

The GSO section provides (with one notable exception) good services to the embassy. Operating in an environment that is not user-friendly either in terms of logistics or bureaucratic simplicity, the section has provided levels of service appreciated by most of its customers. Motor pool operations, shipping and customs, and facilities maintenance all function well. Residential housing is good to excellent, but there were a few complaints regarding embassy housing board actions. The entire section should improve communications with its customers, particularly in the area of feedback, which was a recurring complaint. Problems in the procurement function affected communication with the financial management section as noted below. OIG provided informal recommendations.

On relatively short notice, the Department provided funds to purchase properties. The embassy eagerly began work to identify and purchase properties but underestimated both the complexity of the work and the amount of embassy resources that would be consumed. As the embassy learned, buying property was not a quick process, and it consumed an unexpected amount of the GSO's and facilities maintenance section's time. As the acquisition process dragged on, inattention to the large number of summer staff arrivals resulted in several mistakes that could have been avoided. The management officer called an end to the house hunting but only after some goodwill had been lost. The section is capable, overall has done a good job, and hopefully has learned a painful lesson from mistakes that will not be repeated.

### Procurement

The supervisory GSO oversees the section and also serves as the embassy contracting officer. Currently, the procurement section is staffed by two FSNs - a recently hired supervisory procurement assistant and a purchasing agent. There are two other purchasing agent positions in the office. One incumbent has been on long-term sick leave for two months; it is not certain if she will return. The other position is vacant, the incumbent having just been terminated. Unfortunately, at present the procurement office has only one experienced agent. In contrast, the financial management office has a full complement of nine staff.

The embassy community viewed the procurement office as a relatively poor service provider. OIG determined a significant percentage of the unliquidated



obligations discussed elsewhere in this report were the fault of the procurement section. OIG also found that the section failed to secure necessary contracts. For example, the embassy's contract for janitorial services lapsed in March 2004, but the procurement section has not solicited a new one. The embassy has procured its current janitorial services from the previous contractor on an unjustified sole-source basis. In another example, the embassy has been making unjustified sole-source procurements for packing and shipping services while in the process of soliciting a related indefinite delivery and indefinite quantity contract. As a result, the embassy did not have assurance that it paid the lowest price for these services. In addition, the section failed to implement other Department policies and procedures regarding procurements. These issues are discussed further in the management controls section of the report.

## Property Management

The embassy warehouse is on the GSO compound and is supervised by the Assistant GSO. The property management function is adequately staffed. The current Form *DS-582*, Property Management Report was filed on time and reported inventory exceptions within the tolerable limits. OIG observed that controls for nonexpendable property were in place. The embassy's warehouse space is adequate. The warehousing area and administrative offices were exceptionally clean and well maintained. The warehouse appears to be well managed. OIG observed an exceptionally well organized filing system for records relating to receiving, issuance, work orders, nonexpendable property application inventory, property sales, residential property, and auto parts. The receiving area was well organized and placed appropriately.

Inventory records for expendable supplies were accurate and the assistant GSO conducts periodic spot checks of inventory throughout the year. Through no fault of its own, the section was confronted with the challenge of storing and tracking 750 boxes of copy paper. It ran out of space in the warehouse and was forced to store many boxes unsecured throughout the embassy. No office was spared sharing this burden. Inventory records included copy paper not in the expendable supply secured storage space. OIG recommended informally that the management office reclassify unsecured copy paper to cupboard stock so that property managers can remove it from inventory records and reduce accountability risk.

## FINANCIAL MANAGEMENT

The FSN financial management staff has done an excellent job in ensuring that all embassy funds are obligated. The embassy's success in obligating its resources speaks well not only for the financial management office but also for the program offices, whose engagement is vital for the process to succeed.

