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

# Report of Inspection

## Family Liaison Office

Report Number ISP-I-06-29, June 2006

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## KEY JUDGMENTS

- The Family Liaison Office (FLO) makes an important contribution to the Department of State's (Department) goal of having a high-quality workforce by helping family members address problems commonly encountered in working and living overseas.
- The office is addressing a challenging tension between its traditional advocacy role and the organizational demand that it show measurable successes on family employment issues.
- FLO's staffing model depends on spouses who have worked under chief of mission authority overseas and is remarkably successful. FLO is highly regarded by its clients and by the other Department offices that work on related issues.
- Although staffing levels have remained fairly consistent over the years, FLO's responsibilities have grown and diversified. The office needs to set its priorities carefully to avoid diluting its programs through lack of personnel or budget resources.
- FLO serves a significant number of walk-in clients on sensitive personal matters, but has inadequate space to perform all of its functions while respecting the confidentiality of its clients. The solution to this issue involves displacing a small office contiguous to FLO and expanding into that space. The bureaus of Administration and Human Resources (HR) must cooperate in relocating the adjacent office as soon as possible.
- For the past three years, FLO has requested funding for a pilot phase-equalization program to assist posts in hiring eligible family members (EFM) for jobs that would normally go to foreign nationals. Department management should evaluate this initiative in light of its overall priorities and either fund a pilot project or remove this program from the agenda.

The inspection took place in Washington, DC, between February 1 and 17, 2006. Leslie Gerson (team leader), Richard D. English (deputy team leader), Eric Chavera, Greg Cottone, Boyd R. Doty, Louis McCall, and Jennifer Noisette conducted the inspection.



## CONTEXT

Leading employers know that excellence in management begins with providing a quality work environment. Knowing that the well being of its employees contributes to its goals of organizational excellence and retaining a high-quality workforce, the Department has given considerable attention in the past few years to quality of life issues, particularly for employees overseas. Nearly 7,500 Department employees, both Foreign Service and Civil Service, implement U.S. programs and policy at over 260 embassies, consulates, and missions worldwide. Representatives of other agencies, all working under chief of mission authority and using the Department's infrastructure of services, bring the number of overseas employees to 23,000. FLO, which was last inspected by the Office of Inspector General (OIG) in 1994, provides essential services to all of these employees and their family members, an estimated 40,000 clients. Since tours of duty range from one to five years, employees and their families need assistance in addressing quality of life issues involving work, education, housing, and health at each post.

FLO, established in 1978, has a mandate to respond to the needs of Foreign Service families as they cope with the disruptions caused by a mobile lifestyle and service abroad. Under 1 FAM 232.1, FLO has responsibility for representing the concerns of families to Department management, developing programs to address those concerns, and providing client services particularly, but not solely, in the areas of education, family member employment, and crisis management. Originally, FLO consisted of a small office staffed by a director, deputy, and two part-time employment and education specialists, and oversaw 15 pilot community liaison offices (CLO) overseas. Today, the FLO/CLO program has grown to encompass over 190 overseas CLOs and a staff of 15 direct-hire and two contract employees in Washington. FLO has its own budget for program and working capital expenses. Its FY 2006 operating budget, not including salaries, is \$1.4 million.

Although the office was founded primarily as an advocate for family-friendly programs, FLO has become an integral part of HR. FLO has responsibility for such issues as assisting with expeditious naturalization for foreign-born spouses and finding overseas employment for family members, tasks that formerly belonged to other HR offices. At its inception, FLO reported directly to the Under Secretary for Management. As FLO issues became integrated into the Department's priori-

ties, FLO took an equal place alongside other HR offices. Today, it reports to a deputy assistant secretary (DAS) in the Director General's office. The FLO director is, however, still a participant in the regular staff meetings of the Under Secretary for Management.

FLO's staff is grouped into two clusters for organizational and management purposes. Reflecting the Department's emphasis on spousal employment, one six-person cluster focuses on increasing employment opportunities inside and outside of overseas missions. In fact, two thirds of FLO's funding is dedicated to the Spouse Networking Assistance Program (SNAP) to fund local employment advisors (LEA). The second cluster includes programs for CLO support, education and youth, support services for family members in crisis, expeditious naturalization, and a new program to support families separated by unaccompanied tours. A team leader heads that cluster and also coordinates FLO's publications.

FLO relies on a unique staffing model: All of its direct-hire employees have excepted service<sup>1</sup> status, which allows FLO to recruit former CLO coordinators and other FLO clients who have experienced life in an embassy setting. These employees serve in limited appointments of two years that are renewable for up to five years and sometimes are extended beyond five years if circumstances warrant. Although this model results in frequent turnover in the FLO office, with obvious implications for recruitment and training, the resulting influx of new ideas and exceptionally high levels of energy and commitment seem to be ample justifications for this system. FLO has never had a problem finding highly qualified professionals to be responsible for its various portfolios. At present, seven Department spouses and nine spouses from other agencies round out the FLO staff.<sup>2</sup>

FLO's success depends largely on its ability to interact with other offices that work on common issues, particularly regarding schools, employment, and health. FLO also maintains a wide range of contacts in other agencies because CLO programs overseas include all mission employees and their families. Without exception, the offices OIG contacted in the preliminary survey phase of this inspection commented favorably regarding their relationship with FLO.

In the course of its overseas inspections, OIG reviews CLO operations at individual missions. OIG polled CLO coordinators as part of the preliminary survey for this inspection and found their comments uniformly positive.

