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

Report of Inspection

Embassy Mexico City,
Mexico

Report Number ISP-I-09-21A, April 2009

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PURPOSE, SCOPE AND METHODOLOGY OF THE INSPECTION

This inspection was conducted in accordance with the Quality Standards for Inspections, as issued by the President's Council on Integrity and Efficiency, and the Inspector's Handbook, as issued by the Office of Inspector General for the U.S. Department of State (Department) and the Broadcasting Board of Governors (BBG).

PURPOSE

The Office of Inspections provides the Secretary of State, the Chairman of the BBG, and Congress with systematic and independent evaluations of the operations of the Department and the BBG. Inspections cover three broad areas, consistent with Section 209 of the Foreign Service Act of 1980:

- **Policy Implementation:** whether policy goals and objectives are being effectively achieved; whether U.S. interests are being accurately and effectively represented; and whether all elements of an office or mission are being adequately coordinated.
- **Resource Management:** whether resources are being used and managed with maximum efficiency, effectiveness, and economy and whether financial transactions and accounts are properly conducted, maintained, and reported.
- **Management Controls:** whether the administration of activities and operations meets the requirements of applicable laws and regulations; whether internal management controls have been instituted to ensure quality of performance and reduce the likelihood of mismanagement; whether instances of fraud, waste, or abuse exist; and whether adequate steps for detection, correction, and prevention have been taken.

METHODOLOGY

In conducting this inspection, the inspectors: reviewed pertinent records; as appropriate, circulated, reviewed, and compiled the results of survey instruments; conducted on-site interviews; and reviewed the substance of the report and its findings and recommendations with offices, individuals, organizations, and activities affected by this review.



**United States Department of State
and the Broadcasting Board of Governors**

Office of Inspector General

PREFACE

This report was prepared by the Office of Inspector General (OIG) pursuant to the Inspector General Act of 1978, as amended, and Section 209 of the Foreign Service Act of 1980, as amended. It is one of a series of audit, inspection, investigative, and special reports prepared by OIG periodically as part of its responsibility to promote effective management, accountability and positive change in the Department of State and the Broadcasting Board of Governors.

This report is the result of an assessment of the strengths and weaknesses of the office, post, or function under review. It is based on interviews with employees and officials of relevant agencies and institutions, direct observation, and a review of applicable documents.

The recommendations therein have been developed on the basis of the best knowledge available to the OIG and, as appropriate, have been discussed in draft with those responsible for implementation. It is my hope that these recommendations will result in more effective, efficient, and/or economical operations.

I express my appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in black ink, appearing to read "H. W. Geisel".

Harold W. Geisel
Acting Inspector General

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KEY JUDGMENTS

- Mexico is one of the most important countries to the United States. Ten percent of its population lives in the United States legally or illegally, it hosts the world's largest expatriate American community, it is the third largest trading partner of the United States, and it is the fourth largest supplier of imported petroleum to the United States.
- Narcotics syndicates challenge Mexico's fragile democracy. They control the flow of more than 90 percent of all cocaine into the United States. The Merida Initiative, created by President Bush and President Calderon, is an historic development in the bilateral relationship in which Mexico has invited the United States to be its partner in fighting the scourge of transnational crime and corruption.
- The mission is well run with strong leadership from the Ambassador and the deputy chief of mission (DCM). Interagency coordination is exceptionally good.
- Mission Mexico has been successful in representing and advancing the political, economic, and security interests of the United States in this key country, but the mission is understaffed and underfunded. The resource issue, if not corrected, will hinder the mission's ability to meet its goals.
- Management operations are already under stress; the embassy will need more management staff to support increases in consular workload and the Merida Initiative. The Office of Inspector General (OIG) team estimates that the mission needs 14 additional American and locally employed (LE) staff management employees, but the mission needs to immediately do a detailed rightsizing analysis to determine correct staffing needs.
- A major challenge for mission leadership is to improve communication between the embassy and the consulates, especially on reporting and management issues.
- While economic reporting is strong, political reporting has become too focused on immediate security developments. Washington consumers need more analytical reporting on political dynamics and important trends.

- A transfer of reporting positions to the consulates general has not increased reporting on border issues as envisioned in a 2006 OIG inspection. The embassy has not yet provided sufficient guidance, oversight, and resources to this function.
- Embassy Mexico City has not empowered the consulates general with financial management responsibilities and accountability. The consulates general perceive financial management as overly centralized and inflexible.
- The regional security office is doing an excellent job addressing the new security realities created by narcotics-related violence.
- The dramatically increasing violence, especially in the border cities, highlights the need for the Department to create a policy package that would give Foreign Service employees at the border posts the option of living on the U.S. side of the border.
- The public affairs sections (PAS) conduct well-coordinated and effective public diplomacy and public affairs programs in support of mission goals.
- The immigrant visa (IV) workload in Consulate General Ciudad Juarez is increasing dramatically and more consular officer and LE staff positions need to be added there. The Department should reinstate the Civil Service visa adjudicator program as part of the personnel mix in the IV unit in Ciudad Juarez.
- The Bureau of Consular Affairs (CA) and Embassy Mexico City have prepared for Mexico-wide workload surges in both nonimmigrant visas (NIV) and U.S. passports in the next few years. The embassy should continually monitor shifting demand for resources and reprogram personnel appropriately.
- The 14 consular agencies in Mexico provide essential passport, citizenship, and special consular services for American citizens, but the Department, Mission Mexico, and the individual supervisory posts need to give them more attention and support.

The inspection took place in Washington, DC, between August 4 and October 3, 2008; in Mexico City between October 6 and November 25, 2008; in Oaxaca, Ixtapa Zihuatenejo and San Miguel de Allende on October 13, 2008; in Tijuana between October 20 and 28, 2008; in Ciudad Juarez between October 20 and 31, 2008; in Monterrey between October 20 and 28, 2008; in Nogales between October 30 and

November 3, 2008; in Hermosillo between November 4 and 7, 2008; in Reynosa on October 29, 2008; in Matamoros between October 29 and November 3, 2008; in Guadalajara between November 3 and 7, 2008; in Nuevo Laredo between November 4 and 7, 2008; in Mazatlan, Puerto Vallarta, and Ciudad Acuna on November 10, 2008; in Piedras Negras on November 11, 2008; in Merida between November 26 and December 2, 2008; in Cancun on December 3, 2008; in Cozumel on December 4, 2008; and in Playa del Carmen on December 5, 2008 (note: all locations are in Mexico).

Ambassador John Campbell (team leader), Thomas Furey (deputy team leader), William Belcher, James Dandridge, Joseph Dias, Martha Fikru, Leslie Gerson, Mary Ellen Gilroy, Morris Hughes, Michael Kirby, Andrew Kotval, Ralph Kwong, Michael Lynch, Keith McCormick, Keith Powell, J. Paul Reid, Dwight Rhoades, Charles Rowcliffe, Katherine Schultz, Dennis Thatcher, and Alfred Vincent conducted the inspection.

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EXECUTIVE SUMMARY

Mexico is one of the most important countries in the world to the United States. With a population of 110 million, at least 10 percent of its population lives legally or illegally in the United States, the result of one of the world's greatest folk migrations since the end of World War II. Additional millions of American citizens now have family or cultural ties to Mexico. The population movement is a two-way street. The largest American expatriate community in the world is in Mexico, numbering at least one million, and millions more American citizens visit every year.

Following the implementation of the North American Free Trade Agreement, Mexico has become one of the largest trading partners of the United States. In FY 2007, the value of U.S. exports and imports with Mexico approached \$350 billion. Both sides of the 2,000-mile border together constitute a single economic unit. The twin cities of Ciudad Juarez and El Paso now make up the third largest manufacturing center in North America, after Chicago and Los Angeles. Mexico is at present the fourth largest supplier of imported petroleum to the United States. In terms of criminal enterprises, Mexico is the primary conduit of illegal narcotics to the United States from throughout the world. Over 90 percent of the cocaine consumed in the United States passes through Mexico. Over 90 percent of the weapons used for criminal purposes in Mexico have their origins in the United States. The value of this illicit trade is estimated to be \$23 billion.

Credible elections in 2000 and 2006 dramatically strengthened Mexico's historically fragile democracy; however, narcotics syndicates challenge democratic rule. They fight each other for control of turf and do not hesitate to make war on the state. Levels of violence are accordingly high. As of November 2008, there have been more than 1,200 murders during the year and more than 70 bank robberies in Ciudad Juarez alone. Kidnappings in that city average five per day. Thus far, the narcotics syndicates have not targeted Americans, but that could change. There is concern that narcotics violence will spill over into the United States.