However, OIG observed the embassy has not done as well in clearing its unliquidated obligations. Department policy, 4 FAH-3 H-052.2, requires that obligations be adjusted as changes become known. The following summarizes unliquidated obligations and the relationship to total funding for the diplomatic and consular program (D&CP) and International Cooperative Administrative Support Services (ICASS) allotments for 2002 and 2003:

<u>Year</u>	<u>D&amp;CP Program</u>	<u>ICASS</u>
2002	\$70,905 (5.3%)	\$31,586 (4.1%)
2003	\$130,349 (5.5%)	\$199,115 (3.9%)

The sum of all unliquidated obligations on the financial management office's books for all accounts - D&CP, Bureau of Overseas Buildings Operations, ICASS, and ICASS serviced agencies - for the years 2000 through 2003 was \$1,737,785. This problem becomes even more pronounced in the context of the embassy's recent budget constraint. Although FSN financial management specialists have shown an interest in properly managing funds, American and FSN staff outside the financial management office may not understand the significance and urgency of expending, freeing-up, or returning program and ICASS funds. As a result of unliquidated obligations, the embassy has lost money for itself, the Bureau of European and Eurasian Affairs, and other posts. Unliquidated obligations pose questions of whether program goals have been met. Moreover, this condition impairs the service provider's reputation and is a negative factor in promoting ICASS to the embassy community.

Lately, the management office has had limited procurement resources to communicate transaction status adequately to the financial management office. Also, the management office has not orchestrated well coordination between the financial management office and GSO and embassy requesters.

**Recommendation 4:** Embassy Bucharest should redeploy management office personnel to monitor properly purchase orders to ensure obligations are adjusted in accordance with Department policy. (Action: Embassy Bucharest)

## INFORMATION MANAGEMENT AND INFORMATION SECURITY

Embassy Bucharest's IM and information security program generally meets the needs of its approximately 285 authorized users in most areas. Overall management of information resources, responsiveness of unclassified IM support, and adequacy of cellular telephones and radio program received high marks in the OIG management questionnaire. However, OIG found management needs to address records management, system management including inappropriate use of government equipment, inventory management, and web site management lacking. Management also needs to address information security issues, radio checks, and physical security.

### Records Management

Records management at Embassy Bucharest must be improved. Embassy Bucharest was not complying with Department policy on electronic records contained in 5 FAM 440. Embassy Bucharest developed written procedures during this inspection to properly handle the records, but it had not yet directed implementation actions. Department policy requires electronic records and attachments that meet the statutory definition of official records be printed out and filed with related records.

**Recommendation 5:** Embassy Bucharest should implement its newly developed procedures for official electronic records and files as required by Department policy. (Action: Embassy Bucharest)

Embassy Bucharest is not transferring, retiring, or destroying official records according to the Department's records disposal schedule defined in 5 FAM 433. For example, the post economic section is approximately two years behind on records disposal while IM has records dating back to 1980's. Other parts of the embassy may also be behind. The post records control officer has not been adequately trained on his job related responsibilities. During this inspection, the

records control officer did develop post procedures for records disposal, but implementing actions had not yet been directed. Failure to dispose of official records in a timely manner results in possible loss of historical information and potential compromise of information in emergency situations.

**Recommendation 6:** Embassy Bucharest should implement its newly developed procedures to ensure records are transferred, retired, or destroyed in accordance with the Department's records disposal policy. (Action: Embassy Bucharest)

**Recommendation 7:** Embassy Bucharest should ensure that the post records control officer receive appropriate training. (Action: Embassy Bucharest)

## Systems Management

Embassy information management does not ensure the most effective use of government resources by allowing excessive personal use of these resources. Department regulation 5 FAM 751.1 allows limited personal use of government systems. The post IM staff has established a limit of e-mail storage space for each user but does not enforce this limit. Twelve percent of the 160 users sampled exceeded the limit with one user exceeding the limit by over 300 percent.

During a random review of system and server accounts, OIG found inappropriate material including pornography. The embassy took appropriate action to remove the pornography from its systems and notify the offending parties that pornography is not permitted on government systems. An active information systems security-monitoring program should prevent the occurrence of such practices.

**Recommendation 8:** Embassy Bucharest should routinely review user accounts and require users stay within the authorized e-mail storage limit. (Action: Embassy Bucharest)

## Inventory Management

OIG found that Embassy Bucharest's classified and unclassified hardware inventory accounting and reports are inaccurate. OIG performed a limited physical inventory of these inventories and found that approximately 20 percent of the unclassified and classified hardware listed on the inventory reports lacked nonexpendable property application numbers, and equipment locations were inaccurately listed on the inventory report. Department regulation 6 FAM 22 requires all nonexpendable property be marked after receipt to assure ownership of the equipment. Inaccurate marking of inventory reports could lead to confusion as to the equipment's location and ownership.

