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

# Report of Inspection

## Embassy Algiers, Algeria

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## CONTEXT

Algeria is the second largest country on the African continent and roughly three-and-a-half-times the size of Texas. Algeria lies between Morocco and Tunisia, and it borders with Mauritania, Mali, Niger, and Libya along the south.



It has a population of 33 million people, of whom three million reside in Algiers -- the country's capital and premier seaport. Algerians are 99 percent Sunni Muslim. Arabic is their official language, though French is widely spoken in government and business circles. About 15 percent of Algerians self-identify as Berbers and speak the Tamazight dialect.

The country's geography is a study of contrasts. A fertile coastal strip is the center of agricultural production, and hosts 70 percent of Algeria's population. Mountain ranges and a high plateau lie south of the coastal plain. Below that, some 200 miles inland, begins the

vast Saharan desert, which comprises 90 percent of the country's land area and is home to some 1.5 million nomads.

Algeria achieved independence in 1962, after 130 years under the rule of France and an eight-year guerilla struggle. The National Liberation Front, the country's primary political party, has dominated politics ever since. In 1991, first-round balloting success of the Islamic Salvation Front<sup>1</sup> prompted the Algerian army to intervene, preventing what the secular elite feared would be an Islamic-extremist government emerging from the second round of voting. The army cracked down on the Islamic

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<sup>1</sup>The FIS was subsequently banned by the Ministry of Interior, which since 1992 has had exclusive authority to approve all organized political parties.



## EXECUTIVE DIRECTION

The Ambassador is a career Foreign Service officer with substantial experience in the Middle East and North Africa, including a prior tour in Algiers in the 1990's, service as deputy chief of mission (DCM) and charge d'affaires in Bahrain from 2001-04, and a tour as political counselor in Baghdad, Iraq from 2004-06. The Ambassador, who has served in Algiers since August 2006, speaks fluent Arabic and French, which he uses in frequent press interviews as well as in his contacts with Algerian officials, politicians, and civil society. (b) (2)(b) (2)(b) (2)(b) (2)(b) (2)

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His carefully nurtured contacts have led to unprecedented levels of bilateral and regional cooperation in the past year and hold the promise of a significantly expanded relationship in the near future.

Due to his prior service in Algiers, his wide range of contacts, and his excellent language skills, the Ambassador has unmatched knowledge and ability to deal effectively with a difficult and closed Algerian government. His own ability and readiness to take full advantage of opportunities and provide clear direction to embassy offices and agencies have been important to the ability of the United States to forge close counterterrorism relations at a time when this is very important to the United States and Algeria for the security of Algeria, the Maghreb, Iraq, and the broader region. The Algerian government's emphasis on protocol and rank make the Ambassador's role that much more important to achievement of our counterterrorism objectives, including the protection of our citizens and facilities.

The Ambassador shares direction of the embassy with an experienced DCM who has previously served in North Africa and as a DCM in Africa. The DCM speaks French and contributes to the embassy's public diplomacy efforts through background briefings of the media. He participates in most of the Ambassador's internal meetings and chairs a set of regular meetings with each embassy section. The DCM has the principal coordinating role in the embassy's preparations to move to the NEC. The DCM also chairs the emergency action committee (EAC), which has met as frequently as three times a week following the explosion of a car bomb at the Algerian Prime Minister's office on April 11, 2007. The Ambassador and DCM focus heavily on mission and personnel security issues. The DCM spends a quarter or more of his time on security issues and coordinates frequently with the regional security officer (RSO) and the large regional security office on issues affecting the security of American personnel and facilities, American citizens, and on security preparations for the move to the NEC.

The Ambassador and the DCM also provide clear leadership of the embassy's efforts to encourage and promote political and economic reform in Algeria as part of the effort to promote the President's freedom agenda. Without a bilateral U.S. Agency for International Development (USAID) program, the Ambassador and DCM take maximum advantage of the Middle East Partnership Initiative (MEPI). They direct MEPI programs to the most productive and cost-efficient ways to promote political and economic reform. Such programs develop the capacity of women, support press freedom, promote judicial reform and independence, and provide civic education for youth and functional training for Algerian parliamentarians. The Ambassador and the DCM also have taken advantage of MEPI grants to fund a Department of Commerce program to increase transparency on commercial law and to begin U.S. Treasury Department programs to assist in the Algerian banking and financial sectors. They also seek to advance U.S. business and commercial interests in Algeria at a time when increasingly large portions of U.S. oil and gas imports are coming from the country and when rising energy prices have increased Algerian import and investment absorptive capacity.

The Ambassador and DCM have played important roles to help maintain morale among American and LE staff. They meet frequently with staff and families, including following the April 11 bombing, and they provide strong leadership that is recognized by all. The Ambassador has hosted numerous events at his residence for American employees and family members and several events for LE staff. The Ambassador and DCM walk around the chancery a good deal but do not visit employees in the temporary office complex much. The consolidation of employees in the NEC will facilitate easy contact with all employees and should help the Ambassador and DCM to move around the various offices more frequently.



## ENTRY-LEVEL OFFICERS AND EQUAL EMPLOYMENT OPPORTUNITY

The embassy has a small number of entry-level generalists and specialists, and the Ambassador's and DCM's meetings and mentoring have generally been one-on-one with particular focus on mentoring them in career planning and future assignments. In addition to this personal engagement, it will be important for the embassy to establish a more systematic entry-level program. The OIG team also encouraged entry-level generalists and specialists to assume a stake in the entry-level program.

**Recommendation 2:** Embassy Algiers should establish a formal mentoring and career development program for entry-level officers. (Action: Embassy Algiers)

At the time of the inspection the embassy did not have any active Equal Employment Opportunity (EEO) cases. The OIG team learned about an allegation of sexual harassment involving an LE staff employee, who has since resigned. The DCM, with the Ambassador's full support, intervened to deal with the case and issued a management notice to all embassy personnel on sexual harassment. Although the post addressed the issue promptly, embassy management has not yet taken the opportunity to use this case to reiterate in a town hall meeting the Department's policy of zero tolerance on sexual harassment. EEO procedures should be regularized and a counselor designated. The OIG team made informal recommendations in this regard.

## MISSION STRATEGIC PLAN

The mission prepared its FY 2009 Mission Strategic Plan (MSP) in a consultative process involving the Ambassador and DCM, who had arrived after submission of the previous year's Mission Performance Plan, and all other sections and agencies in the mission. The mission reached consensus on the set of mission goals including strengthening cooperation on counterterrorism, the transformational goals of promoting political and economic reform in Algeria, and improving management capabilities through completing the move to the NEC successfully and improving capabilities of management staff. The Department chaired an interagency meeting that was in broad agreement with the mission's submission except to elevate the

priority of the political reform goal and to assure that performance indicators were areas that post performance could affect. The Department provided the feedback of interagency deliberations to the post in mid-May.

## RIGHTSIZING

Embassy Algiers has been operating at reduced staffing levels since the major security problems of the 1990's. The number of American staff has increased significantly since 2001, and permission for family members to return to post has increased the pool of eligible family members available for employment. The embassy received three new positions as part of the Global Repositioning Initiative. The Ambassador has exercised his National Security Decision Directive-38 (NSDD-38)<sup>2</sup> authority effectively to make decisions regarding requested changes in the numbers of American personnel at post, authorizing a temporary arrangement in one case still under discussion with the Department. Increased counterterrorism and military cooperation and increased commercial opportunities as a result of Algeria's increased import capacity make additional American personnel from the Departments of Defense, Justice, Treasury, and Commerce important for the achievement of U.S. goals. The embassy's move into the NEC will provide the office space for additional personnel.

Poor performance by the management staff raises questions about its ability to keep up with growth in the number of mission personnel. However, there were several American employees who were not ready for the professional challenges in Algiers, and it was not clear to the OIG team that quantity of staff has been the problem. The management team arriving in summer 2007 will have a clean slate to implement needed changes. The new management team will require the active engagement and support of the Ambassador and DCM to address management challenges effectively. Following integration of new management staff and completion of the move into the NEC, the embassy will be in a better position to assess the adequacy of management staffing.

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<sup>2</sup>National Security Decision Directive-38, Staffing at Diplomatic Missions and Their Constituent Posts, issued on June 2, 1982, assigns ambassadors the authority and responsibility to determine the appropriate size, composition, and mandate of all staffing operating under their authority.