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<sup>1</sup> 5 CFR Part 6 grants authority to except positions from competitive Civil Service hiring when traditional competitive hiring procedures are impractical.

<sup>2</sup> FLO has one vacancy, for which recruitment has just begun.

## EXECUTIVE DIRECTION

When created 28 years ago, FLO would perhaps have been best likened to a nongovernmental organization whose primary role was to advocate for its clients and their issues in a bureaucratic culture that had other priorities. Family issues have since come into their own in the Department, thanks to years of FLO's successful advocacy and the dedication, capacity, and tenacity of its leadership and staff. FLO is no longer a lone voice but has become an equal participant in the Department's efforts to improve quality of life for the Foreign Service family. FLO's successes have been rewarded with even greater responsibility for program implementation. The challenge for its leadership today is retaining the appropriate mix of action and advocacy. FLO is highly regarded by other elements of the Department, primarily because of the professionalism of its leadership and the uniform excellence of its staff.

Like the rest of the FLO staff, the office's director and deputy director serve from two to five years in their positions. At the time of the inspection, the director had been in her job only a few months, and the deputy had been in her job for a year. Both held a variety of leadership and managerial positions before coming to FLO.

FLO's director focuses on the development of FLO's advocacy agenda, which involves representing the concerns of Foreign Service families to senior managers in the Department. The deputy director oversees the office's program and administrative operations and coordinates special projects. Until recently, the deputy also supervised those employees in the nonemployment cluster. With the imminent selection of a team leader for that cluster, the deputy will have time to work on crosscutting issues, including the development of a mechanism for direct outreach to family members, and on marketing the FLO office to all potential clients. Both the director and the deputy also dedicate considerable effort to recruitment. Their efforts to recruit portfolio managers with just the right mix of training, experience, and interpersonal skills are essential to the office's continued success.

To advance its ambitious programs while maintaining what has been a high level of morale, FLO's leadership acknowledges the need to address four matters: space issues, achieving a balance among the FLO programs, promoting communication, and setting priorities.

## Space

FLO occupies space on the same corridor of the Harry S Truman Building as the Employee Services Center, the travel offices, and the cashier. This is an ideal location for family-member access and other walk-in traffic. Although the move to this location improved on FLO's earlier cramped quarters, FLO still has insufficient space.

At any time, someone walking through the FLO offices may see a closed door, behind which a staff member may be counseling someone faced with such challenges as a divorce or an unexpected need to leave post. In the education office, a passerby might overhear a telephone conversation about boarding school options for a child with a learning disability. In the cramped naturalization cubicle, which has no door, a foreign-born spouse might be reviewing paperwork the day before his or her citizenship test at the nearby U. S. Citizenship and Immigration Services (USCIS) office. In the director's office, an Ambassador might be discussing a post's CLO program with the director.

In the event of an evacuation, FLO becomes the location where the evacuated CLO coordinator sets up temporary operations. FLO is also the focal point of the evacuees during the initial confusing days following departure from post. In 2003, FLO's small conference room housed no fewer than seven CLO operations. This scenario could well be repeated if an avian flu epidemic forces multiple evacuations. During the inspection, one permanent staff member was using the FLO conference room as a makeshift office while another employee used the table to organize conference materials.

FLO's current space is simply inadequate, no matter how it is divided. Although some functions can be carried out in cubicles, many require privacy; consequently, the traditional solution of modularizing the space does not apply. The specter of doubling up staff members in overcrowded offices to accommodate much-needed program assistants is markedly affecting office morale and will undoubtedly affect client perceptions of professionalism and confidentiality. Adjacent to FLO is the three-person Office of Casualty Assistance, which does not depend on walk-in traffic and could be relocated to other HR-occupied space. The supervisory DAS and the executive director of HR's Executive Office (HR/EX) agree that FLO needs more space and want to see the Office of Casualty Assistance relocated to other HR space when the space is identified.



**Recommendation 1:** The Bureau of Administration, in coordination with the Bureau of Human Resources, should relocate the Office of Casualty Assistance into space that is easily accessible to their clients and expand the Family Liaison Office into the adjacent vacated space in addition to the premises that office now occupies. (Action: A, in coordination with DGHR)

## Achieving a Balance Among Family Liaison Office Programs

The focus of all FLO programs is on ensuring a positive environment at an overseas post for the employee. This allows the employee to work productively, secure in the knowledge that his or her family is receiving the employment, educational, and quality of life benefits it needs. For example, an employee's productivity and performance can be affected by a child's educational needs just as readily as it can be affected by a spouse's desire for employment.

One of FLO's core programs focuses on spousal employment. Although, at the outset, FLO advocated for others to create work opportunities, FLO is now expected to take the lead in identifying employment opportunities and developing the funding for them. The Department not only encourages FLO's activities in this area but also holds FLO responsible for success. As a result, FLO's employment specialist position has evolved from a part-time job in 1978 into a six-person team with an \$869,000 budget. To the incumbent employees supporting FLO's other equally vital portfolios, every decision seems to revolve around employment - from the Director General's office down to FLO management itself.

There are, however, five or six other core FLO programs that do not attract the same level of attention or resources. FLO's leadership is looking for ways to bolster its capacity across the board. The director is aware of the need to enhance the CLO support program and the education and youth program. In this tight budget climate, FLO's management may have to expend more effort on educating other parts of the Department about its nonemployment programs and their successes. OIG consulted with FLO's director about ways to emphasize the nonemployment programs so that staff morale remains high and no portfolio is perceived as undervalued.