**Recommendation 9:** Embassy Bucharest should update its classified and unclassified hardware inventory reports to reflect appropriate nonexpendable property application system numbers and hardware locations. (Action: Embassy Bucharest)

## Web Site Management

Embassy Bucharest's Cluj office has a web site that does not meet Department web site requirements. This web site has not been updated since September 3, 1997. Consequently, the web site does not provide users with relevant information. Furthermore, the web site lacks a connection to the public diplomacy web site in Bucharest from where it should be maintained. Department regulation 5 FAM 776.2 requires that federal web sites contain information that is current, relevant, and accurate to assure users receive information appropriate for their needs. The Cluj office director was not aware of the web site's existence.

**Recommendation 10:** Embassy Bucharest should review the need for its Cluj office web site and determine if the web site should be removed or maintained by the embassy. (Action: Embassy Bucharest)

## Radio Program

Inadequate participation in Embassy Bucharest's radio checks can negate the effectiveness of the post's radio program. The post has procedures requiring mandatory radio check compliance and issues monthly notification of radio checks to embassy and other government employees through its cellular telephone system. The RSO said that the radio check response rate for embassy and other agency employees ranges from 30 to 50 percent. These tests should be documented. Testing of the post's radios through the radio check program ensures reliable communications.

**Recommendation 11:** Embassy Bucharest should require employees to participate in the radio check program and document the monthly tests. (Action: Embassy Bucharest)

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(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6) , an independent, coeducational school, supplies pre-kindergarten through grade 12 educational opportunities for embassy dependents. In the 2003-2004 school year, (b)(2)(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6) . Department allowances compensate direct-hire American employees for tuition costs. Most embassy parents expressed satisfaction with school quality, particularly at lower grades, and the staff's attitude.

(b) (6) currently lacks facilities for students with major learning disabilities and the physically challenged. (b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6) (b)(2)(b)(6) includes classrooms, a media center, gymnasiums, music and art rooms, science and computer labs, a theater, a cafeteria, and many outdoor sports facilities including tennis, basketball, and soccer. A nine member board of directors, appointed by the Ambassador, governs the school with the DCM acting as chairperson. The New England Association of Schools and Colleges and the European Council of International Schools accredit AISB. The school offers the International Baccalaureate Diploma, International Baccalaureate Middle Years Program in grades 6-10, and the International Baccalaureate Primary Years Program in grades K-5.

At first glance, the embassy registers (b) (6) vehicles, as well as the vehicles used by expatriate teachers of the school, as part of the embassy fleet in contravention of policy (2 FAM 221). However, the legal status of (b) (6) is confusing and contradictory. Established in 1962, the school was an integral part of the U.S. embassy and operated under the authority of the American Ambassador. After the fall of communism, and as the school population expanded, the school built the current facilities by creating a corporate trust in the United States with the expectation that the entire school would operate under a 1995 bilateral agreement.



Subsequent actions by the school, embassy, and the government of Romania to operate the school as a non-profit, public corporation have created a nightmare of bureaucratic confusion that so far has defied resolution. There is reason to believe that because of the corporate structure, the school is still an integral part of the embassy and the practice of issuing license plates clearly identifying the vehicle as U.S. government property is appropriate. However, if the school is not an entity of the U.S. government, then the practice of registering the school's motor vehicles is contrary to regulations.

**Recommendation 13:** When the legal status of the (b)(2)(b)(6)(b)(2)(b)(6) (b)(2)(b)(6) is resolved, Embassy Bucharest should register the school's vehicles in a manner consistent with the Department's regulations. (Action: Embassy Bucharest)

## MEDICAL UNIT

Embassy Bucharest's health unit supplies first aid for all embassy staff as well as medical counseling and primary outpatient care for mission Americans. A Department health practitioner manages the unit. She supervises two half-time registered nurses and a clerk. Medical specialists are available on call. Health unit staffers oversee medical treatment or procedures requiring use of local facilities. They organize about one medical evacuation a month to help ensure employees obtain satisfactory care outside Romania. The unit coordinates and clears all critical medical decisions with the regional medical officer, sited in Vienna, or the Department's Office of Medical Services and receives support from the same two sources.