President Calderon is pro-American, and he and President Bush created the Merida Initiative to combat narcotics trafficking. There is also a multilateral dimension to the Merida Initiative, associating selected states in Central America and the Caribbean. The United States committed \$400 million to the initiative in FY 2008. Multiyear funding could reach \$1.5 billion. Though finalized only in June 2008, the

Merida Initiative already has fostered closer ties between the Mexican and American police, judicial authorities, and militaries. The Merida Initiative is thus not only a vehicle for strengthening counternarcotics cooperation, but also for forging closer bilateral ties. It can be a model for our work with other countries, showing the potential for reaching agreement on matters in which initial views may be far apart.

The size of our two diplomatic establishments reflects the importance of the bilateral relationship. Mexico maintains 49 consulates in the United States and plans to open eight more. Fully one-half of Mexico's diplomatic service is stationed in the United States or works on bilateral issues. Mission Mexico, consisting of an embassy, seven consulates general, two consulates, and 14 consular agencies, is one of the largest U.S. missions in the world. The magnitude of the consular operation is staggering: 20 percent of all arrests of Americans abroad occur in a single consular district in Tijuana. Consulate General Ciudad Juarez processes more IVs than any other post in the world. Embassy Mexico City processes more NIVs than any other post in the world except Embassy Seoul.

Because of the consular workload, 10 percent of all entry-level officers (ELO) in the U.S. Foreign Service are assigned to Mexican posts. With such numbers, Mexican experience will have an important influence on the next generation of Foreign Service officers.

The OIG team found that Mission Mexico is well run, with strong leadership from the Ambassador and DCM. Morale is generally good. The Ambassador and the DCM promote entry-level professional development. Interagency coordination and cooperation is outstanding. Mission Mexico is a success in representing and advancing the interests of the United States in a key country. The mission is, however, significantly understaffed and underfunded.

The consular workload per individual officer already exceeds worldwide norms. For example, in Consulate General Ciudad Juarez, each officer must process almost twice as many IVs as the other large IV processing posts elsewhere in the world. The NIV workload for the mission will dramatically increase in the next few years as the mission is expected to receive more than five million applications for renewal of border crossing cards. The Western Hemisphere Travel Initiative will require uncounted numbers of American citizens resident in Mexico to acquire passports for the first time. The violence associated with narcotics traffickers has dramatically increased the workload of the mission's security officers, and introduces uncertainty in projecting the workload of most mission operations. Implementation of President Bush's and President Calderon's Merida Initiative against narcotics traffickers

will increase the staffing levels in Mexico City by more than 50. Up to now, Staffing in the management section has failed to keep pace with even the modest growth in consular and other staffing. It is altogether inadequate to support the projected large increases in consular and Merida Initiative staffing. Resource shortages will result in officer burnout and the breakdown of internal controls. Unless addressed, the shortage of resources will jeopardize Mission Mexico's current success in meeting its goals.

EXECUTIVE DIRECTION

The Ambassador is the public face of the United States in Mexico. He conducts and facilitates diplomatic relations with the highest political levels of the administrations of President Bush and President Calderon. The Ambassador maintains close links with the highest levels of the myriad executive branch agencies of both countries involved in the bilateral relationship and with both congresses. He is an architect of the Merida Initiative, an historic milestone in the development of a key partnership with Mexico. Washington agencies view him as highly effective in advancing the interests of the United States in Mexico.

The Ambassador makes good use of media in his public outreach. Rather than focusing on speeches, the Ambassador prefers press releases, a medium he finds better for ensuring accurate media reception of his message. His Spanish is fluent. In part because of the effectiveness of his public outreach, he is widely and favorably known throughout the country.

The Ambassador selected the DCM and has empowered her to be the chief operating officer. The DCM oversees the internal operations of the mission with an emphasis on implementation of the Merida Initiative, interagency coordination, the mentoring of ELOs, and management issues. The DCM in turn empowers the agency and section heads in the embassy and the principal officers at the nine constituent posts. She supports them but does not micromanage. Both the Ambassador and the DCM are available to the embassy community; they are also available to the principal officers, communicating primarily by e-mails and telephone calls. With an informal and friendly manner, both are warmly regarded in the embassy and those constituent posts they regularly visit. They are committed to the full implementation of Equal Employment Opportunity (EEO) principles and insist that their subordinates are as well.

The two make a superb team. Their division of responsibility works well, especially in such a huge and diverse mission and in the context of policy issues that engage personally the Presidents of the United States and Mexico. From the perspective of advancement of the national interests of the United States, the mission in Mexico is a success.

In addition to the Ambassador and the DCM, two office management specialists, a special assistant, a staff aide, and a receptionist comprise the executive office. The special assistant's responsibilities include facilitating the Ambassador's liaison with various parts of the mission, his travel, and his media outreach. The staff aide is an ELO assigned to the consular section who works temporarily in the front office as part of his or her professional development. The staff aide's primary responsibility is responding to consular inquiries and assisting with the Ambassador's public outreach. Upon the departure of the Ambassador, these functions will diminish; pending the arrival of a new ambassador, the incumbent will return to the consular section. Front office support functions well, projecting a professional, efficient, and friendly image to the mission and host-country nationals.

Embassy Mexico hosts almost two dozen federal agencies. Their Washington headquarters and their Mexico City offices praise the Ambassador and the DCM for interagency coordination. They also note that the Ambassador is readily available when they need his representation or advocacy with the Mexican government. The DCM chairs regular meetings of appropriate groupings of agencies and meets as well individually with each agency and section head, who praise her engagement with their issues and her continuous availability whenever they need her. The DCM oversees the preparation of the Mission Strategic Plan (MSP) that involves all of the agencies at the mission. Agency heads and section chiefs praised the orderly, inclusive process that the DCM directs. Public diplomacy (PD) is an essential element in the mission's MSP. The Ambassador, or the DCM in his absence, also chairs weekly country team meetings that include all the agencies at post.

An ambassadorial priority is taking care of people, and that concern is reflected in his and the DCM's attention to security and emergency preparedness. He has an excellent relationship with the regional security officer (RSO), and through the latter with the RSOs stationed at all of the consulates. The Ambassador welcomed OIG suggestions on improving the physical security of mission facilities.

Mission Mexico, under the direct leadership of the DCM, has an excellent ELO program. The DCM personally invests substantial time and energy in working with ELOs on special projects, and she has a regular schedule of interaction with them. The same is generally true at the consulates. Noteworthy are the ELO professional development programs at Ciudad Juarez, Guadalajara, Monterrey, and Nuevo Laredo.

In a mission as enormous as Mission Mexico, morale is variable. The Ambassador and the DCM are deeply concerned and emphasize to the principal officers and the agency and section heads the importance of good morale.

Principal officers at the constituent posts provide executive direction, under the authority of the Ambassador and the DCM. The minister counselor for consular affairs (MCCA) supervises the principal officers and is their rating officer. The DCM is their reviewing officer. Each of the 14 consular agencies is supervised by the post most proximate to it. The principal officers are satisfied with this arrangement, given the size and complexity of the U.S. diplomatic presence in Mexico. In the context of consular responsibilities, this oversight arrangement works well.

This supervisory structure was established when the consulates did little more than consular work. Over the past decade, at an accelerating rate, constituent posts have been assigned responsibility for public outreach, political and economic reporting and analysis, and trade promotion; the consulates on the border also have myriad issues involving U.S. state and local governments. Since the arrival of narcotics-related violence, with its connection to terrorism, security has become one of their major priorities. The MCCA oversees consular activities only, and the relevant section heads at the embassy provide necessary day-to-day operational oversight and guidance on nonconsular responsibilities.

Such an arrangement makes sense in a country as huge and as variable as Mexico, where some of the constituent posts are as big as large embassies elsewhere. In security and PD, the arrangement works well. In these areas, communication and coordination are excellent. However, some section head work requirement statements make little or no reference to work with the constituent posts, and others appear to give it low priority. The OIG team found numerous examples of poor communication between the embassy and the consulates. Similarly, there were instances of poor communication within the embassy on issues involving the consulates. On the other hand, coordination among security officers throughout the embassy and with the consulates is excellent. Coordination of public diplomacy is also good, but political and economic reporting lacks direction. Inexperienced reporting officers stationed at consulates receive little mentoring from experts in their specific field. More generally, principal officers rarely visit the embassy for consultation, limiting the opportunities for informal sharing of information and resolution of issues. Technical means of communication, including regular conference calls, do not replace the need for face-to-face communication.

Accordingly, the OIG team recommends that the embassy codify and emphasize section head responsibilities for operational oversight and guidance of consulates with respect to their specific functions. The DCM should include this responsibility in the work requirements statements of section heads where relevant. Section heads, in turn, should provide the MCCA with an evaluation of each principal officer's performance in his or her specific area of expertise so that the MCCA can include that

information in the annual performance evaluations of the principal officers. Given the continued magnitude of consular work at the constituent posts, overall responsibility for the preparation of the employee evaluation report on each principal officer should remain with the MCCA, and the DCM should continue to be the reviewing officer.