## Communication

FLO's director and deputy director do an excellent job of communicating with upper management. They have ready access to the Director General's office through their DAS, and they have the attention of the Under Secretary for Management, who lends her voice regularly to assist FLO-hosted events. Communication within the FLO office, however, requires attention in order to maintain morale and enhance performance.

FLO management employs a number of positive communication techniques. FLO has weekly staff meetings, the agendas for which include printed bullets that describe each staff member's activities in the previous week. This approach can focus discussion on issues, rather than on a narrative of activities, and ensures that each office element is aware of the complementary activities of others. The director also uses the regular staff meetings to convey information from her meetings with the DAS and the Under Secretary for Management.

The FLO staff is uncommonly dedicated to the goals of the office and to serving its clients. The staff consists of skilled professionals, who each have distinct portfolios that may not be known in detail to the director and deputy. Consequently, the office needs a participative management style to solicit essential information for decisionmaking and to foster team building and morale. The director made some important organizational changes soon after her arrival that negatively affect the office's traditionally high morale and job satisfaction. As she grapples with decisions on space allocations and other issues affecting the staff, the director must find additional ways to involve the staff in the management process. OIG discussed with the director several ways to create a more participative process to restore morale and retain the skilled staff.

## Rightsizing and Setting Priorities

OIG believes that FLO is the right size for its current portfolio. Considering how it accumulated duties over the past few years, FLO's staff has remained remarkably stable. FLO's budget has increased or decreased over the years when new initiatives, usually in the employment area, were undertaken or phased out. FLO's management believes that some realignment of portfolios and increased automation can enhance capacity. OIG believes, however, that FLO has little or no ability to undertake additional responsibilities without an increase in staff and budget. OIG discussed with FLO management the usefulness of having an annual FLO Package, modeled after the Consular Package developed by the Bureau of

Consular Affairs. Such a package could document hours spent on activities and individual cases and be used to demonstrate future needs and monitor the resources devoted to various functions. The Bureau of Consular Affairs has for years used such a tool to document its overseas workload and justify resources. FLO might find adapting that concept an appropriate move as it responds to new initiatives and reviews existing programs. OIG informally recommended that FLO establish a centralized mechanism to maintain workload statistics.

Beyond achieving internal efficiencies, FLO recognizes the need to pay attention to setting priorities. FLO has had the good fortune to attract a highly skilled and creative workforce that has practical knowledge of the needs of overseas families. Each new employee introduces new ideas to the office, which is a real strength. FLO's small staff and circumscribed budget cannot, however, accommodate every new idea, no matter how valuable. FLO has innovatively sought funding for pilot programs from the Una Chapman Cox Foundation, a private foundation that supports projects to bolster Foreign Service excellence, and its staff has eagerly added development of these new programs to its already full portfolios. In addition to the FLO-generated programs, the Office of the Director General also required FLO to introduce a new program to address the needs of families of employees who are on unaccompanied tours. Funding for this part-time position comes directly from an already over-taxed FLO budget and has led to a concomitant reduction of funding for other projects.

FLO's "E-entrepreneur," health net, and professional development programs cannot all be institutionalized when their pilot programs end. Neither can these programs all be supported with existing resources. The same methods that bureaus use to set performance goals and request budget increases in preparing Bureau Performance Plans can be used to set priorities in FLO. OIG counseled FLO management on the need to set priorities carefully and evaluate staffing and budget targets for the future. The FLO director must also reassure staff that, although their ideas may have merit, not all ideas can be implemented.



## PROGRAM IMPLEMENTATION

### COMMUNITY LIAISON OFFICE SUPPORT

One of FLO's most highly regarded programs is CLO coordinator training. In the CLO survey conducted by OIG, more than 82 percent of respondents rated the CLO training sessions as very useful or extremely useful. Four conferences were offered in 2005, and FLO in 2006 wants to offer two Washington-based conferences and three regional conferences. These weeklong conferences allow new CLO coordinators to learn quickly about their duties and sources of information and establish a network of contacts. OIG mentioned that it would be very helpful to record one of the training sessions on DVD so that copies could be provided to current participants to reinforce their learning and to those not yet able to attend, such as newly designated CLO coordinators. FLO did, in fact, record its next training session, just as OIG was concluding its inspection.

To help FLO keep current with the activities of CLO coordinators worldwide, each coordinator submits a detailed CLO activity report twice a year by cable. These reports are a primary source of information about post activities, especially those related to families, but the information is in an unwieldy paper form. OIG's CLO survey indicated that 75 percent of respondents found the activity report very or extremely useful. Automating the reports so that they could be filled out online would save time and effort and make data collection and correlation easier. Since the information management resources of HR/EX are not currently available to develop an automated program, OIG informally recommended that FLO get estimates and a budget to have a contractor perform this automation project.

In addition, standardizing the CLO e-mail addresses would facilitate creating a collective e-mail listing for CLOs that could be used to contact CLOs at more than 190 posts worldwide. OIG counseled FLO to arrange for a standardized e-mail address encompassing all CLOs.