The OIG team believes that the single office management specialist in the executive office will not be sufficient to coordinate the engagement of the Ambassador and DCM. With the increased number of agencies and personnel in the mission and the increased engagement with the Algerian government, a second office management specialist will be needed to assure the necessary coordination.

**Recommendation 3:** The Bureau of Near Eastern Affairs, in coordination with the Bureau of Human Resources, should assign a second office management specialist position in the executive office at Embassy Algiers. (Action: NEA, in coordination with DGHR)





## COORDINATION OF COUNTERTERRORISM AND RELATED ACTIVITIES

Maintaining and enhancing Algeria's collaboration in the war on terror is the embassy's top priority. The embassy's excellent and discreet cooperation with Algerian authorities is in large part a product of the Ambassador's strong personal involvement and the embassy's very effective internal coordination.

Within the embassy, coordination takes place at three levels: a core counterterrorism group, the country team, and the EAC. The core counterterrorism group – which meets once per week, regularly – consists of the Ambassador, DCM, RSO, and DAO. Each session begins with the RSO conducting a review of open source information on terrorist activities in Algeria during the past week.<sup>3</sup> Attention then turns to other sources of information, with reduced participation in the meeting if necessary. This exercise in information sharing ensures that sections share a common information set and are able to adjust, as necessary, in their appropriate areas. When concerns relating to terrorism arise between meetings, the DCM convenes a rump session of the group and, if appropriate, engages the Ambassador. The country team – which gathers weekly and includes representatives of all agencies/sections in the embassy – serves as a broader forum for discussion of policy concerns regarding counterterrorism and possible bilateral assistance programs. For example, it is here that the RSO coordinates its on-going efforts to establish an Anti-Terrorism Assistance program to bolster the Algerian gendarmerie's border monitoring capabilities. Similarly, POLEC took the lead in early 2007 in bringing an interagency U.S. advisory team to Algiers to assess ways to help Algerian officials plug loopholes that in the past have permitted money laundering and financial flows to terrorist groups. With the move into the NEC in the fall of 2007, the Federal Bureau of Investigation will assign a resident legal attaché, further bolstering the country team's counterterrorism efforts.<sup>4</sup>

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<sup>3</sup>The Algerian press is a fairly reliable source of such information because of the close contacts journalists maintain with local security agencies. As a result, tracking press reports over time provides the embassy with an accurate assessment of terrorist trends.

<sup>4</sup>With this in mind, the front office is also moving to set up a law enforcement working group, which will meet regularly to share information and coordinate programs among agencies/section with law enforcement interests and responsibilities.

The EAC, with wider participation from around the entire embassy community, meets to review new information and developments, or extraordinary threats to the embassy and its staff. During the first half of 2007, the EAC met as often as three times per week to ensure effective community coordination and information flow.

Two other areas of activity merit mention. First, military-to-military relations are an increasingly important subset of bilateral counterterrorism cooperation. Although there is virtually no foreign military financing (FMF) activity in Algeria,<sup>5</sup> the Office of Defense Cooperation, with frequent assistance from DAO, supports a vibrant International Military Education and Training (IMET) program (see section on bilateral assistance for further discussion). For some time, the Office of Defense Cooperation has also been coordinating with Algerian officials concerning a possible visit by a large U.S. military delegation to participate in a joint (binational) planning conference that would seek to identify military training and exercise opportunities. Second, the POLEC section, bolstered by a temporary duty officer on loan from another embassy, was drafting an in-depth multipart cable examining the Algerian terrorism movement in the aftermath of the April 11 bombings in Algiers, which Washington policy makers were eagerly anticipating.

## BUSINESS SUPPORT

Some 80 U.S. companies operate in Algeria, others are considering doing so, and the embassy faces a growing demand for business support.

In 2006, the United States purchased \$15 billion worth of Algerian hydrocarbons and sold to Algeria \$1 billion in goods and services – of which \$500 million was equipment related to hydrocarbon exploration/extraction and \$220 million were U.S. agricultural products. Over 30 years of rigid statist policies have created a poor business climate and limited private investment in Algeria. Bureaucracy is stifling, corruption is a factor, and the judicial system is often unable to help companies address problems that arise.

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<sup>5</sup>Algeria's primary military suppliers had been the former Soviet Union and China. In recent years, though, it has diversified its sources and has purchased U.S. command, control, communications, and radar systems. Those acquisitions have been with national funds, rather than FMF programs. The only recent FMF sale was that of some technical documents for use with C-130 aircraft purchased with national funds.

The embassy's commercial priorities include increasing U.S. exports to Algeria, assisting U.S. companies with commercial advocacy (especially in the case of large tenders and infrastructure projects), and improving the protection of intellectual property rights in Algeria. The Ambassador, drawing on his high-level contacts and earlier experience as an economic officer in Algeria, has, on several occasions, weighed in on behalf of companies that faced especially formidable difficulties.<sup>6</sup> The economic section is a valuable source of information to interested U.S. companies. It prepares a number of very useful reports – such as the country commercial guide (“Doing Business in Algeria”) and an annual investment climate report – which are posted on the commercial page of the embassy's Internet web site. A large share of the senior economic officer's time is devoted to commercial work. During the past year, for example, the senior economic officer supported a Treasury-funded program of rotating visits by six advisors from the Department of Treasury helping to overhaul the country's banking system (a key ingredient to doing business successfully in Algeria), initiated a U.S.-business outreach program to a number of other Algerian cities using Business Facilitation Incentive Fund funds,<sup>7</sup> and helped reinvigorate membership of the local American Chamber of Commerce.

The U.S. and Foreign Commercial Service is represented by two LE staff, who provide a range of Department of Commerce services, such as the International Partner Search and Gold Key service. It does not have a commercial library in Algiers, but there are plans to establish one when the embassy moves into the NEC. Similarly, the Department of Agriculture's Foreign Agricultural Service is represented by three LE staff. A regional senior commercial officer (SCO)<sup>8</sup> and a regional Foreign Agricultural Service attaché, based respectively in Casablanca and Rabat, visit Algiers on average twice each year to provide direct support to their LE staffs. Between those visits, the senior economic officer provides oversight, guidance, and assistance on a day-to-day basis. In the FY 2009 MSP, the embassy requested that the U.S. and Foreign Commercial Service assign a full-time resident SCO to Algiers, in connection with the move into the NEC. The embassy said that without such a position American companies would suffer in the intense competition expected for \$130 billion in contracts for infrastructure construction and upgrades that the government of Algeria is awarding.

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<sup>6</sup>For example, he approached senior Algerian officials regarding massive new windfall profits taxes unilaterally imposed by 2006 amendments to the country's hydrocarbons laws.

<sup>7</sup>The Business Facilitation Incentive Fund is a program managed by the Department's Bureau of Economic, Energy and Business Affairs that provides small annual grants – typically no more than \$10,000 – to embassies where there is no SCO assigned by the Department of Commerce.

<sup>8</sup>In 1993, the USFCS moved its SCO for the Maghreb from Algiers to Casablanca due to the political violence in Algeria at the time.

The RSO also provides important business support by actively maintaining contact with the security units of U.S. companies operating in Algeria. On a quarterly basis, the RSO convenes meetings of the Algiers' Overseas Security Advisory Council, to promote security awareness. On special occasions, such as right after the April 11 terrorist bombings in Algiers, there are extraordinary meetings to brief company representatives on developments.

## BILATERAL ASSISTANCE

Because USAID is not present in Algiers, the embassy has used alternative forms of bilateral assistance – MEPI and IMET – to promote domestic reforms and advance U.S. foreign policy interests. Through a wide array of MEPI programs, the United States is assisting efforts to open up Algeria politically, reform its statist economy, modernize an inoperative legal system, provide civic education to its population, and expand opportunities for women. To date, the results have been mixed, with educational and economic programs being given more space by the Algerian government than have political “pillar” programs, such as training civil society groups. (The embassy's Internet web site, <http://algiers.usembassy.gov/>, provides details on the full range of MEPI programs).