The medical unit occupies a ground floor suite in a chancery annex on the embassy compound. Recent physical improvements expanded available space, rightly protecting patient privacy. OIG review confirmed that the unit competently safeguards patient records and controlled medical supplies, properly keeping stocks on hand in secure rooms and containers. The unit follows Office of Medical Services guidelines in providing care, which restricts services sometimes unrealistically expected by clients. Nonetheless, employees ranked the unit in the top ten percent on their workplace and quality of life questionnaires.

## COMMUNITY LIAISON OFFICE

The CLO coordinator organizes a variety of constructive events for the staff and their families. Orchestrating activities within Bucharest, CLO projects include trips to restaurants and gatherings for spouses. The CLO coordinates visits to sites outside the capital, which help staffers experience the country's culture and beauty. The embassy language program, on the CLO's initiative, includes opportunities for family members to learn Romanian. The CLO coordinator manages a lending library. Embassy personnel described the CLO's composed attitude towards living conditions in Romania as a significant factor in maintaining their morale. The coordinator serves on the Emergency Action Committee and attends weekly Country Team meetings. Though compensated for a 30 hour work week, the CLO's responsibilities usually consume more time. The embassy remedied this situation by establishing a 40 hour workweek for the CLO in October, 2004. Either a full-time coordinator or two co-coordinators will fill the position on the incumbent's departure in early 2005.

## EQUAL EMPLOYMENT OPPORTUNITY/FEDERAL WOMEN'S PROGRAM

American employees rated equal employment opportunity (EEO) workplace sensitivities among the top categories of embassy services on their workplace and quality of life questionnaires. EEO coordinators, one of whom had not benefited from EEO training, stated that no employees registered complaints or sought counseling during the past year. During the inspection, coordinators began work on devising a program to provide an EEO type environment for LES staffers as required by 97 State 53229. OIG suggested contacting neighboring U.S. missions for information on creating such a program. The newly appointed Federal Women's Program coordinator had not received training or materials relating to her responsibilities. She stated that no one sought her assistance with Federal Women's Program issues. OIG endorsed the embassy's intent to secure EEO and Federal Women's Program training for all counselors.

~~**SENSITIVE BUT UNCLASSIFIED**~~

~~**SENSITIVE BUT UNCLASSIFIED**~~

## MANAGEMENT CONTROLS

The embassy completed a risk assessment questionnaire immediately before the inspection, receiving acceptable scores from the Bureau of Resource Management. The management officer is the management controls coordinator. OIG believes the management control coordinator should be the DCM to ensure all offices with control responsibilities report accurately. To affect this, an informal recommendation was made.

The Chief of Mission Management Controls Statements of Assurance for 2003 and 2004 did not report material weaknesses. The embassy's practice for these years was to use the Department's risk assessment questionnaire as the basis for its management controls assertions to the bureau. The embassy did not have the Department analyze the assessments (which is the intent of the exercise) but instead used its own analysis. OIG believes having the risk assessment results analyzed by the Department's management control office offers a higher quality management tool.

Although the embassy experienced shortcomings in documenting its system of management controls (for example, written policies and procedures were deficient for some of its activities) and failed to apply established controls over acquisitions (see discussion below), it has demonstrated over time a commitment to observing, reporting, and correcting management control issues. Further, the quality of most of the embassy's operations was that associated with an administrative structure that paid close attention to management controls.

## PROCUREMENT

The procurement section rarely completed the required documentation for competition in form DS-1918, Purchase Order File, required by the *Overseas Contracting and Simplified Acquisition Guidebook*. As a result, critical procurement information had not been efficiently communicated to American supervisors. Also, individuals responsible for procurement actions could not always be identified. Moreover, in many instances embassy requesters instructed procurement staff on vendor selection, a fundamental breach of appropriate separation of duties.

More important, OIG concluded that the procurement section did not always obtain sufficient competition for its contracts and purchase order transactions over \$2,500 required by FAR 13.104(b) and paid little or no attention to requirements to provide proper justifications for sole source and limited source procurements. Recent transactions provided numerous examples.

As a result of the failure to implement Department internal controls over purchasing, the embassy did not have reasonable assurance that it paid the lowest prices for goods and services and increased its risk for procurement fraud. Moreover, management's failure to implement these controls over time, as required by 6 FAM 210, has clouded the control environment in the procurement section, and correcting it will be an immense task. The lack of management controls in the embassy's procurement section resulted from improper and failed supervision.