Recommendation 1: Embassy Mexico City should include in the work requirements statements of section heads their responsibilities for operational oversight of constituent posts in their specific subject areas. (Action: Embassy Mexico City)

The Merida Initiative will add at least 50 new American and LE staff to the embassy and consulates. An expected surge in the visa workload may require an additional 100 temporary visa adjudicating officers for a period of at least a year. CA had already created nine new Foreign Service consular positions in FY 2008. Mission Mexico will be challenged to secure the management support staff necessary to handle such growth, along with the funding to pay for it. The OIG team estimates that Mission Mexico will need 14 new American and LE staff in management operations to support the additional personnel arising from the Merida Initiative and additional consular work.

The 2005 rightsizing report for Mexico was updated in 2007. Nevertheless, given the magnitude of the additional staff that is envisioned, it is out of date. A well-documented rightsizing report for the embassy and constituent posts will play an important role in justifying support positions and additional funding.

Recommendation 2: Embassy Mexico City, in coordination with the Office of Policy, Rightsizing, and Innovation, should update its rightsizing report. (Action: Embassy Mexico City, in coordination with M/PRI)

POLICY AND PROGRAM IMPLEMENTATION

POLITICAL AFFAIRS

Mexico's traditional wariness of the United States is changing as it seeks unprecedented levels of bilateral cooperation in the face of narcotics-driven violence and other challenges. The embassy works closely with Mexican government agencies to keep the relationship on track, skillfully employing limited resources to advocate for U.S. interests, and coordinating policy approaches by all U.S. agencies with operations in Mexico. Reporting and analysis, however, have not kept pace with the need to understand the political dynamics of this new relationship. The embassy also needs to improve coordination of reporting with constituent posts that are mostly focused on consular work, and strengthen reporting of issues along an increasingly volatile border.

Advocating U.S. Policies

The embassy has extensive contacts with the Foreign Ministry and other Mexican government agencies and uses them effectively to advocate for U.S. policies. Despite the number of different U.S. agencies involved, the mission as a whole (including consulates) cooperates closely in its advocacy. The OIG team observed few instances of uncoordinated messages.

The mission handles demarches well. Instead of just "delivering the mail," the political section carefully prepares approaches, choosing the most effective way in which to raise an issue to obtain a positive response. Its demarche logs are up to date, and it reports responses accurately by cable to avoid uncertainty later about commitments made or received. This advocacy is effective; for instance, urging by U.S. diplomats contributed to Mexico's passage of legislation in 2007 making trafficking in persons a federal crime. However, some demarche instructions do not contain sufficient background to enable officers to counter Mexican objections; in these cases officers must obtain additional information from the drafting offices in Washington before they are able to proceed.

Dealing with the Foreign Ministry can be daunting. It is staffed by a highly professional diplomatic service with a proud tradition of resisting U.S. pressure and prefers to handle many issues through its embassy in Washington rather than the U.S. Embassy in Mexico. It also plays a powerful role in interagency affairs. Under President Calderon's administration, senior officials in the ministry have become more open to cooperation with the embassy, and the political section has worked hard to take advantage of this new openness, developing closer relationships with sections—such as that handling multilateral and security issues—that have been more cautious about such contact in the past.

The increase in democracy in Mexico since 2000 has made the mission's advocacy work more complicated. Now that Mexico has a genuine multiparty system, embassy officers can no longer carry out their work by dealing only with executive agencies but also must deal directly with the congress. This is labor-intensive, but the section has succeeded in developing contacts with senators and deputies from all parties. Political officers follow legislation in the congress closely, using first-hand meetings and a purchased legislative alert service. They provide an important service to other parts of the mission by keeping them informed about key legislative changes.

Developing contacts in such areas is more difficult than it needs to be because the section lacks a sophisticated contact management system. Listing sources alphabetically, for example, is of limited help to newly arriving officers, who need to find out whom to contact to become familiar with an issue. The OIG team made an informal recommendation that the section develop an electronic contact management system that is searchable by issues and operable by all officers.

Since November 2007, the embassy has been negotiating an agreement on disaster relief cooperation. Mexico initially resisted a bilateral agreement on the grounds that the leaders of Canada, the United States, and Mexico had already agreed to a trilateral accord. Skillful and persistent negotiation overcame the Foreign Ministry's objections, other agencies fell into line, and the Secretary signed the agreement during a visit to Mexico in October 2008. When floods hit Mexico's Tamaulipas state in early 2008, there was some confusion about how different U.S. agencies, including the Federal Emergency Management Administration and the U.S. military's newly established Northern Command, should offer help. The OIG team recommended informally that the embassy brief terms of the new agreement to U.S. agencies that may be involved in cross-border disaster relief operations in the future.

Reporting and Analysis

The embassy's strong performance in policy advocacy is not matched by its reporting. Reporting on Mexican political developments has dropped off since the last OIG inspection in 2003. Instead of cables, the political section focuses its efforts on producing daily and weekly digests of events. These digests carefully document the major public developments in Mexico's struggle against narcotics trafficking cartels. Despite some excellent individual examples, the mission's output of more analytical reports interpreting the political maneuvering behind these developments has decreased.

The daily digests are of varying quality. They are not closely edited by senior officers and frequently contain mistakes. Some items are not cleared with other sections. The information sometimes duplicates the digests put out by the PAS and law enforcement agencies. Officers who prepare the daily digest tend to refer to it as "news" and draw their information largely (though not entirely) from the press. Many express discomfort with its superficial nature. The weekly digest is more tightly edited and thoughtful, but it also emphasizes individual security events rather than broader political trends.

Some Washington consumers like the user-friendly format of this "newspaper-style" reporting. It is easier to retrieve and read than cables, is transmitted by e-mail, and contains colorful and interesting photographs. Other offices and agencies told the OIG team that they need more in-depth traditional reporting on a range of issues including foreign policy, bilateral relations, multilateral affairs, and the domestic political sustainability of President Calderon's pro-American policies. Calderon came to power in 2006 with an election margin so thin that protests filled the streets for weeks; ironically, the very success of multi-party democracy in Mexico subjects his policies to greater political opposition and debate.

In part, the decline in cables reflects a shortage of resources. Staffing gaps and other factors make the mission's political section much smaller in reality than it appears on paper. Only one LE staff member supports the section. As described below, its labor position was shifted to the economic section and another position moved to Ciudad Juarez. A third position was transferred from the political section to become a staff aide to the Ambassador. The embassy did not receive additional positions in the Global Repositioning Program. It also has had to redirect reporting officers to other duties, such as supporting a sharp increase in high-level U.S. visitors in 2008. The chief of the section, a senior PD officer, is serving on his first political tour.

While all these factors are legitimate, the OIG team concluded that the mission has not assigned the priority to political reporting that is necessary to support its MSP goals. Expanded law enforcement programs under the Merida Initiative, for example, will need to be supported by increased analyses of Mexico's political dynamics that are reported to agencies in Washington in forms they all can use. More useful than the daily toll of killings, arrests, and seizures will be insights into how the country's political institutions—at both state and federal levels—are reacting to them. More reporting on multilateral issues will also be necessary as Mexico begins a term on the UN Security Council.

To accomplish this, the embassy will need more guidance from the Department than it has received. Indeed, another reason for the shift to digest format is uncertainty about what Washington requires and reads. The OIG team discussed with the embassy a number of steps it could take to strengthen reporting. Among other things, it made an informal recommendation that, if the daily digests continue, senior officers approve and edit them. In addition, however, the embassy and its country desk will need to work together to prepare and use a reporting plan to focus and prioritize reporting. This plan should not be a one-time document but a continuing process that identifies what information is needed by all Washington consumers and how best to obtain and report it. During the inspection, the embassy began developing such a plan, holding digital videoconferences with constituent posts as an initial step.

Recommendation 3: Embassy Mexico City, in coordination with the Bureau of Western Hemisphere Affairs, should prepare a mission-wide political reporting strategy that is cleared within the mission and with appropriate Washington consumers and is updated on a quarterly schedule. (Action: Embassy Mexico City, in coordination with WHA)

Reporting from Constituent Posts

One way to improve reporting is to make more use of constituent post contributions. At present, embassy coordination of such reporting is weak. Few consulates in Mexico have dedicated reporting positions, and the primary focus of all posts is consular work. Several consulates, including Guadalajara, Ciudad Juarez, and Monterrey, have encouraged ELOs serving in consular positions to contribute to reporting on political or economic developments—although they must do this in their spare time. Many ELOs told the OIG team that they were pleased to have

this opportunity but that they were unsure of what they were supposed to report. Few, if any, have ever been to the embassy or taken part in reporting conferences or discussions. None have had training in political or economic tradecraft. Few have access to political or economic files for background information. Consulate General Monterrey is able to use a mid-level political/economic officer position and a rotational ELO position to produce reporting on human rights, state government trends, and other issues. In Guadalajara, however, a plan to form reporting teams of ELOs and experienced LE staff has atrophied because the LE staff are needed elsewhere.