The Ambassador is an enthusiastic MEPI proponent, viewing its programs as a way to spur transformation in Algeria and empower agents of change.<sup>9</sup> He closely follows the full range of projects, by chairing meetings of the embassy's MEPI committee and requesting interim reports on specific projects' progress – or lack thereof.<sup>10</sup> In short, he is personally committed to overseeing MEPI's programs in Algeria and coordinating them with MSP goals and objectives.

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<sup>9</sup>Getting a handle on MEPI activities in country was not easy, though. Shortly after arriving, the Ambassador requested a complete list of MEPI's programs in Algeria, only to learn that no such listing existed. His staff then set out to compile one, a task that took several months and that was repeatedly marked by the discovery of MEPI activities previously unknown to anybody in the embassy.

<sup>10</sup> In the case of one MEPI project, which was faltering, the Ambassador recommended shutting down the grant. After a thorough review, a representative from MEPI's Tunis office came to Algiers to do that. The process was handled in such a manner, though, that both the embassy and MEPI have maintained a cordial relationship with the civil society group that had been the implementer.

Even where Algerian authorities have supported MEPI programs, the local bureaucracy and decisionmaking processes consume significant amounts of time and effort by designated POLEC and PD section officers who serve as program officers.<sup>11</sup> To assist embassy officers who do MEPI program monitoring and implementation, MEPI agreed, in mid-2006, to provide funding for a full-time contract employee who would work in the embassy. Then, nearly a year passed with delays and unexpected problems. During the inspection, though, a well-qualified eligible family member – who had just arrived at post – was hired to fill a new position as coordinator for all LE staff efforts in support of MEPI. In addition, as part of the Department’s most recent global repositioning, the embassy learned that the POLEC section in summer 2008 will receive an entry-level officer position whose duties will include MEPI coordination and support.

Military action against increasingly active terrorists groups – especially AQIM -- in Algeria is expected to continue for the foreseeable future. The Algerian military will need help to professionalize the officer and noncommissioned officer ranks, increase its effectiveness in combating terrorism, and improve interoperability with the United States and other allied forces. IMET, with annual funding levels that have averaged nearly \$800,000 in recent years, advances those goals.

Embassy Algeria’s budget process and related FY 2009 request were developed primarily by the Department’s Office of Maghreb Affairs, with significant input by the embassy. For example, the embassy submitted several cables reviewing the status of MEPI’s major programs and prioritizing those most worthy of continued funding.

## PUBLIC AFFAIRS

With an annual budget of slightly over \$250,000, the PD section – consisting of two officers supported by a 10-person LE staff – is very energetically promoting a better understanding of U.S. policy objectives and values in Algeria. It does so through direct engagement with the media, various information programs, an extensive exchange program, and active support for the embassy’s nonpublic diplomacy

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<sup>11</sup>Embassy program officers with whom the OIG team spoke indicated that supporting MEPI programs typically accounted for about 20 percent of their work time and that of LE staff supporting them in these efforts.

officers who engage in outreach and transformational diplomacy activities. The activities of the PD section are well integrated into the MSP, and the public affairs officer (PAO) – who presently serves as the embassy’s information officer (IO) – is a member of the country team. On a day-to-day basis, PD works very closely and cooperatively with the POLEC section. Despite restrictions stemming from the local security environment and heavy-handed controls that the Algerian officials impose on embassy contacts, morale in PD is remarkably good.

The addition of a new position – an officer arriving during summer 2007 to assume the IO portfolio – will allow a newly arriving PAO to do broader and longer range planning in addition to establishing more rigorous budget processes. PD will then comprise three American positions.<sup>12</sup> However, the section does not have an annual operational plan for public diplomacy that lays out section-specific preparations on a quarterly basis, details estimated costs of proposed activities, maps out cooperation with other sections and agencies, or solicits input from the Department. This situation stems from the PAO’s being stretched thin by his media portfolio and the section’s inexperience in preparing this sort of strategic document, one which would enhance its ability to better match resources to program opportunities and assume a less reactive stance in supporting MSP objectives.

**Recommendation 4:** Embassy Algiers should prepare an annual public diplomacy operational plan that lays out section-specific preparations on a quarterly basis for FY 2008. (Action: Embassy Algiers)

Short tours and lack of previous experience have prevented the current PAO – and numerous predecessors – from developing a solid grasp of the Department’s budget and procurement procedures and an understanding how to work effectively within the International Cooperative Administrative Support Services (ICASS) system. This is further complicated by the PD section’s administrative assistant, a senior LE staff member reporting directly to the PAO, not having a budget background or training that would enable her to serve as the section’s principal budget advisor. To address these shortcomings, the OIG team made two informal recommendations.

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<sup>12</sup>As part of the Global Repositioning Initiative, the embassy’s PD section will receive two new positions in summer 2007. One position will replace a three-year entry-level position provided earlier under the Diplomatic Readiness Initiative, i.e., the section’s junior position, which has covered the cultural affairs portfolio. The second new position will be for a new information officer.

## Press Activities

The Algerian press numbers some 40 newspapers, and except for a handful that are government-run, the rest are privately owned. The government enforces strict antidefamation laws, and it shapes content through a state-owned printing company and – for companies fortunate to own their own presses – government advertising revenues. Editors practice a measure of self-censorship, and there is security service penetration of the papers' staffs. However, the press – and electronic media – are eager to engage with the U.S. embassy. The Ambassador, who is fluent in Arabic and French, has been forward-leaning in granting interviews and appearing before the cameras. The DCM, with excellent French, frequently does backgrounders. In addition, the Department's media hubs in London and Dubai go on the air quickly and have proven adept at moving quickly to respond to breaking stories and occupy the debating space. As a result, the embassy takes justifiable pride in placement rates that often best those of its leading rival, the embassy of France.

On the reporting front, most of what the section has done is in support of senior U.S. government official visits to Algeria. The section does occasional collaborative reporting with POLEC on press-related issues, especially the media environment, religious freedom, and press freedom. On coverage of the local media, for a period of several months last year PD produced a daily piece bringing together key headlines from both the Arabic and French press. The product was well received by Algeria watchers in Washington. However, it often took three hours a day to produce and then ran direct competition with two other daily highlights – one political and one economic – that POLEC was simultaneously producing. PD eventually pared down its daily piece and stopped doing in-depth media reaction reports for anything except special events. After reviewing the embassy's three daily versions of press highlights, the OIG team concluded that there was considerable duplication and that the utility to the front office of so many versions was modest. The arrival of the new IO will augment the PD section's ability to take the lead in preparing a single embassy product, and doing so would bolster the section's ability to serve as the Ambassador's principal media advisor. The OIG team also concluded that POLEC, by shedding the task of preparing the daily political and economic summaries, would also be better able to step up the volume of its cable reporting. The efforts of the RSO in keeping track of press attention given to terrorist activity would also be bolstered.

**Recommendation 5:** Embassy Algiers should produce a single daily press highlights. (Action: Embassy Algiers)

At the time of the inspection, the PD section did not have an information resource center. The NEC will contain space for one. The PD section did not have an information resource center director position, and the PD baseline budget did not contain funds for one. However, the Department had provided informal assurances that funding would be made available, and the embassy was moving ahead on recruitment of, and training for, a new director.

A webmaster, who is an LE staff member of the information unit, maintains the embassy's unclassified web site. The OIG team found the site to be attractively laid out and easy to use, but some of the content was not entirely up to date. A substantial portion of the content was available in French as well as English. The Washington File is distributed exclusively by e-mail internally and externally. However, it is not a widely read product in the Algerian market.

## Cultural Activities

The OIG team learned that in the Algeria environment, the English language is often central to efforts that generate successful cultural programs. That is the case, because English provides Algerians with unimpeded free access to the U.S. message; it often opens up new economic opportunities in a statist economy that is shifting slowly to private enterprise but is plagued by high unemployment. The language itself affords an avenue for engagement with Algerians. More fundamentally, there is strong popular interest in learning English, and – importantly – the government of Algeria is generally very supportive of efforts to promote English instruction.