## EDUCATION AND YOUTH

FLO has had an education specialist on its staff since its creation. The specialist assists overseas families with problems related to the education of their children. The Bureau of Administration's Office of Overseas Schools is responsible for coordinating overseas schools issues. FLO works cooperatively with that office but provides a range of services to students and their families that are not found elsewhere. FLO's education officer focuses on special needs education and boarding schools and often works closely with the Office of Medical Services' Employee Consultation Service to match students with the best schools for their needs. The officer travels to the boarding schools serving special needs students to evaluate facilities and interview staff and belongs to an association of professional college consultants. She also attends educational conferences and gives presentations on the road about FLO's program and the Foreign Service context.

The portfolio manager also organizes outreach programs on parenting, summer camps, and other youth issues and maintains a multi-focused website. Most of the portfolio manager's day-to-day client interactions are handled by telephone and e-mail, but during certain months the volume of walk-in counseling and guidance is equally significant.

The current portfolio manager is an experienced educator, an ideal background for the position. FLO management is aware of the complexity and demands of the education and youth portfolio and realizes that the portfolio could benefit from additional staff. This position is expected to become vacant in the early summer of 2006, just as families are returning to Washington and walk-in traffic on education issues swells.

## FAMILY MEMBER EMPLOYMENT

The Department's 1993 report *Change at State* devoted a chapter to a comprehensive approach to family member employment overseas and the associated financial and professional benefits. A 1999 report of the Overseas Presence Advisory Panel also highlighted the need for meaningful employment for spouses. The 2005 McKinsey and Company report *Winning the Next Phase of the War for Talent* applauds the Department's initiatives on spousal employment - citing three of the programs detailed below - but also encourages even greater institutionalization of the spousal employment program.

FLO dedicates a six-person team, the largest division within FLO, to the spousal employment issue. FLO's does not limit its attention to employment outside the mission, but also supports the Office of Overseas Employment's goals regarding employment within the mission, employment opportunities upon a family's return to the United States, and professional enrichment for highly skilled family members who are unable to pursue their careers while overseas. FLO serves all EFMs and members of the households of employees under chief of mission authority. Although some family members who are accompanying an employee to post have no desire to work, American societal expectations and the prevalence of double-income households in the United States make it likely Foreign Service spouses will want meaningful employment while overseas.

As FLO seeks to identify employment opportunities for its clients, it faces several challenges. Overseas, family members can easily seek work outside the mission if there is a formal or de facto agreement with the host government. Whenever possible, the Department negotiates bilateral work agreements through the efforts of the relevant embassy and the Office of the Legal Adviser. The Department has concluded 95 bilateral work agreements to date. In addition to these agreements, there are also 53 de facto reciprocal work arrangements that facilitate employment abroad in the absence of a bilateral agreement. FLO's role is to ensure that CLO coordinators are familiar with any operative agreements and that, in their absence, CLO coordinators encourage post management to engage the host government on employment issues.

The Department's decisions have sometimes negatively affected EFM employment opportunities abroad. The Department's Diplomatic Readiness Initiative did much to address the shortage of officers, but had the unintended consequence of eliminating positions that EFMs previously held or could effectively compete to fill. As a result, there are fewer opportunities for EFMs within missions and more challenges for FLO.

Although FLO puts considerable effort and emphasis on family employment, it tries to provide a realistic assessment of local employment opportunities and what FLO can deliver. Many of its initiatives are limited by lack of funding. As a consequence, FLO has more than once turned to the Una Chapman Cox Foundation for funding to advance some programs. As FLO has developed new programs, staffing to manage those programs has lagged.

A Family Member Employment Report prepared by each CLO coordinator gathers statistics about overseas employment. According to a December 2005 survey, of 191 posts that reported, 8,753 spouses of the employees of all agencies

were at U.S. embassies and other missions abroad. Of those spouses, 37 percent or 3,254 were working, 2,269 within the mission and 985 outside the mission. In February 2006, FLO conducted a worldwide survey of spouses and members of household and found that 19 percent of respondents were unemployed but seeking employment. There are many highly educated, highly qualified individuals among these spouses - of the 3,258 respondents, 37 percent had college degrees and an additional 38 percent had graduate degrees.

These statistics reflect the depth of talent available among spouses. When those who want to work cannot do so, morale of the employee and spouse is harmed. In some cases, a spouse might decide to remain in the United States to pursue work, but this involves its own morale issues and an additional separate maintenance cost to the Department. These factors underline the importance of FLO's work on employment issues.

## Strategic Networking Assistance Program

The SNAP effort assists spouses in searching for employment locally overseas, via an in-country LEA or regional employment advisor (REA). LEAs and REAs do not find and deliver jobs, but assist with the local job search. The LEA assists in all phases of the job search, including resume writing and preparing for an interview. LEAs and REAs personally contact prospective employers and provide introductions to their clients. They also serve as cultural advisors who sensitize their clients to the new environment and the expectations of local employers.

The SNAP program began in Mexico, expanded to nine posts in 2002, and grew to 18 posts in 2003. Currently, there are 35 posts covered by the program. There are REAs in Southern Africa and Central America. FLO funds REAs to make one visit per quarter to the countries they cover.

The reach of SNAP is limited by funding. Under the agreements with posts, the LEA or REA receives mission-provided office space and telephone and Internet access funded by the International Cooperative Administrative Support Services (ICASS) council. SNAP initially funds a part-time LEA for up to 20 hours a week, plus outreach expenses, for a two-year period, after which post ICASS councils are encouraged to pick up all of the costs. This assumption of costs frees funds for FLO to underwrite a LEA at another interested post. Currently, eight



posts fund their LEAs.<sup>3</sup> Pilot funding at ten other posts is scheduled to end during FY 2006, and those posts will have to decide whether to fund the position themselves. Several posts that previously had LEAs funded by FLO have not continued to support these positions.