As noted above, the political section does not use a written reporting plan. The minister-counselor for political affairs rarely visits constituent posts, and his work requirements statement makes no reference to overseeing reporting by constituent posts (see Recommendation 1). Some consulates have instructed ELOs not to contact the embassy for help with reporting projects because they have no designated point of access and are not certain how to do so in a coordinated manner. The result is a patchwork of ad hoc reporting that is driven by local priorities and only rarely meshes with broader goals. In effect, the embassy allows constituent posts to do political reporting but does not advise them how to make it fit into overall needs.

Recommendation 4: Embassy Mexico City should appoint an officer as overall coordinator of political reporting from constituent posts, design and implement a plan of regular visits by political section officers to constituent posts, and implement a schedule of regular meetings or conferences with consulates that have reporting responsibilities. (Action: Embassy Mexico City)

Better guidance and increased coordination should enable the mission to obtain significantly more political reporting value from constituent posts. Nevertheless, reporting resources countrywide are insufficient to meet anticipated workloads when political and economic issues are combined. This is particularly true in Guadalajara, Mexico's third largest city. The post has traditionally focused on consular work, but the U.S. Agency for International Development (USAID) and other agencies are moving to establish new positions there. The OIG team concluded that a reporting position is required to meet the need for analysis of economic and political trends in that important region.

Recommendation 5: Embassy Mexico City should request, and the Bureau of Western Hemisphere Affairs should support, the creation of a mid-level political/economic officer position at Consulate General Guadalajara. (Action: Embassy Mexico City, in coordination with WHA)

Reporting on the Border

As recommended in an OIG inspection of constituent posts along the border in 2006,¹ the embassy moved to increase reporting on the growing number of cross-border issues. It transferred three positions from its political and economic sections to create a political/economic officer position in Ciudad Juarez; an environment, science, technology, and health (ESTH) officer position in Tijuana; and an economic officer position in Matamoros.

These positions have not yet produced the type of reporting on border issues that was hoped. Again, this is in part due to a matter of resources. Neither Ciudad Juarez nor Tijuana, for example, has a full-time LE staff position to support the reporting officers or formal travel plans for them to stay in contact with essential sources. At the same time, consulates along the border have not used existing resources well enough to support these new assignments; in Ciudad Juarez, for example, the reporting officer is isolated from the consul general, who has not yet changed the cable distribution profile to ensure that the reporting officer receives unclassified cable traffic. The border posts have not built sufficient files to guide their reporting, and in general they have produced little reporting. The OIG team made a number of informal recommendations in these areas.

One key problem is uncertainty over whether the new positions are intended to focus solely on their respective consular districts or address the border as a whole. The OIG team found little evidence of lateral communication and coordination among the three new border reporting positions. Each works strictly within his consular district. Reporting efforts rarely treat a single theme throughout the border as a whole, in part because the officers do not follow events outside their consular district and are reluctant to comment on them. The OIG team also found confusion over whether and how the views of state and local authorities on the U.S. side of the border could be included in Foreign Service reporting. This approach not only makes it difficult to identify and analyze common themes affecting the border as a whole; it also makes it awkward to coordinate with law enforcement agencies and the PAS, which use entirely different geographic “districts” to define their areas of responsibility.

¹*In the National Interest: Diplomatic Transformation On Our Southern Border* (ISP-I-07-02, October 2006)

The mission has not yet given the border reporting function the priority it requires. In its report of compliance with the 2006 inspection, for example, the mission indicated it would create a border reporting working group to guide this function that would include the chiefs of the political and economic sections. The OIG team could find no evidence that such a working group holds regular meetings or provides such guidance.

Instead of redeploying these resources, the embassy should strengthen and expand the border reporting function. It should revive its moribund border working group and use it to define the function's role more clearly, provide it with the resources needed for success, and encourage lateral coordination. As a first step, it should hold a conference of all border reporting officers and the embassy sections responsible for guiding and supporting them.

Recommendation 6: Embassy Mexico City, in coordination with the Bureau of Western Hemisphere Affairs, should strengthen reporting on border issues by clarifying goals, reorganizing areas of responsibility as necessary, holding a conference of border reporting officers, and using a border working group to provide more oversight and guidance. (Action: Embassy Mexico City, in coordination with WHA)

As noted above, the OIG's 2006 inspection of border posts made a series of recommendations to strengthen the mission's capacity to cover issues along the border. Although the embassy transferred some positions to the border, it has not followed through on its commitment to request additional positions in its MSP to staff this function in the remaining consulates.

Recommendation 7: Embassy Mexico City should request in its fiscal year 2011 and subsequent Mission Strategic Plans additional positions to staff each border consulate with a reporting officer. (Action: Embassy Mexico City)

Human Rights

The Merida Initiative will create important new workloads for the embassy in human rights. The political section has responded creatively to an anticipated increase in its Leahy Amendment workload, using funds from the narcotics affairs section (NAS) to build an in-house databank of known human rights offenders and hiring an experienced human rights attorney to maintain and use it. Law enforcement sections cooperate closely in giving the political section information on Mexican police and military officers proposed for U.S. training, all of whom must be vetted

to ensure that they have not committed human rights abuse. The Merida legislation also withholds 15 percent of appropriated funds until the Department concludes that Mexico is taking adequate steps to safeguard human rights and improve transparency and accountability in the military. The political section has reported on this issue in some depth.

Human rights reporting is strong but could be accomplished more efficiently. As noted above, preparing required annual reports would be easier if the constituent posts provided more regular contributions. Producing a weekly digest of human rights-related articles in Spanish from the local press may add less value than a shorter report in English that identifies broader trends. The OIG team left an informal recommendation to revise this format. It also recommended informally that, when staffing allows, the mission stop assigning human rights work to rotational officers on their first or second tour. Depending on how long they are needed in the consular section, many of these officers spend less than a year in the political section. This results in lengthy periods during which the embassy has no officer covering human rights and relies entirely on the section's single LE staff. It also adds significantly to the need for senior officers to spend time editing.

ECONOMIC AND COMMERCIAL AFFAIRS

Mexico is the world's eleventh largest economy and, with its longstanding and growing integration with the United States, economic developments in one country affect the other significantly. The North American Free Trade Agreement has been a powerful driver, boosting two-way trade an average of 10 percent annually, from just over \$100 billion in 1994 to nearly \$350 billion in 2007. Financial flows, migration, and shared production show similar trends. Mexico is the United States' third-largest trading partner, its fourth-largest supplier of petroleum, and an important source of low-cost labor. Mexico's proximity puts a wide range of issues on the U.S. doorstep, including shipping, water, immigration, and security, while Mexico's economic reforms have attracted great interest among U.S. investors, particularly in the telecommunications sector and, despite its political sensitivity, the petroleum sector.

Embassy Mexico City's economic work reflects these priorities. Its economic section, which recently incorporated the embassy's ESTH function, has officer portfolios covering energy, trade, telecom, transportation, macroeconomics, and labor issues. Although much of the work is concentrated in Mexico City, analysis, reporting, and advocacy take place at all of the nine consulates. In addition to Embassy Mexico's own border reporting officer, Tijuana, Ciudad Juarez, and Matamoros are

staffed with substantive officers who concentrate on border-related issues. All border consulates treat a wide range of economic issues in their capacities as hosts of the various Bilateral Liaison Mechanisms (BLMs), which consist of federal, state, and local officials from both sides of the border who meet regularly to coordinate work on myriad issues. The division of labor between embassy and consulates is clear, with the embassy focusing on policy formulation and country-level economic developments, while the consulates treat issues of local concern.

Communication, Coherence and Coordination

While Mission Mexico's law enforcement and consular activities have achieved strong strategic focus, in the economic field this has not been the case. To some extent this reflects the diversity of interests in U.S.-Mexican economic relations and the direct access that non-Department economic stakeholders have, such that they bypass Department and embassy officials. Moreover, the sheer size and dispersion of the mission and its wide range of activities pose a challenge to forging a coherent approach.

These circumstances put a premium on the leadership fostering a clear, common understanding of what Mission Mexico's economic role in Mexico is, and communicating that to all constituent posts. From a loose "watch list" approach, the economic section has recently developed a more fully articulated set of policy priorities and tried to tie events and reporting to it. It has shared this priority list with the constituent posts and with Washington agencies, with the intent that this forms the basis for constituent posts' reporting plans. However, Washington stakeholders have been largely absent from developing this reporting strategy. The OIG team encourages Washington stakeholders' more active involvement in developing a coherent strategic approach, starting with reporting priorities, to sharpen Mission Mexico's focus and enhance the relevance and impact of its work.

The economic and political sections recently inaugurated a series of digital videoconferences with constituent posts, and this has the potential to clear up communication and coordination gaps. The OIG team discussed additional ways that Embassy Mexico City could improve communication, coherence, and cooperation among the posts in Mexico. These might include pooling of resources among border consulates that host BLMs (see below), excursions of officers to and from Mexico City and among consulates, and periodic conferences of economic reporting officers. The OIG team made several informal recommendations to address these problems.