Upon receiving OIG's assessment, the supervisory GSO studied and acknowledged the condition and proposed a broad plan of corrective action. OIG believes the management office is well on its way to the successful resolution of the recommendation.

**Recommendation 14:** Embassy Bucharest should act immediately to apply Department policy to ensure adequate price competition and operation of management controls. (Action: Embassy Bucharest)

## CONSULAR

Four accountable consular officers (ACO) oversee Embassy Bucharest's consular section. Each ACO supervises a consular unit (NIV, immigrant visa and fee collection, American citizen, and computer system access services). A convoluted physical layout and consular management's desire to provide training and responsibility underlie this division of duties. ACOs implement Consular Management Handbook (CMH) policies governing fees, controlled equipment, sensitive blank document supplies and restricted computer access controls. ACOs corrected a few account inaccuracies during the inspection. Consular files and records contain outdated and extraneous items. The section developed a plan to dispose of such materials in the course of the inspection. The embassy's visa referral system satisfies CMH criteria.

Consular cash and receipt handling methodology meets CMH specifications. The fee ACO and consular sub-cashier and their alternates correctly perform their duties. ACO and subcashier designations are in order and advances properly secured. Review of randomly selected consular accounts revealed no bookkeeping errors. A Romanian bank collects machine-readable visa fees for most visa applicants. The fee ACO reconciles the bank's reports of machine-readable visa fee accounts against visa issuance as mandated by the CMH.

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## FORMAL RECOMMENDATIONS

**Recommendation 1:** Embassy Bucharest should transfer supervisory authority for the Cluj information office director from the chief of the political section to the deputy chief of mission. (Action: Embassy Bucharest)

**Recommendation 2:** Embassy Bucharest should broaden the mandate of the Cluj information office to include supporting program efforts in Timisoara and Iasi. (Action: Embassy Bucharest)

**Recommendation 3:** Embassy Bucharest should not seek immunities and privileges under the Vienna Convention on Diplomatic Relations for members of household. (Action: Embassy Bucharest)

**Recommendation 4:** Embassy Bucharest should redeploy management office personnel to monitor properly purchase orders to ensure obligations are adjusted in accordance with Department policy. (Action: Embassy Bucharest)

**Recommendation 5:** Embassy Bucharest should implement its newly developed procedures for official electronic records and files as required by Department policy. (Action: Embassy Bucharest)

**Recommendation 6:** Embassy Bucharest should implement its newly developed procedures to ensure records are transferred, retired, or destroyed in accordance with the Department's records disposal policy. (Action: Embassy Bucharest)

**Recommendation 7:** Embassy Bucharest should ensure that the post records control officer receive appropriate training. (Action: Embassy Bucharest)

**Recommendation 8:** Embassy Bucharest should routinely review user accounts and require users stay within the authorized e-mail storage limit. (Action: Embassy Bucharest)

**Recommendation 9:** Embassy Bucharest should update its classified and unclassified hardware inventory reports to reflect appropriate nonexpendable property application system numbers and hardware locations. (Action: Embassy Bucharest)





## 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.

### *Political Section*

The two first tour officers serving in the political section require more attention from the section chief in order to develop their reporting and other Foreign Service skills.

**Informal Recommendation 1:** The political section chief should place a higher priority on staff development.

The stress on the section chief to get the job done sometimes leads to a tense atmosphere within the political section that discourages communication.

**Informal Recommendation 2:** The political section chief should cultivate a more relaxed management style in order to facilitate communication.

Washington users request more broad, analytical reporting, additional information on emerging leaders, and on conditions outside Bucharest.

**Informal Recommendation 3:** The political section should implement its new reporting plan and should include more biographic information and reporting on conditions outside the capital.

Political section biographic files have not been updated to reflect current Romanian leadership.

**Informal Recommendation 4:** The political section should cull and update biographic files.

There are four career OMS positions in the embassy; two are in the front office; one is in the political section; and one is in the regional security office. The political section OMS is over burdened by her duties as support to the front office.

**Informal Recommendation 5:** The regional security office's office management specialist should share front office back-up duties with the political section office management specialist.

Communications between embassy elements important to political section work is inadequate.