## Global Employment Initiative

What was originally termed the Global Employment Strategy was initiated in 2005 to develop relationships with multinational corporations to identify potential employment opportunities for spouses. Both sides would benefit from this because the multinational corporation or nongovernmental organization would have access to skilled Western-trained employees without the normal overhead associated with sending staff overseas and a spouse would have a job opportunity upon arrival at post. Two global employment advisors were initially responsible for managing the pilot initiative, but due to its limited results the program was restructured. This effort has now been repackaged as the Global Employment Initiative and is managed by FLO's special employment project coordinator. FLO also aims to better integrate the initiative with SNAP.

During the brief life of the Global Employment Strategy, the Department established a partnership with Manpower, the world's largest staffing and employment firm. Manpower agreed to provide, at no cost to the applicant or to the U.S. government, on-the-ground support and placement for family members seeking professional opportunities in the 67 countries where Manpower operates and the Washington, DC, area. This arrangement is of particular value to posts without a SNAP program. In those countries where both Manpower and SNAP are active, Manpower coordinates with a post's LEA or REA. A November 15, 2005, report from Manpower said 130 family members had inquired about opportunities, 103 had completed applications, and 83 had received interviews. To date, Manpower has placed two spouses in jobs overseas but has trained many more. Manpower has 5,000 online training courses available to all family members.

## Cost Equalization Fund

The Foreign Service Act of 1980, as amended, provides a legislative basis to give an affirmative preference to the hiring of EFMs overseas. Seventy-two percent of family members employed abroad work in their respective missions as

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<sup>3</sup> Brussels, Cairo, Geneva, London, Mexico City, Pretoria, Seoul, and Warsaw

EFMs. In high-wage economies, the funds allocated to a mission for locally employed staff (LES) would cover the salaries of either a foreign national or an American citizen. However, in low-wage economies, posts have a disincentive to select an otherwise qualified EFM to fill a vacancy normally filled by an LES because of the wage differential. LES may work for far less than the American staff, even less than the minimum wage in the United States. In 2003, HR proposed a three-year pilot program to establish a Family Member Cost Equalization Fund, which the Office of Overseas Employment was to manage. With funds in place, posts would have been able to make specific requests to fund the salary gap when a qualified EFM was selected to fill a job previously filled by an LES.

As the advocate for family member employment, FLO eagerly led the effort to seek funding for the initiative, and the Under Secretary for Management incorporated this unfunded program into the President's Management Agenda. Despite the apparent support for the concept, in the course of three successive years the Department has not funded the initiative. At one Bureau of Western Hemisphere Affairs post, FLO used its own meager funds to equalize costs. However, FLO could not do the same for two EFMs in another region. In the latter case, the host country had no bilateral work agreement, and the low-wage economy created a gap between the local compensation plan and the higher wages needed to meet the U.S. minimum wage. The cost equalization program, if funded, would meet the Department's goal of creating meaningful employment for spouses.

Department management has placed a high priority on family member employment, both to enhance quality of life overseas and as part of its effort to recruit and retain Foreign Service officers who, like the rest of America, come increasingly from two-profession households. The cost equalization program is one of the Department's multi-pronged efforts to increase opportunities for employment overseas, and FLO is seeking funding again this year for a pilot program. In the past three years, the Department's other priorities prevented funding of this program. If no funding is available again this year, Department management may need to acknowledge that it cannot give a high enough priority to this particular program. Maintaining rhetoric on the program in communications with posts overseas and in briefings of incoming officer classes creates expectations that, when not met, negatively affect morale and retention of entry-level officers.

**Recommendation 2:** The Bureau of Resource Management, in coordination with the Bureau of Human Resources and the Office of the Under Secretary for Management, should phase in a cost equalization program by centrally funding the program, beginning with sufficient funds to cover salary gaps for a specific number of positions at posts in low-wage economies having no bilateral work agreements. (Action: RM, in coordination with M and DGHR)

## Other Employment Initiatives

The E-entrepreneur training program is a pilot program established in May 2005 and funded by the Cox Foundation. The program trains family members on setting up a professional home-based business in the telework field. The family member can then develop a portable career. The training sessions are presented in cooperation with a Washington, DC, area firm. FLO has also presented train-the-trainer sessions for CLO coordinators and LEAs so that they can offer the same course to interested families at post. The E-entrepreneur training sessions are so popular that FLO had to add two additional presentation sessions in FY 2005.

FLO also developed the Job Seekers Network Group for family members looking for employment in the Washington, DC, area after returning from an overseas tour. The group meets twice a month.

In 2005, FLO also initiated a pilot program of professional development fellowships for spouses unable to pursue their careers while overseas. The program, funded by the Cox Foundation, provided \$20,000 in reimbursable fellowships for enrichment activities, including small business start-up costs. Each stipend was limited to \$2,000. The response was so good, and the quality of proposals so high, that FLO designated \$50,000 of its FY 2006 budget to this initiative in addition to another \$50,000 provided by the Cox Foundation.

## PUBLICATIONS

The team leader for FLO's nonemployment cluster devotes 80 percent of her workday to the publications portfolio. Because FLO relies on paper and online publications to communicate with prospective clients about a range of programs, the publications officer is a nexus of information for the office. Recently, FLO

made a considerable effort to create a graphic standard for its publications, giving them a more uniform and professional look, and tailored its publications for specific needs or audiences.