Border Issues

The section on political affairs describes the state of substantive work along the border and makes recommendations to improve it that are also valid for economic work. Embassy Mexico City's economic section has made more progress than its political section in developing a plan that can form the basis for coherent and coordinated reporting. However, the section's guidance, follow-up, and feedback roles are every bit as vital to economic as to political work.

Matamoros poses a particular reporting challenge. There, the reporting position is currently staffed by an ELO who reports to the principal officer. The labor officer in the embassy is the reviewing officer on his evaluation reports, but the labor officer position will not be filled in the upcoming cycle; the OIG team made an informal recommendation that a senior officer in the embassy be the reviewing officer in the current cycle. While the quality of the incumbent's output is creditable, the fact that the position is so geographically distant from reporting officer mentors and responsible for so much argues for the position to be upgraded to a mid-level position.

Recommendation 8: Embassy Mexico City should request, and the Bureau of Western Hemisphere Affairs and the Bureau of Human Resources should approve, an upgrade of reporting officer position 20-505010 in Consulate General Matamoros to a mid-level grade. (Action: Embassy Mexico City, in coordination with HR and WHA)

The BLM is a Department-led process that partners the principal officers of Mexican border posts with their counterparts representing Mexico on the U.S. side of the border to treat local issues with cross-border implications. All border consulate principal officers have BLM responsibilities. Because Mexico has more border consulates in the United States than the United States has in Mexico, U.S. principal officers frequently have responsibility for hosting multiple BLM sessions each year, putting a strain on consulate resources. Moreover, the Mexican government attaches considerably more policy weight to this activity than does the United States, and provides closer oversight of and guidance to its officers. Border principal officers express frustration that their allocation of program resources is insufficient to support BLM activities (e.g., for translators) and that they receive neither guidance on the conduct of BLM meetings nor feedback on their outcomes. The OIG team made several informal recommendations, including that Embassy Mexico City and the border unit in the Office of Mexican Affairs in the Bureau of Western Hemisphere Affairs (WHA) provide adequate oversight, strategic guidance, and active feedback to consulates responsible for BLMs.

The BLMs could provide greater opportunities for the consulates to cooperate with each other if they had adequate oversight, strategic guidance, and active feedback from Embassy Mexico City and the border unit in the Office of Mexican Affairs in WHA. Moreover, Embassy Mexico City's programming decisions regarding representation and funding for program and travel need to take into account consulates' BLM responsibilities. More fundamentally, the BLM program lacks senior Department consideration of how best to make use of it.

Although not a border post, Consulate General Monterrey is only 150 miles from Laredo, Texas, and sets the tone for much of the reporting along the border. The consulate general has a regional role, covers surrounding states, and has U.S. Foreign and Commercial Service and Foreign Agricultural Service personnel at the post; therefore, Monterrey's economic section already operates as a coordinator of regional economic work. Monterrey's workload has long outgrown its small economic staff and will come under greater pressure as more attention is shifted to border reporting. The OIG team discussed with the economic section and with Monterrey leadership how to meet the added workload that increased attention to the border will bring and concurs with their assessment that the support of an additional LE staff would relieve overwhelming work pressures and set the stage for more active and experienced border oversight.

Recommendation 9: Embassy Mexico City should add one locally employed staff position to Consulate General Monterrey to support the economic and political reporting functions. (Action: Embassy Mexico City)

Financial and Macroeconomic Affairs

In 2001, the Department of Treasury transferred its position in Mexico City to Buenos Aires due to the debt crisis in Argentina and a severe budget crunch that precluded the Treasury Department from creating new positions. When the Treasury Department sought to return the position to Mexico City in 2006, the embassy disapproved its National Security Decision Directive 38 (NSDD-38) request, citing lack of space.

The Department of Treasury characterizes the Mexican connection as its most important in the hemisphere; its approach to reporting is far enough from Department practice that even the State Department's most comprehensive analysis fails to address the Treasury Department's needs for coverage of the financial sector. Moreover, Treasury Department contacts with Hacienda (Treasury Department's Mexican counterpart agency) are frequent and personal and take place largely outside of the embassy's sphere. Debriefs are rare.

Reestablishing a Department of Treasury presence in Mexico City would add considerable depth and range to embassy reporting, while the economic section would benefit from the mainstreaming of the Department of Treasury's information sources and analyses. The present economic workload leaves much for an additional analyst to contribute. Indeed, the section's six-month staffing gap in its macroeconomist position in the midst of severe economic and financial disruptions has pointed up the importance of macroeconomic and financial expertise.

Recommendation 10: Embassy Mexico City should approve the request by the Department of Treasury to establish a position in the embassy and should integrate it into the economic section. (Action: Embassy Mexico City)

Labor Reporting

The economic section has a senior-level labor officer, a position that was transferred from the political section in 2006, when the incumbent arrived at post. The section has yet to take full advantage of the labor officer's reporting. This may be of part it due to the fact that much of the institutional memory of that position did not make the transfer. For example, the labor officer found no labor files present in the section when he arrived. In addition, the staffing structure complicated lines of authority. The labor officer was a senior officer and the head of the economic section was an FS-01 serving as minister counselor in an acting capacity. As a result, the labor officer reported directly to the DCM, and his labor work was not fully integrated into that of the section. In the recent round of position freezes, Embassy Mexico City opted not to fill the labor officer position in the summer 2009 cycle.

However, a clear view of labor issues is vital to an understanding of Mexican politics and economics, particularly as the effects of the North American Free Trade Agreement work their way through the Mexican labor market and the political scene. The labor officer position needs full integration into the section where it is located. This would require responsibilities that relate clearly to the section's – and the embassy's – strategic orientation, as well as staffing the position at a level to support clear lines of authority.

Recommendation 11: Embassy Mexico City, in coordination with the Bureau of Human Resources and the Bureau for Democracy, Human Rights and Labor, should downgrade the labor officer position to a mid-level position and recruit to fill it in the 2010 assignment cycle. (Action: Embassy Mexico City, in coordination with HR and DRL)

ENVIRONMENT, SCIENCE, TECHNOLOGY, AND HEALTH

The embassy recently eliminated its senior ESTH officer position. It also transferred one mid-level position from the ESTH unit to Tijuana and merged the ESTH unit with the economic section. A mid-level officer, a rotational ELO, and three LE staff now manage the affairs of a section that between 1989 and 2007 consisted of 11 positions, including staffing by the Environmental Protection Agency and the National Oceanic and Atmospheric Administration. The physical relocation of the ESTH function to the economic section's suite in the controlled access area has left the LE staff without regular contact with officers – or with the other economic section LE staff – affecting morale and likely productivity as well. As LE staff resources contract, it is more vital than ever to ensure synergies among them. The OIG team made an informal recommendation that the mission colocate all economic and political section LE staff.

Now that ESTH has been integrated into the economic section, its work needs to be mainstreamed into that of the section as a whole. The minister-counselor has moved to take the lead on a number of ESTH issues and has arranged a series of joint meetings (and social events) to engender coherence of the newly constituted section.

The level and intensity of the ESTH dialogue with Mexico is unusually light compared to other large economies with which the United States has intensive, high-level dialogues such as Brazil, South Africa, Canada, and Russia. In those countries the complement of ESTH officers is comparable to or even smaller than that of Mexico, yet their reporting is much stronger. Much work on health, as well as air and water quality remains undone on the border, and cooperation with Mexico on biofuels holds considerable potential. The OIG team informally recommended that the economic section leadership engage directly with the senior levels of the Bureau of Oceans, Environment, and Science Affairs to explore how the U.S.-Mexican relationship can realize the potential it holds. This process has now begun.

The principal officer in Tijuana rates the officer encumbering the ESTH position but there is no reviewing officer.

Recommendation 12: Embassy Mexico City should amend the work requirements statement of the environment, science, technology, and health officer position in Consulate General Tijuana so the minister counselor for economic affairs is the reviewing officer. (Action: Embassy Mexico City)

LAW ENFORCEMENT AND NARCOTICS COORDINATION

The MSP aims to prevent international terrorist use of Mexico as a base of operations against the United States or as a transit point for illicit goods. It also seeks to counter narcotics-related violence along the border and its associated threat to the rule of law in Mexico. These goals are addressed through complementary programs that erase any gray areas between counterterrorism and counternarcotics activities. Coordination of relevant agencies to achieve these goals within the embassy is exceptional. Its high quality is attributable to a focused Ambassador and a skilled DCM who supervise and coordinate strong law enforcement attachés. The NAS director manages a strong law enforcement program in conjunction and cooperation with the attachés.

The Calderon administration is resolved to counter narcotics-related state terrorism and transnational crime through reforms to its rule-of-law institutions, and to address criminal corruption of its law enforcement institutions wherever it finds such corruption. Mexico has taken the unprecedented step of inviting the United States to share the responsibility of fight in the scourge of transnational crime as a partnership. Accordingly, President Bush signed the Merida Initiative into law on June 30, 2008.