With that in mind, the section has been creative in developing a “younger and broader” focus in its public diplomacy programming which appeals to new audiences, even though the environmental challenges are formidable. In February 2007, during a visit by Undersecretary Hughes, the embassy reopened its one American Corner in a new area inside the National Library in Algiers. The Access Micro-Scholarship Program, affording two years of English language classes to underprivileged Algerian youth, continues to be very warmly received in Algiers and three other cities. Plans are underway to increase the number of scholarships and expand the program to several more cities. The International Information Program supported television programs “Connect with English” and “Wild America” are popular on Algerian TV, and there is a strong desire for additional programs. With MEPI funding, the embassy has supported and screened *Citoyenne*, a film which highlights women's roles in Algerian society. The PD section has made promising initial inroads in setting up web-chat programs. With sports initiatives – especially in basketball and soon swimming – the embassy has successfully set up multi-city, youth-oriented programs that have received glowing media attention.

The visitor's program selection committee is chaired by the DCM and includes representatives from the political/economic and consular sections, as well as the RSO. All programs support MSP objectives. Because of the difficulties in recruiting candidates with appropriate English language skills, and Algerian government suspiciousness, the focus, to date, has been heavily on single-country programs.

The embassy's Fulbright program recently began targeting Algerian graduate students, after a 15-year suspension that had been due to high immigration rates. Fulbright programs continue to target Algerian lecturers and students. However, Fulbright programs impose strict limits on American researchers for security reasons, as wider travel would expose them to danger, and financial resources to provide stepped up security are not available.

## Grants

The PAO is designated in writing as a grants officer, with a warrant up to \$100,000. The main grant program for which the PD section has responsibility is the Ambassador's Local Preservation Fund. A grant was recently issued for that program, but the amount was slightly over \$100,000 – so it had to be authorized in Washington. Similarly, virtually all MEPI programs in Algeria have involved large grants handled by Washington grants officers.

## CONSULAR AFFAIRS

The consular section in Algiers is a small, efficient, and well managed operation that provides the full range of consular services. It is currently located outside the chancery in a small building that provides only very limited workspace and a cramped waiting room. In September 2007, the embassy will move to a new building with a spacious ground floor consular section, adequate to handle the section's increasing workload. The consular section is ably led by an FO-04 officer who is on a two-year excursion tour; he oversees a staff of one entry-level officer, four LE staff and one eligible family member. The new entry-level officer had not yet arrived when the inspection began. There are no specific consular goals in the FY 2009 MSP. However, the importance of the consular section is stressed in the Chief of Mission statement. The consular section has good working relationships with other mission elements, including the RSO and the PD section.

## Consular Management

In November 2005, the section began using a courier system to return visaed passports, freeing up several hours of LE staff time each day. All visa applicants must use the electronic visa application form resulting in a considerable reduction of LE staff time spent on data entry. The embassy web site has good consular information which is regularly updated.

LE staff morale is good. The staff looks forward to moving from their congested work area into larger space in the new chancery. All LE staff are cross-trained to assist in different consular units as needed. Several LE staff have been sent for U.S. training or taken consular courses online. Since the section lacks a formal orientation program for new consular officers, the OIG team informally recommended developing a structured orientation plan.

The Ambassador supports the embassy's clearly defined visa referral system. "A" referrals are accepted only for applicants who are personally known to the referring American officer and whose travel is in the national interest. The consular section chief adjudicates all "A" referrals personally as required and ensures they comply with program guidelines. No "B" referrals have been submitted to the current consular section chief.

## American Citizens Services

The consular section provides efficient American Citizens Services (ACS) to U.S. citizens. However, the security situation in Algeria makes it difficult for officers to travel and provide emergency services to U.S. citizens outside of the Algiers district. Officers must obtain government permission and accept an armed escort. Although American citizens are encouraged to make afternoon appointments, they receive passport and other ACS services whenever they come in. Of the approximately 1,000 U.S. citizens registered with the embassy, only a few come in personally. In FY 2006, the section prepared only 174 notarials and completed approximately 270 passport and citizenship related actions. The ACS unit's few child custody cases are complex and time consuming because Algeria is not a signatory to the Hague Convention on Child Custody. As a result, each case must be handled on an individual basis with the Algerian government. There are very few social security recipients in Algeria who receive monthly checks. The ACS unit handles less than 10 checks a month which are forwarded to recipients via local mail.

The security situation has sharply limited ACS unit opportunities to conduct outreach activities. Nevertheless, the section held a town hall meeting to provide information to the American community on the security situation and avian influenza, briefed a group of 75 American oil company workers on security issues, and met with Algerian university students on the student visa process. While the security situation has discouraged many American tourists from visiting Algeria, some do arrive on cruise ships. Consular officers have visited these cruise ships and given briefings on security precautions Americans should take while touring in Algeria.

Natural disasters, such as earthquakes and floods and catastrophes such as airplane crashes, oilfield fires, and terrorist attacks could affect American citizens in Algeria. The consular section has a robust warden system that provides essential security information. The section is seeking additional wardens in rural areas to ensure that Americans outside urban areas receive warden messages. In April 2007, the section sent out a warden message and posted it to the embassy web site warning of possible attacks in Algiers. The Algerian government objected to the content of the message. The chargé, accompanied by the consular section chief, met with Foreign Ministry officials and advised them that U.S. law requires that the embassy share information with U.S. citizens to assist them in making informed decisions about their own safety. They also explained that the “no double standard policy” requires security threat information provided to official U.S. citizens is made available to the nonofficial U.S. community. Algerian newspapers ran articles incorrectly describing this warden message as a press release. The consular section provided the PD section with the policy and background on the warden message program which was incorporated in an embassy press release.

## Visa Operations

The number of nonimmigrant (NIV) applications has been increasing by over 1,000 applications a year since Embassy Algiers resumed NIV processing in November 2005. While the short 12-month validity for B-1 visas and three-month validity for B-2 visas generates many repeat visa applications, there currently is no backlog for NIV interview appointments. NIV appointments are made through the consular section’s webpage. NIV fees are handled by the consular cashier as the Algerian banking system is unable to support off-site fee collections. The unit is preparing for the start-up of 10-print fingerprinting when it moves into the new embassy. The current fingerprint and facial recognition requirements have had little impact on the NIV workload. All LE staff can serve as Arabic translators for applicants who do not speak either French or English. Two LE staff can also translate for those who speak only Berber.















## American Staff

Algiers has been a traditionally difficult to staff post. The long civil war and security threats generated one-year assignment tours and danger pay. Under such conditions, the best qualified officers were not assigned to this hardship and dangerous post. As the fighting receded, the embassy embarked on a gradual return to normalcy. Beginning in summer 2005, employees were assigned for two-year tours of duty, and nonschool-aged family members were allowed at post. The embassy and private businesses began work on forming a school. However, the security situation deteriorated in 2006, culminating in an April 2007 attack that put all changes on hold. Consequently, morale suffered.

## GENERAL SERVICES

Like all of the embassy's sections, the general services office has experienced staffing losses and gaps, and these have led to lapses in supervision and performance. Short tours have contributed to instability and a lack of experienced American personnel, depriving the LE staff of much-needed guidance and direction. Moreover, many LE staff lack the skills and the training necessary to fulfill their responsibilities. However, some long-term LE staff with experience continued to carry the sections, albeit with reduced service delivery and poor customer service. The general services officer (GSO), a capable and dedicated supervisor, was overextended by having to supervise his sections as well as manage, from its inception, the substantial needs of the NEC construction project as the building complex literally rose around him. WQLQ scores for general services office services are among the lowest recorded for all sections and reflect a mission-wide perception of poor performance in service delivery and customer service. Standards of performance for both American and LE staff need to be clearly articulated and enforced. Post management must provide strong and consistent leadership to effect a positive change in employee's work habits and performance. Supervisors must take control of their units and sections to create an atmosphere of professionalism and efficiency.

## Procurement and Contracting

The procurement and contract section processed about 700 actions amounting to \$2.6 million in FY 2006. It is headed by an experienced LE staff supervisor (who planned to resign at the end of June, 2007), four very recently hired procurement agents, and a clerk. Most of the employees have received only minimal procurement training. The section does not use Webpass, but plans to do so when they move into the NEC.

The section can improve its purchase order procedures. While the purchase order files were generally in order and contained supporting documentation, the procurement folders (DS-1918s) were, in almost all cases, not annotated accordingly. Some files lacked competitive quotations above the micro-purchase threshold or determination of price reasonableness as required by regulations. Most of the official procurement folders were not reviewed and signed by the contracting officer. Sole source purchases were often not documented adequately. Records of correspondence between those receiving services and the procurement section were sometimes incomplete. While additional training is warranted (see section on HR for recommendation on training), Embassy Algiers needs to implement corrective actions to address these issues.