**Informal Recommendation 6:** The political and economic sections should hold a joint weekly staff meeting. A section member should attend the U.S. Agency for International Development staff meeting.

***Economic Section***

Washington users asked for broader coverage of business climate issues and conditions outside the capital.

**Informal Recommendation 7:** The economic section should implement its new reporting plan and should include more reporting on conditions outside Bucharest.

The economic section's staff is made up of two entry-level officers, new to economic reporting and advocacy. They do not receive adequate mentoring from the section chief to develop reporting and other Foreign Service skills.

**Informal Recommendation 8:** The economic section chief should place a higher priority on staff development.

Responsible for a heavy workload, the economic section chief sometimes becomes tense. This contributes to a difficult working environment within the section.

**Informal Recommendation 9:** The economic section chief should cultivate a more collegial, relaxed management style.

The division of work among economic section officers is unbalanced.

**Informal Recommendation 10:** The economic section chief should reapportion portfolios among section officers to provide more balance.

The economic section's OMS American family member position will soon be vacant and has been advertised several times without success. Romanian legal requirements make it almost impossible to find applicants within the broader American community.

**Informal Recommendation 11:** The Office of Inspector General endorses the embassy's request for a Foreign Service office management specialist to fill the economic section position.

Economic section FSNs are not located together and do not work as closely as they should.

**Informal Recommendation 12:** Economic section Foreign Service nationals should be located in the same office and should receive cross training.

Communications among embassy sections and agencies dealing with crosscutting economic issues is not adequate.

**Informal Recommendation 13:** The current weekly economic meeting with the Ambassador, deputy chief of mission, and the Foreign Commercial Service should be expanded to include the U.S. Agency for International Development and should serve to coordinate the activities of all sections on economic goals.

***Public Affairs Section***

Embassy elements do not fully participate in the IRC information outreach effort or contribute to information distribution lists.

**Informal Recommendation 14:** The PA section should promote information resource center information outreach services within the embassy and encourage broader participation.

Communication between elements of PA is deficient and cooperation between the elements has suffered.

**Informal Recommendation 15:** The public affairs officer should establish a regular schedule of staff meetings to focus on information sharing and team building.

Approval of Democracy Commission grants requires extra, time-consuming steps that could be avoided with front office representation during proposal evaluation meetings.

**Informal Recommendation 16:** The deputy chief of mission should chair Democracy Commission grant selection meetings.

### *Consular Section*

The embassy's MPP enunciates no consular policy or functional specific tactics; strategy and objectives aimed at safeguarding American citizens and their interests as well as explicit visa-related U.S. border protection goals.

**Informal Recommendation 17:** The embassy should include U.S. consular-related national policy interests and goals in its Mission Performance Plan.

Responding to standard telephone calls, scheduling appointments, collecting "J visa season" fees, and similar routine activities overtax Embassy Bucharest's consular section. The telephone call center concept offers a user pays alternative to these tedious, time-consuming tasks which speeds client service.

**Informal Recommendation 18:** The consular section should prepare a report on its needs, consult neighboring consular sections on telephone call center methodology and implement a telephone call center system.

Embassy Bucharest's consular files are not maintained in compliance with Records Management Handbook standards.

**Informal Recommendation 19:** The section should review filed materials, properly arrange them, and discard obsolete items.

Embassy Bucharest's consular unit has few embassy specific standard operating procedures.

**Informal Recommendation 20:** The unit should develop standard operating procedures. To speed standard operating procedures preparation, the consular unit should consult samples OIG left with consular management as well as other regional embassies on consular standard operating procedures they already have prepared.

Embassy Bucharest's consular unit would benefit from a management consultant type consular management assistance team visit.

**Informal Recommendation 21:** The consular section should request the Bureau of Consular Affairs to schedule a consular management assistance team trip.

Embassy Bucharest's FSN staff provides services for Embassy Chisinau. However, FSNs have not visited that post to discuss issues with colleagues there.

**Informal Recommendation 22:** The consular section and Embassy Chisinau should arrange Foreign Service national working visits to better understand the nature of conditions at each section.

***Equal Employment Opportunity/Federal Women's Program***

Neither Embassy Bucharest's Federal Women's Program nor its female EEO counselors have had formal training.