The Merida Initiative matches the Mexican government's contributions in the form of a multi-year program for a total of \$1.5 billion, with \$400 million for Mexico in the first year. The Merida Initiative is a historic development in the bilateral relationship. Cooperation goes beyond Mexican purchase of equipment and training to sharing of information and operations against drug cartels. Initial U.S. funding will provide for surveillance aircraft, nonintrusive inspection equipment, secure communications systems, and technical advice and training to strengthen law enforcement and institutions of justice. Still to be resolved are issues such as the status of contract personnel upon which much of the program will depend. The success of the Merida Initiative will depend on oversight, transparency, and accounting.

Recommendation 13: Embassy Mexico City, in coordination with the Bureau of International Narcotics and Law Enforcement Affairs, should develop and implement a plan for proper oversight of the Merida Initiative programs. (Action: Embassy Mexico City, in coordination with INL)

There are over two dozen embassy sections and law enforcement agency members of the law enforcement committee. Law enforcement agencies represented in Mexico have approximately 178 personnel stationed permanently throughout the country and additional numbers on temporary duty (TDY). The DCM chairs weekly

is 20, including two direct hires (a Foreign Service officer director and a Foreign Service officer deputy director), 10 LE staff, and eight personal services contractors. The director and deputy director oversee NAS coordination of counterdrug and anticrime projects with members of the embassy's law enforcement agencies, as well as with Mexican law enforcement personnel from various law enforcement agencies throughout Mexico. The NAS director sits on both the country team and the law enforcement committee.

NAS will expand to a total of 72 personnel with the full implementation of the Merida Initiative. The Mexican government will assign approximately 20 additional personnel to NAS, which will be housed in a separate commercial building. The NAS staff will expand in two phases along with the phased implementation of the Merida Initiative.

Mexican journalists have taken repeated swipes at the Merida Initiative and continue to misreport various aspects of the program. The success of the Merida Initiative will depend heavily on how it is perceived and received by the Mexican public, which is acutely attuned to the Mexican government's efforts to eradicate narcotics-related violence but, at the same time, skeptical of unproven initiatives. It is also important that the embassy characterize the Merida Initiative as a cooperative program, not an assistance one; this follows in the spirit of its genesis as a partnership effort.

The original staff plan for NAS included an LE staff position that NAS would hire. The incumbent would work in close coordination with the Embassy PAS in support of the the Merida Initiative. The position was deleted in subsequent revisions of the NAS staffing plan. NAS will be located in a separate building with an integrated Mexican government staff dedicated solely the to the Merida Initiative; therefore, it will need a public affairs capability on a full-time basis to address day-to-day Merida Initiative concerns. The incumbent should work in close coordination with the embassy PAS to avoid duplication of public affairs programs, and to develop and implement a joint U.S.-Mexican government public affairs strategy.

Recommendation 15: Embassy Mexico City should request, and the Bureau of International Narcotics and Law Enforcement Affairs should approve and fund, the reinstatement of a locally employed staff public affairs position in the narcotics affairs section for the implementation of the Merida Initiative. (Action: Embassy Mexico City, in coordination with INL)

The PAO, in consultation with the DCM and the NAS, noted that Merida Initiative implementation will add dramatically to an already extremely active embassy

program schedule with Mexican government and non-governmental institutions. Nevertheless, there is a growing need to share mission program information to help manage the public imaging of the Merida Initiative. The DCM chaired the first of a series of monthly meetings prior to the departure of the OIG inspection team to address this concern.

Interagency coordination is generally good at the constituent posts, but improvements could be made. All principal officers were asked if they received copies of the minutes of the embassy's weekly law enforcement committee minutes or if they were aware of embassy-sponsored law enforcement programs conducted in the field. There were no uniform responses on whether such information was received or how it was received. The OIG team made an informal recommendation that the embassy distribute the minutes of law enforcement committee meetings to the consulates.

Most often constituent posts were not aware of the rule-of-law programs sponsored by the USAID, and in some instances there was possible duplication of PD rule-of-law programs in content, the persons being trained, or their institutional affiliations. The OIG team informally recommended that the embassy should establish coordination channels for country-wide law enforcement capacity-building programs.

At Consulate General Nuevo Laredo, there was an initial atmosphere of mutual mistrust within the interagency law enforcement committee. The OIG team discussed the need to share information on all security issues, particularly narcotics-related security issues, to benefit all parties. All parties agreed to coordinate more closely. The OIG team recommended that the principal officer call a law enforcement committee meeting to review the OIG team's observations while the team was still at the consulate general. The OIG team also made an informal recommendation that the consulate general hold regular meetings of the law enforcement committee. Among its tasks, the law enforcement committee should review security threats, in concert with the emergency action committee.

Tijuana sits in a drug trafficking, human smuggling, money laundering, and weapons-smuggling corridor. There is a large counterpart law enforcement community north of the border in the United States that includes state, county, and municipal agencies. All of these agencies traditionally cross the border into Mexico to conduct investigative operations, often without informing the principal officer. Federal agencies do inform the mission, because they require country clearances. The OIG team briefed the principal officer on the need to establish a stronger mechanism to address the need for nonfederal U.S. law enforcement agencies to coordinate with the mission and preclude the saturation of uncontrolled and uncoordinated law enforcement investigatory activities in the consular district.

Recommendation 16: Embassy Mexico City should expand liaison mechanisms in Tijuana that include U. S. and Mexican law enforcement representatives to coordinate bilateral law enforcement issues within the Tijuana consular district. (Action: Embassy Mexico City)

Consulate General Tijuana did not conduct law enforcement committee meetings nor discuss narcotics related security issues in adjunct emergency action committee meetings. Law enforcement agencies complained that the consulate general bypassed them and did not provide them with security information relevant to their overall law enforcement support activities.

Recommendation 17: Embassy Mexico City should establish regular law enforcement committee meetings at Consulate General Tijuana. (Action: Embassy Mexico City)

The border in Tijuana's consular district is one of the most volatile in Mexico, and the incidence of narcotics-related crime and violence has had a devastating impact on local Mexican law enforcement agencies. Transnational crime activities in this corridor also threaten the United States. Law enforcement agencies appear to be understaffed to address these threats. The OIG team informally recommended that the embassy should give priority to a reassessment of law enforcement staffing levels.

The RSO in Tijuana is the coordinator of the law enforcement committee but fails to provide the institutional support essential for enhanced shared information between the members of the committee. The details of this observation and recommendations are in the classified security annex.

Consulate General Monterrey is a model of law enforcement interagency cooperation. Agencies share information and resources. The OIG team had an opportunity to observe the excellent cooperation and coordination in the aftermath of a recent incident of early morning gunfire and a grenade attack on the consulate general.

Consulate General Ciudad Juarez' law enforcement community cooperates well. The post sits in a volatile corridor similar to that of Tijuana, but its staffing level is higher. Cooperation with the full, internationally oriented federal law enforcement community north of the border is excellent.

Good cooperation also characterizes Consulate General Hermosillo's law enforcement community. A Northern Command narcotics analyst is assigned to Hermosillo.

Consulate General Guadalajara is another model of information sharing, resource sharing and coordination within the law enforcement community. The RSO is proactive, as is the principal officer. The principal officer observed that there should be a good, early public affairs strategy to promote the Merida Initiative at the constituent posts' levels.

PUBLIC AFFAIRS

The PAS conducts an active and effective program in support of MSP goals in all 31 states of Mexico. PAS Mexico is divided into five public affairs districts that overlap with the mission's 10 consular districts. The PAO in Mexico City oversees and coordinates, in conjunction with PAOs Ciudad Juarez, Guadalajara, Monterrey, and Tijuana, a broad mix of outreach including media, cultural events (in both the performing and visual arts), speakers, specialists, exchanges, and education. The mission has a robust virtual presence: the easy-to-navigate bilingual Spanish/English Embassy website links to the websites of the constituent posts, the virtual presence post of El Bajío, the Benjamin Franklin Library (BBF), Education USA (the umbrella for all mission education outreach conducted by PAS, USAID, the U.S. Foreign and Commercial Service, Fulbright, the International Institute for Education, and the full range of e-products of the Bureau of International Information Programs (IIP).

The work of PAS is planned and carried out by a staff of 13 Americans (including two based in Mexico City) who have additional regional responsibilities for six Central American countries; one personal service contact (PSC); one eligible family member (EFM); and 50 LE staff (two of whom are the sole PAS representatives in the consulates general in Matamoros and Nuevo Laredo). The annual PAS budget, centrally controlled in Mexico City, was \$3.88 million in FY2008. There is a separate budget for the binational Fulbright Commission of \$4.65 million.