**Recommendation 8:** Embassy Algiers should establish standard operating procedures and implement management controls for the use of purchase orders. (Action: Embassy Algiers)

Although purchase orders need better controls, the procurement section does a good job in managing a small number of contracts, and maintains regular contact with the Bureau of Administration's Office of the Procurement Executive for guidance and advice. The contract files were orderly.

Credit cards are rarely used or accepted in Algiers, and merchants are reluctant to extend credit or agree to set up blanket purchase agreements. Nevertheless, the embassy has set up 15 blanket purchase agreements which have been competed and bulk funded. These are used regularly, particularly by the facilities maintenance section. Blanket purchase agreements are reviewed periodically and modified when sources of supply change significantly. The section uses credit cards extensively for offshore procurements, mainly for Internet purchases. These are not bulk funded, but fiscal data is obtained in advance for each purchase. Credit card purchase files

are impressively maintained and contain all required documentation. Reconciliation of credit card accounts is routinely carried out at the end of each month and payments are processed on time.

In WQLQ questionnaires, respondents complained about excessive delays and poor service. Many felt that procurement requests often disappeared into a dark hole; others said that procurements were inordinately delayed or that the section failed to respond altogether to their inquiries. To its credit, the section did issue a management notice regarding end-of-year procurement in anticipation of the September move into the NEC. Complaints of employee misconduct by LE staff members against other LE staff are surprisingly common, but rarely substantiated. When they are substantiated, the employee voluntarily resigns or is fired. The arrival of a new GSO and management officer and the move to a new facility will help to provide stability and the necessary supervision, and with additional training, the procurement section staff can only improve.

### Property and Supply

The property and supply section is headed by a recent hire LE staff employee who has had considerable U.S. government experience in several embassy sections and agencies. Of the employees in the section, only the nonexpendable property accountability clerk has received any formal training. The supervisor is a conscientious employee who is trying hard to tighten procedures and improve accountability. Still, the annual property management reports for the current and previous years show unacceptably high overages in both expendable and nonexpendable property that cannot be readily explained. Earlier reports were submitted with incomplete information, and the OIG team could find no documentation from the Department challenging the post's submissions. This was also identified as a weakness in the last OIG inspection in 2001.

**Recommendation 9:** Embassy Algiers should establish appropriate inventory controls for accountability of its expendable and nonexpendable property. (Action: Embassy Algiers)

Household inventories are generally complete, and departing employees are billed for broken or damaged items. Receiving reports are accurate and on file. The embassy uses two warehouses on the NEC. One is located in the basement of the multi-storey residential building. This warehouse also serves as the receiving area for all incoming property, (b) (2)(b) (2)(b) (2)(b) (2) There is no shelving, and the window









is not aggressively following up with other sections of the mission about the status of obligations. In addition, embassy sections, such as the general services office, do not always keep the budget and fiscal section updated when invoices for purchase orders have been received and completed. Receiving timely information would facilitate the expeditious review of end-of-year open obligations.

**Recommendation 11:** Embassy Algiers should establish and implement procedures to routinely review unliquidated obligations funds. (Action: Embassy Algiers)

### Suspense Deposit Abroad Account

The OIG inspection report in 2001 made a recommendation regarding the use of the SDA account. Although Embassy Algiers took steps to clear many of the balances in its SDA accounts, as evidenced by zero balances for FY 2001 and 2003, there are still several outstanding SDA transactions. From FY 2004 to FY 2006, a total of \$20,210 in SDA accounts have not been cleared. During this period, the budget and fiscal section used the SDA account as a “convenience” account for unusual, unauthorized, or unidentifiable transactions, such as payment for both personal and official travel. The embassy has ceased this practice, but those transactions are still open. The embassy needs to follow the appropriate use of the SDA account in accordance with criteria established in 98 STATE 166009, 98 STATE 025314, 99 STATE 4064997 and 4 FAH-3 H-322.2-6 for maintaining such accounts. Excess funds should be either returned to the person or agency that made the deposit or turned over to the U.S. Treasury as miscellaneous receipts.

**Recommendation 12:** Embassy Algiers should clear the remaining inappropriate funds in its suspense deposit abroad account from previous year accounts. (Action: Embassy Algiers)

### Locally Employed Staff Payroll

Embassy LE staff receive their salaries through the embassy Class B cashier in the form of checks. The budget and fiscal unit prepares the biweekly payroll based on the pay list received from Global Financial Service Bangkok. The embassy Class B cashier spends a significant amount of time distributing paychecks to locally

employed staff rather than performing other cashiering duties. This practice is not efficient. The OIG team learned that manual check distribution was instituted because the Algerian banking system lacked controls in effecting electronic transfers. However, there is no cable or official documentation from the Bureau of Resource Management, Global Financial Services Bangkok, or the Bureau of Near Eastern Affairs describing the issue. Algiers has Citigroup Bank and BNP Paribas Bank represented locally. At other U.S. missions, bank agreements have been established for electronic transfers of local employees' salaries. In late 2006, the embassy explored the idea of electronic funds transfers with BNP Paribas Bank, but it was unsuccessful. The OIG team was not able to verify this effort by the embassy. Having LE staff salaries electronically transferred into employee accounts would allow the embassy Class B cashier to focus more time on other cashiering operations.

**Recommendation 13:** Embassy Algiers, in coordination with Global Financial Services in Bangkok, should terminate the practice of issuing employee salary checks and identify an appropriate financial institution that can process electronic transfers to locally employed staff. (Action: Embassy Algiers, in coordination with RM/GFS Bangkok)

## International Cooperative Administrative Support Services

Embassy Algiers is an ICASS Lite post. The Department is the single ICASS service provider, with the PAO serving as the ICASS council chairperson. There are nine ICASS subscribers. Although the council meets quarterly and on an ad hoc basis, it has not been proactive in addressing cost savings or looking at standard services.

The ICASS council has not established service standards or performed annual written assessments on the quality and responsiveness of administrative services. Department regulations (6 FAH-5 H-222.3-4) require that the ICASS council prepares ICASS standards and reviews them annually. While embassy employees believe that ICASS service standards exist; hardly anyone, including the ICASS chairperson, could tell the OIG team what the service standards were. Post management has not given the proper attention that ICASS requires to be successful. It is imperative that Embassy Algiers' ICASS standards are integrated as part of daily management operations. When properly utilized, the ICASS mechanism provides one way of re-engineering business processes and effectively improves the delivery of services.















initial avian influenza outbreak, local facilities will be able to cope but can easily be overwhelmed if the disease spreads. The government of Algeria has used national television, radio, and the electronic media to keep the population informed and to demonstrate that the government is prepared and able to deal with any outbreak.



## MANAGEMENT CONTROLS

Embassy Algiers has been plagued by fraud and mismanagement. In the past 18 months, 14 employees were fired for malfeasance or poor performance. No one should be under any illusion that internal controls are working as intended at this post where staffing gaps, inexperienced American officers, and untrained LE staff are endemic and have contributed to lapses that collectively signal significant problems. The embassy completed its risk assessment questionnaires prior to the arrival of the OIG team, as required, but it has not yet received the scores of such assessment from the Bureau of Resource Management. Therefore, the OIG team was unable to evaluate the results of the 2007 risk assessment. Lacking the results of the risk assessment, the OIG team nonetheless identified many internal control weaknesses in embassy operations.

The Chief of Mission annual certification of management controls for 2006 clearly described three material weaknesses. They were all related to fraud perpetrated against the embassy. Although the weaknesses were addressed through investigations by the RSO, there was no evidence that managers evaluated management control systems, or submitted corrective or implemented action plans. There is no documentation showing that the embassy sent corrective action plans to the Department nor did the embassy provide such corrective action plans to the OIG team.

**Recommendation 19:** Embassy Algiers should implement and include corrective action plans of its 2006 material weaknesses along with any new material weaknesses and corrective action plans in its next annual Certification of Management Controls. (Action: Embassy Algiers)

The management controls program, prescribed in 2 FAM 021.3g, is “the plan of organization, methods and procedures adopted by management to provide reasonable assurance that throughout all organizational elements and activities of the Department, the objectives of management control are implemented.” The DCM has designated the management officer as the management control officer. Department policy (2 FAM 022.6 a.) requires the Chief of Mission to appoint the embassy’s

management control coordinator. The OIG team believes the management control coordinator should be the DCM to ensure all offices with control responsibilities report accurately.