To facilitate the utility of its Intranet and Internet sites, FLO minimized the web page size of its Intranet site and created links directly to its Internet web pages, enabling an easier-to-use-and-maintain web presence. OIG was particularly impressed with the accessibility and clarity of its information.

FLO also produces three valuable online newsletters: the FLO-CLO Connection, FS Direct (aimed at Foreign Service employees and their families), and Global Employment Connections (related to family member employment).

## Support Services

FLO provides support services for all members of an employee's household, not just those included on an employee's travel orders. FLO's support services officer handles the most diverse of the FLO portfolios and in many ways the most stressful one. The support services officer provides guidance to employees and family members in times of personal crisis or refers clients to other agencies with appropriate expertise. The Foreign Service is not immune from the over 50-percent divorce rate in the United States, and much of the counseling focuses on divorce issues. Divorces may be contentious and can leave the spouse in a stressful situation, particularly when he or she must leave post on short notice with limited resources. Although FLO provides support services to spouses even after their legal separation and divorce, FLO's primary role is to counsel both parties on their rights in the divorce process.

The support services officer also plays a lead role during evacuations and is the principal advocate for contingency planning so that families can respond better to crises or unexpected changes in circumstances. FLO's support services officer provides regular briefings at the Foreign Service Institute, works with CLOs to address crises at posts, and is FLO's representative on the Department's Avian Flu Working Group and the FLO point of contact for crisis response task forces. Efforts are currently underway to update and augment FLO's information on divorces, evacuations, and other contingencies. FLO is attempting to make more of these useful products available online.

## NATURALIZATION

FLO provides assistance to spouses of Foreign Service officers in their pursuit of U.S. citizenship. Under Section 319(b) of the Immigration and Nationality Act (8 U.S.C. § 1430), a person who is the spouse of a U.S. citizen may be naturalized without complying with the law's residency requirements if the citizen spouse is regularly stationed abroad and employed by the U.S. government or another qualifying employer. The spouse must comply with the additional requirements for naturalization other than residence and with other laws and regulations. Because the Immigration and Nationality Act and regulations specify time limits during which the naturalization must occur, there is a series of deadlines.

FLO has a specialist who assists spouses in the naturalization process. The spouse must complete the application form, but FLO's officer prepares a brief letter to USCIS, setting forth the circumstances that qualify the spouse for the benefits of Section 319(b).

USCIS approved 127 cases in 2005 that had been prepared by FLO's naturalization officer, and another 70 were pending at the end of the year. Cases vary, and the amount of the time consumed can vary from five to 15 hours. One to two hours are consumed in preparing the cases, and cases may require discussion with the district or regional offices of the USCIS. The FLO specialist has been required to develop appropriate business relationships with various officials in these offices. Not only does the work require meeting a series of deadlines for a large number of cases, it requires ensuring that the candidates for naturalization meet the law's technical requirements for eligibility and processing. Failure to ensure that the necessary paperwork is properly prepared could result in rejection of a case and present inconvenience, if not more serious problems, for the candidate for naturalization.

The naturalization specialist is in a GS-9 position. However, the scope and complexity of the work, its legal and regulatory requirements, the critical importance of meeting the law's deadlines, and the necessity of developing and nurturing cooperative business relationships with USCIS officials, appears to warrant the position having a higher grade level. The incumbent in the position has developed impressive expertise in the substantive and procedural aspects of Section 319(b). In addition, the specialist works independently, exercises independent judgment, and needs only minimal guidance from a manager. FLO has submitted this position description to HR/EX for review and reclassification. OIG supports this initiative.

## TRAINING

Until recently, the naturalization officer also managed the process for assisting EFM enrollment in the Foreign Service Institute's 31-day consular course, which would qualify them as consular associates at U.S. embassies. FLO's officer administers a pre-test to determine the applicants' aptitude for taking the course. EFMs from outside of the Department may be assessed tuition unless the consul at post approves a waiver. FLO's training officer monitors the waiver process, and once the waiver is approved, the Foreign Service Institute informs FLO and FLO notifies the EFM. In addition, the training officer must complete the paperwork for each applicant and provide counseling to applicants. FLO's officer also handles other training requests, including courses in the management area, a function important to the Department's Diplomatic Readiness Initiative.

Although the process of entering overseas applicants into training courses does not involve legal or regulatory requirements, it is similar to the process for assisting applicants for naturalization because it involves paperwork and meeting critical deadlines. Despite the similarities, combining the two functions into the same portfolio would put the incumbent in the position of coping with competing deadlines. At the time of its reorganization, FLO split the responsibilities between two officers, and this decision was implemented when the employment section became fully staffed during the inspection. OIG commends FLO for this reorganization initiative.

## UNACCOMPANIED TOUR SUPPORT

The Director General in 2005 instructed FLO to establish a part-time specialist position to support the families of officers serving at an increasing number of unaccompanied posts. The specialist in this position maintains a database of the contact information for these families; there were 184 such families at the time of the inspection. The specialist contacts every family member to offer information and assistance and direct them to information and contacts on education, health, housing, employment, counseling, and other services. By using information technology to streamline and maintain the database, the specialist could increase her effectiveness significantly.

The specialist also develops networks of contacts with all agencies that send staff overseas to unaccompanied posts. Furthermore, she works to ensure that all agencies have the most current information on unaccompanied tours and has organized an interagency roundtable meeting on this topic for the 23 departments and agencies represented at U.S. missions abroad.