PAS staff, American and Mexican, are highly professional and well motivated. PAS is conscious of budget constraints and, using a combination of modest investments (through grants), speakers and specialists, a targeted network of contact cultivation, and intense and extensive facilitation between Mexican and U.S. institutions, has, over the years, established and maintained persuasive influence among its key

individual and institutional contacts in the media, arts, culture, education, business, government, and nongovernmental organizations that far exceeds its size and budget. Considerable credit for this sustained achievement should be given to several long serving senior LE staff who can and do work independently in consultation with American supervisors. Continuing its tradition of partnership with Mexican federal legislators, PAS administered a grant to a Mexican nongovernmental organization with funding from the State Department's Office to Monitor and Combat Trafficking in Persons that contributed to the November 2007 passage of a law making trafficking in persons a federal crime in Mexico.

The unique bilateral relationship has produced what may be a unique PAS, certainly in the Western Hemisphere, which blends cutting edge and traditional PD programs. Primarily through the website of the Benjamin Franklin Library, PAS supports web casts, web chats, pod casts, and web feeds. IIP links to PAS Mexico e-materials to share with other official U.S. government Spanish language websites. In FY 2009, PAS Mexico estimates its total exchange grants will exceed 450: 350 Fulbright; 50 International Visitors; 30 Voluntary Visitors; 10 U.S. Studies Institute for Student Leaders; nine Institute of the Americas; and three National Science Youth Camp. Rising violence, largely due to the influence of gangs and narcotics traffickers, led PAS to focus on youth in traditionally underserved communities and regions to provide them with alternative leadership skills and expanded economic options. Music and the visual arts have a special place of honor and respect in Mexican culture. Through its continued support for the performing arts, exhibits, workshops, and master classes, PAS develops contacts among emerging artist leaders in the federal and state capitals, major cities, and towns, and maintains its influence among national and state elites.

Information

The press section in Mexico City, in conjunction with the four constituent PAS offices, provides media advice and support to all sections and agencies present in the embassy and consulates. PAS has good working relationships with resident law enforcement agencies. For the border consulates, these relationships extend into the United States to regional federal, state, and local law enforcement.

In addition to regular media reaction reporting to Washington, the embassy's press section produces a daily electronic local media news summary and two weekly summaries, "Political/Economic" and "Crime and Punishment" (law enforcement and security) which are distributed electronically within the mission and to federal government offices in the United States. The section also generates media scene setters and background papers (and, when appropriate, sets up and operates media

filing centers) for all U.S. federal and state government high level visitors. PAS countrywide provides media support, including interpretation and press filing centers, for frequent visits of high level U.S. Government officials.

Mexico City has one of the highest concentrations of foreign media in the Western Hemisphere. All major U.S. and non-U.S. media organizations have resident correspondents. For the border consulates, the line between local and U.S. media is frequently blurred because both Mexican and U.S. press regard communities on both sides of the border as part of their beat. All PAOs in the border posts are very aware of the legislative prohibitions on programming in the United States and ensure that they are respected.

The information section of Embassy Mexico City, in conjunction with the Washington Foreign Press Center, develops and conducts regular tours of the border for Mexican journalists to introduce them to the realities of immigration and trade along the border. This ongoing project resulted in changed editorial tone and more balanced articles in the local press.

PAS is responsible for embassy and consulate electronic outreach, primarily maintenance of the respective websites and digital videoconferencing (DVC) equipment and programs. PAS Monterrey created a professional quality video explaining the experimental Applicant Service Center (ASC) for the countrywide consular conference. For a complete discussion of ASCs, refer to the consular affairs section of this report. The LE audio-visual technician who produced the video had to work from his home computer because PAS Monterrey does not have a stand-alone workstation to support Department-approved software that cannot be placed on Open-Net. Consulates Merida and Nogales use DVC equipment that is incompatible with the other seven posts. Consulate General Matamoros does not have its own DVC equipment; employees drive across the border to the embassy warehouse in Brownsville, Texas, to use its DVC equipment. If and when PAS Matamoros is ready to invite contacts to participate in public diplomacy DVCs, it would violate legislative restrictions on PD programming in the United States to use the Brownsville equipment.

In spite of common equipment and software needs, there are no mission-wide standards in place. The purchase, installation, training in the use of, maintenance and/or upgrading of necessary equipment and software appears to vary from consulate to consulate. In some consulates, the PAS webmaster-audiovisual technician has desktop access to a dedicated Internet network workstation; in other consulates, PAS was not even aware that a dedicated Internet network had been installed and was available for use by other sections. The OIG team made two informal recommendations: that Embassy Mexico City standardize the mission-wide process

for procuring and installing DVC equipment and lines; and, that it create standard guidelines for electronic outreach, including updating and maintaining embassy and consulate websites requiring use of dedicated Internet networks and software.

Benjamin Franklin Library

The BBF, inaugurated in 1942, is the last remaining U.S. government-sponsored public access library in the Western Hemisphere. Under the direction of an information resource officer and with 13 LE staff, it is a specialized library with over 24,000 volumes, periodicals, and publications on the United States and relations between the United States and Mexico. The BBF is regarded as a national resource, not only because of the library itself but because of its work in developing partnerships among Mexican and U.S. libraries through the Sister Libraries program of the American Library Association, contributions to professional training in-country, and its exceptionally strong and responsive research division. As information and links on the BBF website expanded, the number of general reference inquiries has dropped by approximately 30 percent since FY 2006. However, the number of more complex and difficult inquiries from both Mexican and U.S. federal government offices has increased; this has required intensive research and analysis of the specialized databases which the BBF accesses. The BBF produces a daily summary of stories from the U.S. press on news of bilateral interest, which complements the embassy's information section products; this is distributed electronically within the mission and to U.S. Government recipients in the United States on request.

The BBF conducts extensive institutional outreach. In August 2005 it initiated an innovative partnership with the Universidad Iberoamericana. The university radio station produces a weekly 30-minute radio program "Exposure," based on a topic suggested by BBF. The university writes the script accessing BBF resources, does all the production work, and carries the program on air and on line. BBF maintains a full program archive on its website.

The BBF website, which complements those of the embassy and consulates, is a rich resource for a wide audience ranging from secondary school students to post-doctoral researchers to senior government officials. The site, largely in Spanish, is updated at least once a day. The site is user friendly and has extensive links – including to its Facebook page. Its multimedia section features videos, pod casts, web feeds, web chats, and web casts in support of MSP themes. It maintains a monthly calendar of upcoming events, including offering a limited number of free tickets to paid performances to publicize public programs of the mission.

Best Practice: Current Calendar of Events on the Mission Website

Issue:

The vast majority of embassy websites feature photos and descriptive text of events after the fact. Few have a calendar of upcoming events. While posts issue press releases and fliers to publicize public programs, they may be missing large segments of new audiences. Items run in print media or aired in electronic media have a very limited life span, unless readers clip the item and listeners have the quickness to jot down aired information. The issue is how to expand the potential audience for mission-sponsored events in support of MSP goals.

Response:

The Benjamin Franklin Library (Biblioteca Benjamin Franklin) website <http://www.usembassy-mexico.gov/bbf/biblioteca.htm>, which receives over 70,000 hits per month, included a monthly calendar of upcoming events sponsored by sections of Embassy Mexico City. In some cases, they offered free tickets to paying events to a limited number of first respondents to create buzz and increase interest.

Result:

Target audience size increased; the pool of potential new contacts expanded; information on embassy-sponsored events remains available longer in a fixed spot easily found by those visiting the website.

Cultural

The embassy's cultural affairs section develops and executes a wide range of programs in coordination with institutional contacts and the four consulates general PAOs. Proximity to the United States and the relatively low costs of transportation and per diem allows PAS Mexico to conduct more programs. PAS, particularly in border consulates, sponsors frequent exchanges, speakers, and specialists from universities in southern California and Texas. In FY 2008, PAS Mexico programmed almost 100 speakers, either independently or as participants in seminars, conferences, and workshops.

PAS Mexico established standard operating procedures (SOP) whereby grants may be requested and approved by the public affairs officer (PAO), who along with the cultural affairs officer (CAO) holds a grants warrant. Once approved, the requesting office, either in Mexico City or one of the consulates, completes the paperwork, issues the check, and provides grant oversight. The process works, albeit slowly; frequently, grantees are reimbursed months after they expended personal funds in support of a PAS program. The delay is outside the control of PAS because the embassy's finance section is chronically backlogged in vendor payments.

A review of selected PAS grant files indicated that PAS organized and numbered its files, ensured they contained the grant agreement with objectives and cost, and documented funds paid. They should give more attention to closing the files after completion of the award. The OIG team discussed this issue with PAS Mexico City LE staff. The OIG inspection team was satisfied that closing grant awards would be done in the future. PAS Mexico City agreed to review the grant award files and close awards as needed. An additional issue discussed with PAS Mexico City is timely entry of information in the grants management database. In spite of the PAS Mexico SOP, which is followed, data entry lags by more than one fiscal year. The OIG team made an informal recommendation to bring data entry up to date.