**Recommendation 20:** Embassy Algiers should designate the deputy chief of mission as the management controls coordinator and communicate it to the post in an administrative notice. (Action: Embassy Algiers)

There was no evidence that the delegation of responsibilities was carefully reviewed. There are some inconsistencies in some of the delegations. The OIG team noted that the HRO/FMO is the approving officer and certifying officer for travel, and the management officer is the EEO counselor. These designations represent an internal control weakness. Also, the Foreign Affairs Manual references used in some of the designations are outdated. Informal recommendations were made addressing these issues.

#### American Embassy Employee Association

The American Embassy Employees Association (AEEA) operates a small commissary. It also provides personal services (dry cleaning services) and sells U.S. stamps. In reviewing the association's financial and operational documents, the OIG team concluded that the entire operation is in disarray. The effective oversight and controls over the AEEA have been virtually nonexistent. As a result, the association's operations have not been functioning adequately and internal controls have been poor, at best, for some time now. The Office of Commissary and Recreation Affairs has been aware of these issues and has provided proper written guidance on delinquent reporting requirements, but the embassy was unable to make the association comply with these reporting requirements.

Since 2002, the association has been delinquent in its reporting requirements in accordance with 6 FAM 557. The association does not have any supporting documents to produce financial statements for calendar years 2002 and 2003 and financial audit reports for calendar years 2002, 2003, 2004, and 2005 and 2006. In April 2007, the association submitted to the Department, an aggregated audit report for calendar years 2004-2005. However, that was not an audit report but rather a compilation of financial statements from the association's bank statements. No audit procedures or testing has been performed on the association's financial statements. During the course of the inspection, the association was unable to provide the

financial report for calendar year 2006; therefore, it is hard to determine if the association is financially solvent.

As stated before, operational controls are hampered by major management control weaknesses. The AEEA executive board structure has little segregation of duties, with no system of checks and balances. All board members (chairman, treasurer, and secretary) have the combination to the safe in which cash is kept, with no control system of maintaining responsibility for cash held in the safe or in the association bank's accounts. All board members have authority to sign for checks. Also, there was no inventory of the merchandise found in the small commissary. At the time of the inspection, the association was transitioning to an electronic inventory system, and a partial inventory document was provided to the OIG team. However, such a report was not comprehensive or reliable enough for the OIG team to conduct a spot check. Although controls for alcohol have been posted in the commissary, it is not clear how board members, who work in the commissary on a voluntary basis, keep track of alcohol purchases by association members.

A persuasive case can be made that the board members are not familiar with Department regulations on how to operate an employee association. In the upcoming months, the embassy's focus will be transitioning into the NEC successfully, and little attention will be given to the operations of the association. The board has proven ineffective in handling this crisis, and immediate action is needed. The OIG team believes that the association should be placed in trusteeship status, in accordance to 6 FAM 558.1 (a). Trusteeship would allow post management to play a direct and stronger role in managing the association and either liquidating its activities or bringing it out of this crisis.

**Recommendation 21:** The Bureau of Administration, in coordination with Embassy Algiers, should place the embassy's American Embassy Employee Association in a trusteeship status, with the trustee taking direct control of the association's operations. (Action: A, in coordination with Embassy Algiers)

**Recommendation 22:** Embassy Algiers, in coordination with the Bureau of Administration, should develop a management plan to resolve deficiencies or liquidate the Embassy Algiers' American Embassy Employee Association. (Action: Embassy Algiers, in coordination with A)

## Ambassador's Funds for Cultural Preservation Grant

The 2005 Ambassador's Funds for Cultural Preservation (SAG 10005-005 GR) was awarded on May 10, 2006 to the National Bardo Museum of Algiers. The amount of \$67,773 was awarded for the restoration of Ottoman-era textiles within the museum's collection, an electrical upgrade, and climate control system. The period of performance under the agreement was May 1, 2006 through April 30, 2007. The grant was amended on June 2, 2007 to extend the period of performance.

The OIG team found some irregularities with this grant. Article IV of the agreement states: "All requests for extensions must be received in writing and submitted to both the grants officer and the Ambassador's Fund Program Coordinator at least 30 days prior to the expiration date." The grant files do not show any document indicating the recipient asking for a grant extension. Also, the OIG team noted that the amendment was not signed 30 days prior to the expiration date of the period of performance.

The amendment of the grant agreement was signed between the grants officer's representative (not the grants officer as in the original grant agreement) and the restoration specialist (not the recipient - The Bardo Museum - as stated in the original grant agreement). Article VIII clearly states that "the grant officer is responsible for all administrative awards and is authorized to award, amend, suspend, and terminate financial assistance awards." This amendment is, in fact, not a valid agreement. Finally, Article IV states: "all expenditures paid with funds provided by this Agreement must be incurred for authorized activities that take place during this period unless otherwise stipulated." Receipts submitted in connection with the grant incurred fall outside the effective date of the amendment of the grant. In effect, payments related to this grant may have resulted in unauthorized commitments by embassy personnel other than the grants officer.

**Recommendation 23:** Embassy Algiers, in coordination with the Bureau of Administration, should ratify the transactions involved in grant agreement SAG 10005-005 GR. (Action: Embassy Algiers, in coordination with A)

The embassy certifying officer failed to follow prescribed procedures for voucher review before processing payments. GAO Title 7, chapter 20.2 requires the prepayment examination and approval of vouchers by an authorized officer before being certified for payment. Prepayment examination consists of checking for proper, legal, and correct payment, and for proper supporting documentation.

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

**Recommendation 24:** Embassy Algiers should report to the Bureau of Resource Management and the Bureau of Administration the potential fiscal irregularities involved in the payments that were made to the recipient of grant SAG 10005-005 GR when a valid obligating document did not exist. (Action: Embassy Algiers, in coordination with RM and A)

## Verifications of Subcashiers Funds

Embassy Algiers has a Class B cashier, two alternate Class B cashiers, and five designated subcashiers. The OIG team found unannounced cash verifications from two subcashiers and the two alternate Class B cashiers. The unannounced cash verifications were performed by the Class B cashier; not by the subcashiers’ U.S. citizen supervisors. The Class B cashier was not designated as the cash verification officer of those subcashiers. In accordance with 4 FAH-3 H-397.2-3(a), a U.S. citizen supervisor must conduct an unannounced verification of subcashier funds at least monthly if the advance is \$1,000 or more and quarterly if it is less than \$1,000. In addition, 4FAH-3 H-397.2-3(f) states that “The subcashier’s U.S. citizen supervisor is responsible for ensuring that the verifications are done in a timely manner.”

Other anomalies were noted. There are no records of the DAO subcashier’s unannounced cash verifications. The consular subcashier has not been required to submit unannounced cash reconciliations monthly because of his daily interaction with the Class B cashier. 4 FAH-3 H-397.2-3(a) states that “For consular subcashiers, the unannounced verification of the subcashier funds is required at least monthly, even though the authorized advance amount may be under USDE 1,000. The accountable consular officer is the verifier for consular subcashiers.” This is a major

management oversight and needs to be addressed immediately. Not having good records of subcashiers cash counts can negatively affect the Class B cashier's cash accountability.

**Recommendation 25:** Embassy Algiers should require all subcashiers' American supervisors to perform unannounced cash reconciliations and submit those verifications monthly or quarterly, as appropriate. (Action: Embassy Algiers)

### Post Hardship Differential

In accordance with Department of State Standardized Regulations Section 532, the post differential terminates on the date the employee departs the post on travel to the United States and will recommence when the employee returns to his or her foreign post of assignment. The embassy has not been discontinuing such differential payments since at least 2005, when embassy officers traveled to the United States. This is a major oversight by post management and needs to be corrected. Thousands of dollars were paid in post differential allowances to officers who were not entitled to such payments. Overpayments of post differential from those officers should be collected.