**Informal Recommendation 23:** Embassy Bucharest should schedule counselors for prescribed equal employment opportunity and Federal Women's Program training programs at the Foreign Service Institute.

Embassy Bucharest's EEO program does not provide an EEO type environment for LES staffers as required by 97 State 53229.

**Informal Recommendation 24:** The embassy's equal employment opportunity coordinators, in coordination with the management section, should consult 97 State 53229 and contact neighboring U.S. missions to devise and implement a conforming practice.

***Management Controls***

Management control coordinator responsibilities were placed in the hands of the management counselor. OIG believes the management control coordinator should be the DCM to ensure all offices with control responsibilities report accurately.

**Informal Recommendation 25:** Embassy Bucharest should add management control coordinator to the deputy chief of mission's work requirements statement.

***Human Resources***

FSNs are experiencing bank fees and other charges when establishing electronic funds transfer accounts. Some FSNs have identified banks that charge relatively small sums, but that information has not been passed to the general FSN workforce.

**Informal Recommendation 26:** Embassy Bucharest should assist the Foreign Service national committee to inform the Foreign Service national workforce of commercial banking options.

The joint country awards committee consists exclusively of American staff.

**Informal Recommendation 27:** Embassy Bucharest should add a FSN to the committee when reviewing FSN awards.

***General Services***

The embassy is storing and tracking many of its 750 boxes of copy paper unsecured throughout the embassy. Inventory records included copy paper not in the expendable supply secured storage space.

**Informal Recommendation 28:** Embassy Bucharest should request embassy customers to order the unsecured copy paper in order to change its character to cupboard stock so that property managers can remove it from inventory records and reduce accountability risk.

The travel section does not use "Travel Manager" software to prepare travel orders.

**Informal Recommendation 29:** Embassy Bucharest should use travel manager to prepare travel orders.

The embassy could have done a better job in handling the large number of summer transfers in 2004.

**Informal Recommendation 30:** By the end of April 2005, Embassy Bucharest should prepare a plan to identify prospective arrivals, plan housing pool changes, assign sponsors, and assign housing.

***Financial Management***

The embassy cashier hours are 9AM to 12 PM, Mondays, Tuesdays, Thursdays, and Fridays. There were many complaints that the hours were too restrictive.

**Informal Recommendation 31:** Embassy Bucharest should expand the hours of the cashier to include at least some afternoon periods.

## PRINCIPAL OFFICIALS

Ambassador	Jack D. Crouch II	07/04
Deputy Chief of Mission	Thomas L. Delare	08/02
Chiefs of Sections:		
Administrative	Joyce E. Currie	08/03
Consular	Bryan W. Dalton	08/04
Political	Robert S. Gilchrist	09/03
Economic	John R. Rodgers	07/04
Public Affairs	Mark Wentworth	08/02
Regional Security	Robert W. Hanni	08/02
Other Agencies:		
Department of Defense	Richard G. McClellan	07/02
Foreign Commercial Service	Jonathan Marks	08/01
U.S. Agency for International Development	Rodger Garner	06/03
Peace Corps	Jim Ekstrom	02/00
Department of Justice	Timothy Ohms	09/03
Federal Bureau of Investigation	Gabrielle Burger	12/00
U.S. Secret Service	Andres Dominguez, Jr.	01/02
U.S. Customs	Gregory Gessner	08/01



~~**SENSITIVE BUT UNCLASSIFIED**~~

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## ABBREVIATIONS

ACO	Accountable consular officer
AISB	American International School of Bucharest
CLO	Community liaison office
DCM	Deputy chief of mission
D&CP	Diplomatic and Consular Program
Department	Department of State
EEO	Equal Employment Opportunity
EU	European Union
FCS	Foreign Commercial Service
FSN	Foreign Service national
GSO	General services officer
HR	Human Resources
ICASS	International Cooperative Administrative Support Services
IM	Information Management
IO	Information Officer
IRC	Information resource center
LES	Locally employed staff
MOH	Member of Household
MPP	Mission Performance Plan
NATO	North Atlantic Treaty Organization
NEC	New embassy compound

NIV	Nonimmigrant visa
OIG	Office of Inspector General
OMS	Office management specialist
PA	Public affairs
PAO	Public affairs officer
RSO	Regional security officer
SEED	Special East European Development Fund
USAID	U.S. Agency for International Development