## RESOURCE MANAGEMENT

### BUDGET

FLO's FY 2006 budget is \$1.4 million. The budget's two largest elements are SNAP, which is budgeted for \$869,000, and the five planned CLO training conferences, which are budgeted at \$300,000 for all. FLO is the only unit in HR that has its own budget allotment, which includes program money and a small working capital fund (WCF). This situation apparently dates from FLO's establishment and was designed to protect the fledgling office's funding. Now that FLO is fully integrated into the Department's priorities, the reasons for a separate WCF allotment may no longer apply. If FLO managed program funds for SNAP, CLO training, and future programs but returned management of its WCF to HR/EX, FLO might have greater flexibility regarding moving and personnel expenses. OIG informally recommended that FLO discuss with HR/EX the implications of no longer maintaining a separate WCF allotment.

HR/EX said the Budget Allocation Tracking System (BATS), which it devised to manage its units' budgets, allows for overnight loading of the latest Consolidated Financial Management System data and provides liquidation information. FLO's deputy director handles the budget and finances for the FLO office. She has developed her own "cuff records" to track the budget and monitor expenses. These duplicate already existing information, divert her valuable time, and are unlikely to be as current as the BATS information. OIG informally recommended that the deputy director and anyone who succeeds her with budget responsibilities receive detailed training in the BATS program from someone well versed in its usage and able to explain its usage to a manager who lacks a financial background. OIG suggested to the FLO director and deputy director that they establish regular meetings with the HR/EX director and some of his key staff to discuss ongoing support regarding problems and to plan budget strategies for growth.

FLO has budgeted \$869,000 for the SNAP contract for FY 2006, but this represents much less than the \$1.5 million that FLO expects to spend on the expanded program this year. The difference is to be made up by using the major portion of the approximately \$800,000 carry-forward monies from the contractor

that were not used in FY 2005. FLO's deputy director has devised a spreadsheet to facilitate checking bills and proofing invoices, and this will provide good controls for the contract. The deputy director demonstrated to OIG how she and the SNAP coordinator could use the spreadsheets to check time sheet entries, monitor travel and other direct costs, and check incoming bills on a page-by-page basis.

## PERSONNEL

FLO draws its staff from a limited pool of candidates who have either served as CLO coordinators overseas or have worked in an embassy or consulate. This ensures that its staff will be familiar with the breadth and depth of FLO services. Successful candidates for FLO positions are given excepted appointments of two years, which can be extended to a total of five years. This practice leads to frequent turnover, but provides a constant flow of new ideas. FLO looks for candidates with a strong sense of customer service and good people skills.

In recruiting new personnel, OIG urged FLO to publish vacancy announcements well in advance of an incumbent's departure date. For example, announcements should already be available in February for positions opening in July and September. FLO has listed a ladder of grades for some positions, allowing a candidate to be brought on board at the lower grade and then reclassified to the higher grade when full proficiency is attained. Alternatively, uniquely qualified candidates might immediately qualify for the higher grade.

During OIG's interviews with the FLO staff, it became clear that the staff unanimously and enthusiastically favors retaining the five-year, excepted appointments mechanism. However, OIG suggested that, given FLO's growing role as an action office, FLO consider converting one or two positions that require significant job knowledge and broad networking to Civil Service career positions. By establishing a few longer-term positions, especially in areas such as naturalization, where it is important to build a broad network of contacts and master complex laws and regulations, FLO would ensure institutional memory and enhance its ability to cover staffing gaps. FLO has been particularly challenged by a 65-percent staff turnover in the past 12 months. Although this is unusual, even with FLO's excepted appointment regimen, a recurrence could be mitigated by some adjustments to the staffing model.

## PREMIUM TRAVEL

FLO personnel generated ten travel orders during 2005, none involving a premium-grade airline ticket. So far in 2006, only one premium-grade airline ticket has been generated. Department regulations permitted the use of premium travel in the latest case since the flight lasted over 14 hours. FLO also sponsors the CLO coordinator training conferences and pays for the travel of the CLO participants. (The posts pay the CLO coordinators' per diem costs.) In 2005, there were three conferences in Washington, DC, and one in Vienna, Austria. A total of 115 CLO coordinators attended, approximately 35 percent of them using premium class travel for flights in excess of 14 hours. When FLO recognized the costs involved with so much premium class travel, it restructured its training accordingly. For 2006, five training conferences are planned, two in Washington and three in regional locations. Participation will be organized so as to have CLO participants attend the training closest to them, minimizing premium travel. This change of policy will allow FLO to finance one additional training conference in 2006. In the future, since travel authorization and travel vouchers are approved at the posts, FLO will emphasize to posts that, in accordance with the March 1, 2006, notice from the Under Secretary for Management, travelers and authorizing officers at post must use Form DS-4087 to justify authorizing business class travel.



## MANAGEMENT CONTROLS

The Department has modified an existing contract's scope of work to add FLO's program. Although the use of an existing blanket purchase agreement allowed FLO to change contractors for its SNAP program seamlessly, OIG found some concerns with the revised scope of work. The single scope of work does not take into account the varying responsibilities in different types of national economies or the travel requirements and coordination roles of the REAs. The contract identifies FLO's deputy director as the contracting officer's representative, but the deputy director is neither the program coordinator nor is she trained as a contracting officer's representative. Her position description also describes an inappropriate supervisory relationship between the contractor's employees and Foreign Service personnel at post.