**Recommendation 26:** Embassy Algiers should request, and the Bureau of Resource Management should provide, guidance on procedures to identify and collect overpayments of post differential from employees who were assigned to post since 2005. (Action: Embassy Algiers, in coordination with RM)

### Nepotism

During the civil war, Embassy Algiers hired relatives of LE staff because the RSO could not perform background checks. A recent check of familial relationships showed at least one group of 35 individuals with some degree of relationship. Even though the embassy has tried to preclude superior-subordinate relationships, there is no evidence that a commensurate analysis of appropriate separation of duties to insure appropriate management controls has taken place. The OIG made informal recommendations.

## FORMAL RECOMMENDATIONS

**Recommendation 1:** The Bureau of Near Eastern Affairs, in coordination with the Bureau of Human Resources and Office of the Coordinator for Iraq, should exempt the Ambassador from future temporary assignments outside Algeria so that he can devote his full efforts to managing the U.S.-Algerian relationship and the embassy. (Action: NEA, in coordination with DGHR)

**Recommendation 2:** Embassy Algiers should establish a formal mentoring and career development program for entry-level officers. (Action: Embassy Algiers)

**Recommendation 3:** The Bureau of Near Eastern Affairs, in coordination with the Bureau of Human Resources, should assign a second office management specialist position in the executive office at Embassy Algiers. (Action: NEA, in coordination with DGHR)

**Recommendation 4:** Embassy Algiers should prepare an annual public diplomacy operational plan that lays out section-specific preparations on a quarterly basis for FY 2008. (Action: Embassy Algiers)

**Recommendation 5:** Embassy Algiers should produce a single daily press highlights. (Action: Embassy Algiers)

**Recommendation 6:** The Bureau of Near Eastern Affairs should send an experienced human resources officer on a temporary basis to Embassy Algiers to assist in improving human resources services to embassy staff. (Action: NEA)

**Recommendation 7:** Embassy Algiers should prepare individual development plans for the locally employed staff. (Action: Embassy Algiers)

**Recommendation 8:** Embassy Algiers should establish standard operating procedures and implement management controls for the use of purchase orders. (Action: Embassy Algiers)

**Recommendation 9:** Embassy Algiers should establish appropriate inventory controls for accountability of its expendable and nonexpendable property. (Action: Embassy Algiers)



**Recommendation 20:** Embassy Algiers should designate the deputy chief of mission as the management controls coordinator and communicate it to the post in an administrative notice. (Action: Embassy Algiers)

**Recommendation 21:** The Bureau of Administration, in coordination with Embassy Algiers, should place the embassy's American Embassy Employee Association in a trusteeship status, with the trustee taking direct control of the association's operations. (Action: A, in coordination with Embassy Algiers)

**Recommendation 22:** Embassy Algiers, in coordination with the Bureau of Administration, should develop a management plan to resolve deficiencies or liquidate the Embassy Algiers' American Embassy Employee Association. (Action: Embassy Algiers, in coordination with A)

**Recommendation 23:** Embassy Algiers, in coordination with the Bureau of Administration, should ratify the transactions involved in grant agreement SAG 10005-005 GR. (Action: Embassy Algiers, in coordination with A)

**Recommendation 24:** Embassy Algiers should report to the Bureau of Resource Management and the Bureau of Administration the potential fiscal irregularities involved in the payments that were made to the recipient of grant SAG 10005-005 GR when a valid obligating document did not exist. (Action: Embassy Algiers, in coordination with RM and A)

**Recommendation 25:** Embassy Algiers should require all subcashiers' American supervisors to perform unannounced cash reconciliations and submit those verifications monthly or quarterly, as appropriate. (Action: Embassy Algiers)

**Recommendation 26:** Embassy Algiers should request, and the Bureau of Resource Management should provide, guidance on procedures to identify and collect overpayments of post differential from employees who were assigned to post since 2005. (Action: Embassy Algiers, in coordination with RM)



## INFORMAL RECOMMENDATIONS

Informal recommendations cover operation matters not requiring action by organizations outside of 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.

### **Rightsizing**

Embassy Algiers does not have a clear NSDD-38 policy outlining steps and action offices when the chief of mission is asked to make an NSDD-38 decision.

**Informal Recommendation 1:** Embassy Algiers should prepare a National Security Decision Directive-38 policy outlining duties and action offices.

Embassy Algiers does not have a mission-wide comprehensive file of NSDD-38 actions.

**Informal Recommendation 2:** Embassy Algiers should prepare a comprehensive National Security Decision Directive-38 file.

The Department's Office of Rightsizing recommends that ambassadors should request comment from the ICASS council when making NSDD-38 decisions.

**Informal Recommendation 3:** Embassy Algiers should provide Ambassador comment from the International Cooperative Administrative Support Services council.

Embassy Algiers does not provide the Ambassador data showing the financial impact of any potential NSDD-38 decision.

**Informal Recommendation 4:** Embassy Algiers should provide the Ambassador with data showing the financial implications of any National Security Decision Directive-28 decision he may make.

### **Political and Economic Affairs**

There is demand in Washington for additional and more frequent reports from Embassy Algiers, but the combined POLEC lacks a reporting plan to ensure fulsome and regular reporting.

**Informal Recommendation 5:** Embassy Algiers should begin work on a reporting plan for the political and economic section, with input from the Ambassador, to be finalized when a new chief of section arrives.

### **Public Affairs**

Over time, short tours and lack of previous experience have impeded the efforts of PAOs assigned to Embassy Algiers to develop a solid grasp of the Department's budget and procurement procedures and to understand how to work most effectively within the ICASS system.

**Informal Recommendation 6:** Embassy Algiers, upon arrival of a new public affairs officer in summer 2007, should take steps to establish a close working dialogue between the public diplomacy section and key officers in the management section regarding budget and procurement procedures.

The administrative assistant in the PD section, a senior LE staff reporting directly to the PAO, lacks the background or budget expertise to serve as the section's principal budget advisor.

**Informal Recommendation 7:** Embassy Algiers should ensure that the public diplomacy section's administrative assistant receives on-line Foreign Service Institute training to permit her to play a more active advisory role in preparation and implementation of the section's budget.

### **Consular**

There is no formal consular orientation program for new officers.

**Informal Recommendation 8:** Embassy Algiers should provide an orientation program for incoming consular officers.

### **Human Resources**

Embassy Algiers may be eligible to pay "unique conditions of employment pay" to its LE staff. The HR staff has no knowledge of whether there was any request or approval for the additional pay.

**Informal Recommendation 9:** Embassy Algiers should seek clarification from the Bureau of Human Resources regarding unique conditions of employment pay.

Embassy Algiers does not have a reduction in force plan (93 State 353830).

**Informal Recommendation 10:** Embassy Algiers should write a reduction in force plan.

Embassy Algiers' nepotism policy does not use separation of duties as a criterion.

**Informal Recommendation 11:** Embassy Algiers should write a nepotism policy that includes reviewing waivers for separation of duties.

Under instructions from the Algerian Ministry of Foreign Affairs, Embassy Algiers accredits all Americans as diplomatic agents irrespective of titles authorized by the Department.

**Informal Recommendation 12:** Embassy Algiers should inform the Department of the Algerian requirement and request authorization to accredit all staff as diplomatic agents.

## **Housing**

Even though housing information is available, Embassy Algiers does not maintain important documents in one housing file.

**Informal Recommendation 13:** Embassy Algiers should maintain all housing data in one central file sorted by property.

Embassy Algiers maintains an overpriced and oversized property S-405-FBO-025 for security reasons because it adjoins the Ambassador's residence with no wall between the properties.

**Informal Recommendation 14:** Embassy Algiers should conduct a cost-benefit analysis to see if building a wall is more beneficial economically, versus paying the continued high rent against the rent of a more suitable apartment.

## **Facilities**

Not all swimming pools are fenced and gated as required by Department policy (15 FAM 412.2).

**Informal Recommendation 15:** Embassy Algiers should comply with the Department's policy on safety at swimming pools.

### Travel

Apart from notices on the travel office bulletin board or door, the travel office does not communicate regularly with employees on services provided.

**Informal Recommendation 16:** Embassy Algiers should disseminate information on travel services more widely and regularly.

### Financial Management

The term "budget and fiscal" is no longer used in the Department.

**Informal Recommendation 17:** Embassy Algiers should change its budget and fiscal unit to financial management center.

Embassy Algiers uses outdated financial forms.

**Informal Recommendation 18:** Embassy Algiers should use current forms which are available on the Department's Intranet.

Embassy Algiers still requires that employees note and pay for all personal calls made on official telephones. As required in 5 FAM 522 and 523, all personal calls must be made using employees' personal calling cards.

**Informal Recommendation 19:** Embassy Algiers should adopt the Department's policy regarding personal telephone calls.

Embassy Algiers' employees are not always submitting travel vouchers within five working days after completion of authorized travel in accordance with the provisions in 4 FAH-3 H-465.1-1.

**Informal Recommendation 20:** Embassy Algiers should ensure that employees submit a voucher for reimbursement of expenses within five workdays after completion of authorized travel.

Embassy Algiers has raised the limit on petty cash advances from \$500 to \$1,000 without Department approval.

**Informal Recommendation 21:** Embassy Algiers should request approval for raising the petty cash advance limit.

Embassy Algiers' cash advances are not cleared within the stipulated time per 4 FAH-3 H-397.2-2.

**Informal Recommendation 22:** Embassy Algiers should settle all operating cash advances in accordance with Department regulations.

There are no standard operating procedures for financial operations

**Informal Recommendation 23:** Embassy Algiers should establish and implement standard operating procedures for its financial operations.

Embassy Algiers does not have in its Class B cashier office a list of authorized personnel who can enter the Class B cashier's office.

**Informal Recommendation 24:** Embassy Algiers should post a list of authorized personnel who can have access to the Class B cashier office.

The cashier does not stamp receipts "PAID" after making payment, as required by 4 FAH-3-394.2-4.c.

**Informal Recommendation 25:** Embassy Algiers should purchase a PAID rubber stamp and stamp cashier receipts "PAID" upon making payment.

Cuff records are not maintained for employees' post assignment travel charges.

**Informal Recommendation 26:** Embassy Algiers should record and analyze post assignment travel charges, comparing the charges to the general services office's shipment files.

Attendance by more than 50 percent of U.S. Executive Branch personnel at some representational events is necessary due to special circumstances. As stipulated in 3 FAH-1 H 3244.3(b), there is no policy requiring a Chief of Mission waiver when the attendance of U.S. Executive Branch personnel at representational events exceeds 50 percent.

**Informal Recommendation 27:** Embassy Algiers should establish a representation policy that includes the requirement for a waiver by the Chief of Mission when special circumstances require that U.S. Executive Branch personnel attending an event exceed half the total number of guests.

### **International Cooperative Administrative Support Services**

The embassy's DCM does not attend the ICASS council meetings, as required in 6 FAH-5 H-222.2 (a).

**Informal Recommendation 28:** Embassy Algiers should require the deputy chief of mission to attend International Cooperative Administrative Support Services council meetings.

The ICASS council does not maintain adequate minutes of its meetings.

**Informal Recommendation 29:** Embassy Algiers should fully document discussions held by its International Cooperative Administrative Support Services council.

Some of the ICASS members have not received ICASS training.

**Informal Recommendation 30:** Embassy Algiers should provide International Cooperative Administrative Support Services training to those members who have not received it.

### **Equal Employment Opportunity**

Embassy Algiers has not filled the EEO counselor or Federal Women's Program Manager positions.

**Informal Recommendation 31:** Embassy Algiers should seek volunteers among embassy personnel to fill the Equal Employment and Federal Women's Program Manager positions and fill the positions accordingly.

EEO policies and processes have not been distributed to all embassy personnel in English, French, and Arabic. Only the Department's statement on sexual harassment statement has been posted in English, French, and Arabic.

**Informal Recommendation 32:** Embassy Algiers should post and distribute to all embassy personnel Equal Employment Opportunity policies and processes in English, French, and Arabic.

## **Management Controls**

The HRO/FMO has been designated as both the approving and certifying officer for travel orders. The management officer has been designated as the EEO counselor.

**Informal Recommendation 33:** Embassy Algiers should separate the designation of approving and certifying duties.

**Informal Recommendation 34:** Embassy Algiers should designate an employee other than the management officer as the Equal Employment Opportunity counselor.

The Foreign Affairs Manual's references used in the designations of authorities are outdated.

**Informal Recommendation 35:** Embassy Algiers should update the Foreign Affairs Manual's references used in the designations of authorities.

Designations of authorities have not been disseminated to all embassy personnel.

**Informal Recommendation 36:** Embassy Algiers should communicate designations of authorities to the mission in an administrative notice.

Embassy Algiers has numerous LE staff members who have some degree of relationship.

**Informal Recommendation 37:** Embassy Algiers should review all relationships to insure that management control separation of duties is not violated.

## **Information Management**

Embassy Algiers' move to the NEC will involve coordination with numerous entities. Migration of all IM functions will require extraordinary coordination.

**Informal Recommendation 38:** Embassy Algiers should formally designate an information management move coordinator.

Embassy Algiers' post profile information contains sections with out-of-date information and should be updated.

**Informal Recommendation 39:** Embassy Algiers should update its post profile information.



## PRINCIPAL OFFICIALS

|  | Name                  | Arrival Date |
|--|-----------------------|--------------|
| Ambassador   | Robert S. Ford        | 08/06        |
| Deputy Chief of Mission                                | Thomas F. Daughton    | 07/06        |
| <b>Chiefs of Sections:</b>                             |                       |              |
| Management (Acting)                                    | Gregory C. Randolph   | 08/05        |
| Consular   | Joshua S. Fischel     | 09/06        |
| Political/Economic                                     | Vacant                | ---          |
| Public Affairs   | Matt E. Goshko        | 05/06        |
| Regional Security                                      | Melissa C. Foynes     | 08/05        |
| <b>Other Agencies:</b>                                 |                       |              |
| Foreign Agricultural Service<br>(Resident in Rabat)    | Michael Fay           | 08/04        |
| Foreign Commercial Service<br>(Resident in Casablanca) | Enrique Ortiz         | 06/05        |
| Defense Attaché<br>Office                              | Col. Steven R. Drago  | 02/07        |
| Office of Defense Cooperation                          | Major David M. Leazer | 04/07        |



## ABBREVIATIONS

|       |   |
|-------|---|
| ACS   | American citizens services                                |
| AEEA  | American Embassy Employees Association                    |
| AQIM  | Al Qaeda in the Islamic Maghreb                           |
| CLO   | Community liaison office                                  |
| DAO   | Defense attaché office                                    |
| DCM   | Deputy chief of mission                                   |
| DS    | Bureau of Diplomatic Security                             |
| DV    | Diversity visa  |
| EAC   | Emergency action committee                                |
| EEO   | Equal Employment Opportunity                              |
| EUCOM | European Command  |
| FMF   | Foreign military financing                                |
| FMO   | Financial management officer                              |
| FSI   | Foreign Service Institute                                 |
| FSN   | Foreign Service national                                  |
| FPM   | Fraud prevention manager                                  |
| HR    | Human resources section                                   |
| HRO   | Human resources officer                                   |
| ICASS | International Cooperative Administrative Support Services |
| IDP   | Individual development plan                               |
| IM    | Information management                                    |
| IMET  | International Military Education and Training             |
| IMO   | Information management officer                            |
| IO    | Information officer                                       |

|         |  |
|---------|--|
| IT      | Information technology                             |
| IT CBB  | Information technology change control board        |
| IV      | Immigrant visa                                     |
| LE      | Locally employed                                   |
| MEPI    | Middle East Partnership Initiative                 |
| MSP     | Mission Strategic Plan                             |
| NEA     | Bureau of Near Eastern Affairs                     |
| NEC     | New embassy compound                               |
| NIV     | Nonimmigrant visa                                  |
| NSDD-38 | National Security Decision Directive-38            |
| OBO     | Bureau of Overseas Buildings Operations            |
| OIG     | Office of Inspector General                        |
| PAO     | Public affairs officer                             |
| PAS     | Public affairs section                             |
| PD      | Public diplomacy                                   |
| POLEC   | Political and economic section                     |
| RSO     | Regional security officer                          |
| S/OCR   | Office of Civil Rights                             |
| SCO     | Senior commercial officer                          |
| SDA     | Suspense deposit abroad                            |
| USAID   | United States Agency for International Development |
| WQLQ    | Workplace and quality of life questionnaire        |

~~SENSITIVE BUT UNCLASSIFIED~~

~~SENSITIVE BUT UNCLASSIFIED~~