**Recommendation 3:** The Bureau of Human Resources, in coordination with the Bureau of Administration, should establish procedures and instructions to ensure that each local employment advisor and regional employment advisor under the Strategic Networking Assistance Program has an appropriate scope of work, that contract documentation is accurate, and that instructions prepared for posts do not create unintended vulnerabilities for the Department. (Action: DGHR, in coordination with A)



## INFORMATION TECHNOLOGY

FLO receives day-to-day computer support from HR's Help Desk and has many of the basic computer software applications used throughout the Department. However, FLO has not taken full advantage of the available technology. For instance, a few staff members currently manage random spreadsheets to track the office budget, taskers, and unaccompanied tours information. Three individuals use and maintain these spreadsheets. Others may not easily access or understand this information, should the three individuals be transferred or absent for extended periods. Additionally, FLO is responsible for many processes that are not accounted for or tracked, such as USCIS cases, USCIS contacts, and all customer correspondences. OIG informally recommended that FLO create and institutionalize central spreadsheets or databases to track office processes.

FLO sent a cable to the 190 plus posts so that each post would create an e-mail address in a standardized format to be used for FLO-to-CLO correspondence and to help customers easily identify CLO coordinators at post. However, some posts have not created the accounts in the requested format, and FLO does not have a method to e-mail all CLO coordinators using one e-mail list. OIG informally recommended that FLO ask HR/EX to create a CLO distribution list and that a FLO staff member populate and maintain this list as needed.





## FORMAL RECOMMENDATIONS

**Recommendation 1:** The Bureau of Administration, in coordination with the Bureau of Human Resources, should relocate the Office of Casualty Assistance into space that is easily accessible to their clients and expand the Family Liaison Office into the adjacent vacated space in addition to the premises that office now occupies. (Action: A, in coordination with DGHR)

**Recommendation 2:** The Bureau of Resource Management, in coordination with the Bureau of Human Resources and the Office of the Under Secretary for Management, should phase in a cost equalization program by centrally funding the program, beginning with sufficient funds to cover salary gaps for a specific number of positions at posts in low-wage economies having no bilateral work agreements. (Action: RM, in coordination with M and DGHR)

**Recommendation 3:** The Bureau of Human Resources, in coordination with the Bureau of Administration, should establish procedures and instructions to ensure that each local employment advisor and regional employment advisor under the Strategic Networking Assistance Program has an appropriate scope of work, that contract documentation is accurate, and that instructions prepared for posts do not create unintended vulnerabilities for the Department. (Action: DGHR, in coordination with A)



## INFORMAL RECOMMENDATIONS

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

FLO has limited documentation for its workload, with each program documenting its own workload by its number of cases or time spent on each case to justify resource needs and evaluate efficiency measures.

**Informal Recommendation 1:** The Family Liaison Office should develop a means of measuring its workload and productivity annually.

The information contained in the semi-annual CLO Activity Reports is timely, valuable, and needs to be accessible. Currently, the information is in the form of more than 190 separate cables. HR/EX does not have the staff in its information technology division to automate this report.

**Informal Recommendation 2:** The Family Liaison Office should coordinate with the executive director of the Bureau of Human Resources to identify funds to pay a contractor to automate the Community Liaison Office Activity Report.

FLO has, since its inception, maintained its own program and WCF allotments.

**Informal Recommendation 3:** The Family Liaison Office should investigate with the executive office of the Bureau of Human Resources the implications of ending its practice of maintaining a separate working capital fund budget allocation.

FLO's deputy director handles the budget and finances for the FLO office and maintains duplicate records to track the budget and monitor expenses. These records are unlikely to be as current as the BATS information provided by HR/EX.

**Informal Recommendation 4:** The Family Liaison Office should arrange for training for the deputy director and any successor in the Budget Allocation Tracking System from someone well versed in the system's usage.

FLO employees have developed different methods to track and maintain some activities but are not tracking other important tasks. Historical data and trends could be lost if the office's processes are not automated and centralized.

**Informal Recommendation 5:** The Family Liaison Office should create and institutionalize central spreadsheets and databases to track office processes.

FLO does not have a distribution list to simultaneously e-mail all Department CLO coordinators at all posts. Having such a list will eliminate the office time and effort spent searching for each nonstandard CLO coordinator's e-mail address by allowing the use of a broadcast e-mail.

**Informal Recommendation 6:** The Family Liaison Office should ask the Bureau of Human Resources' Help Desk to assist the office in creating a Microsoft Exchange distribution list so that a Family Liaison Office staff member can add and maintain the list of community liaison office coordinators' e-mail addresses.

**PRINCIPAL OFFICIALS**

	<b>Name</b>	<b>Arrival Date</b>
Director	Ann D. Greenberg	09-06-05
Deputy Director	Leslie S. Teixeira	01-10-05



## ABBREVIATIONS

BATS	Budget Allocation Tracking System
CLO	Community Liaison Office
DAS	Deputy Assistant Secretary of State
Department	Department of State
EFM	Eligible family member
FLO	Family Liaison Office
HR	Bureau of Human Resources
HR/EX	Executive Office of the Bureau of Human Resources
ICASS	International Cooperative Administrative Support Services
LEA	Local employment advisor
LES	Locally employed staff
OIG	Office of Inspector General
REA	Regional employment advisor
SNAP	Spouse Networking Assistance Program
USCIS	U.S. Citizenship and Immigration Services
WCF	Working capital fund