The Bureau of Educational and Cultural Affairs (ECA) regards the International Visitor Leadership Program in Mexico as a model. The mission averages 47 international visitor grants per year, which it supplements with approximately 15 voluntary visitors per year. The DCM, on behalf of PAS Mexico City, solicits candidates from all embassy and consulate offices through an annual call for nominations. There is a selection committee in Mexico City. Nominees compete against each other; the embassy and consulates are not guaranteed a set number of successful candidates. The process is transparent and results are accepted. Several consulate PAS LE staff said that looking at the successful candidates gave them a better idea of what types of candidates to recruit in future. As part of the candidates' pre-departure briefing, the Mexico City LE cultural affairs specialist for exchanges developed a written evaluation guide in Spanish and English, which is given to each grantee. During the visit, the grantee can keep track of his or her impressions and program assessments and returns a written response during the post-grant debriefing with the nominating officer and PAS staff. With over 60 international visitors and voluntary visitors annually, this helps PAS Mexico process the required debriefing reports and enter information in the exchange visitor data base in an efficient and incredibly timely manner.

Best Practice: Evaluation Guide for International Visitor Leadership and Voluntary Visitor Programs

Issue:

All posts give a predeparture briefing to International Visitor Leadership Program grantees and Voluntary Visitors. During the briefing, grantees and visitors are reminded that they are expected to debrief their nominating officer or a Public Affairs Section (PAS) representative on return. For many posts, especially when the grantee or visitor is not from the city where the embassy or consulate is located, this can take place long after the fact. In some cases, the debriefing reports arrive in Washington late, if ever.

Response:

PAS Mexico City's cultural affairs specialist developed a one-page, nine-question evaluation guide presented to the grantee or visitor during the predeparture briefing, which helps the grantee or visitor not only focus on personal benefits but also formulate questions to ask during the visit.

Result:

The grantee or visitor, having formulated responses and impressions of the visit to the United States, provides a focused assessment of the impact of the visit in an incredibly timely fashion. The Bureau of Educational and Cultural Affairs states that PAS Mexico City is consistently timely in its submission of debriefing reports and entry of data in the exchange visitor data base.

See Appendix A for the evaluation guide.

As previously mentioned, performing and visual arts are a vital component of Mexican identity and pride. PAS Mexico supports a strong and widely respected arts program through modest grants and vigorous facilitative assistance. PAS in the embassy and consulates co-sponsor participation of musicians, dancers, film makers, composers, conductors, artists, curators, and arts administrators in festivals, concerts, workshops, and exhibits. Through its hard work, it has brought about partnerships among major museums in the United States and Mexico and an innovative arts management development program with the John F. Kennedy Center for the Performing Arts in Washington, DC.

Throughout all the programs of the cultural section is a strong element of outreach to youth, especially in less economically developed areas, both urban and rural. PAS developed a variety of programs, ranging from short-term professional development through the voluntary visitor program for directors of youth centers to helping community leaders counter gang violence, to using visual arts, especially wall murals -- an honored Mexican art form -- and music as an alternative to the gang lifestyle. The BBF has targeted a labor union-run secondary school for special outreach programs during Black History month and on Earth Day.

Education

PAS is a key component of the above-mentioned Education USA. Its contribution consists of a full range of educational advising services under the broad general direction of the Mexico City-based regional educational advising coordinator: the Hubert H. Humphrey Fellowship Program (one fellow for academic year 2008-2009, with a total of 38 Mexican Humphrey alumni); teacher exchange programs administered by Fulbright Mexico and the Fulbright Commission itself; and a strong teaching of English as a second language program. One of the key components of PAS supported educational programs in Mexico is to improve skills so that program alumni will become leaders of their local communities.

Fulbright

The Fulbright program was established in Mexico in 1948; the U.S.-Mexican Commission for Educational and Cultural Exchange (COMEXUS) was created by binational agreement in 1990, updated in 1998, and renewed in 2000. The current director was appointed in 2000; under his leadership, COMEXUS is considered a model for other binational commissions. The 10-member board of directors is evenly divided between Mexican and U.S. appointees; the embassy's PAO and CAO are members. When the board members from the two governments cannot find consensus, the vote of the full board is accepted as the final decision. COMEXUS grants are named "Fulbright-Garcia Robles" in honor of Senator William Fulbright and the Mexican diplomat and Nobel Peace Prize winner Alfonso Garcia Robles. ECA contributes more than half the annual budget (averaging \$2.1 million per year); the government of Mexico one third (averaging \$ 1.215 million per year); and the remainder (less than \$600,000) from other sources. The government of Mexico restricts use of its contribution for any administrative support. This is a source of concern for ECA, but the government of Mexico remains firm in its conditional funding.

In addition to traditional academic exchanges, COMEXUS sponsors several innovative programs. Its targeted grants for indigenous students and for students from less developed Mexican states changed the perception that Fulbright is only for Mexican elites. Likewise, in conjunction with the Regional English Language Office (RELO), it funds annual summer institutes to improve the professional skills of Mexican public school teachers of English as a second language. The training occurs in both Mexico and the United States, and improves the quality of education outside traditional urban centers. For U.S. business students, COMEXUS established a study and internship program in Mexico, producing American business leaders familiar with Mexican culture and with business practices in both countries.

Institute of International Education

The U.S.-based Institute of International Education is an independent non-profit organization dedicated to exchanges. It opened its office in Mexico City in 1974 and operates under a grant from ECA's Office of Global Education Programs to provide student advising services in Mexico and Latin America. It operates an office in the BBF and supports advising centers in 11 other Mexican cities. In addition to providing advising services, including information on scholarships and financial assistance, in person and on line, it administers standard educational tests and serves as the principal point of contact for U.S. universities and colleges seeking to recruit foreign students in Mexico. It is a visible presence at international education fairs and seminars throughout Mexico. The director, a long-time American citizen resident of Mexico, and his staff are energetic and work in close collaboration with mission staff.

English Teaching

A Foreign Service officer heads the RELO and is also responsible for English language teaching program oversight in six Central American countries. The RELO works primarily with public universities, state-level teacher training colleges, and other state-level institutions on "training the trainers," rather than on broad-based English language teaching. In FY 2007, 1,000 Mexican teachers of English participated in professional training. RELO sponsors two English language fellows per year, one of whom is hosted by a public school. The other is based at the BBF under RELO supervision. Both fellows contribute significantly to curriculum and program design and on-site teacher training.

For more than six years, PAS Guadalajara has worked in partnership with the State of Jalisco Secretary of Education on primary and secondary school teacher

training with the goal of creating a generation of bilingual students who can contribute to the economic and social development of the state, a traditional source of Mexican migration to the United States.

In late FY 2008, ECA accepted Mexico for its English Access Microscholarship Program, providing \$100,000 to fund 80 scholarships. This two-year after school project for youth from under-served communities in Mexico City, Chiapas, and Oaxaca, will provide exposure to American culture and democratic values and leadership training, again contributing to economic and social development and stability in traditionally underdeveloped regions.

Communication

Sustaining such a dynamic and productive countrywide program year in and year out requires a tremendous amount of creative energy and investment of time to keep all the parts of a very large, very complex PAS machine moving smoothly and efficiently in support of Mission Mexico's MSP goals. A certain amount of conscious or unconscious triage has crept in, affecting communication within PAS Mexico and with several Washington offices. In the mission and Washington, some employees sense they may be missing some key bits of information.

In one instance, PAS Tijuana was working with an institutional contact about a possible rule-of-law program only to discover that USAID Mexico City conducted a similar program a few weeks earlier.

Some Washington-required reports are filed late or not at all. The most recent Information Resource Center annual plan dates from 2005 and there is no report for Mexico posted on IIP's portal for information resource centers. Data is entered into the web-based PD mission activity tracker sporadically, giving a casual viewer the impression that the level of program activity for PAS Mexico is considerably lower than it is. The OIG inspection team made informal recommendations that PAS Mexico be timely in submitting required reports.

One consequence of unintentional triage is unclear supervisory lines in Ciudad Juarez for the shared LE staff information/political assistant. The employee's position description dates from May 2003 when the supervisory responsibilities were shared by the PAO and the principal officer. The American supervisor was the PAO, who reported to the principal officer; the line of authority was clear. A reporting officer position was subsequently established and an incumbent assigned. Since the incumbent's arrival in 2007, the supervisory lines have become blurred, causing confusion for the LE staff member and frustration for the PAO, the reporting officer, and

the principal officer. The OIG team made an informal recommendation to update the position description and to make clear the lines of supervisory authority.

The intense workload also affects communication within PAS Mexico. American and LE staff exchange ad hoc phone calls and e-mails, but there is no regular means of PAS countrywide information sharing. This can result in missed opportunities, and the risk of duplicative, not complementary, programming increases. New members of PAS Mexico, whether LE staff or officers new to PD work, do not have the opportunity to learn the craft by hearing from and observing more experienced PAS colleagues. Previously, the weekly activities report served as a source of internal information sharing, but nothing replaced that report when it was superseded by the new Washington-required activity tracker.

Recommendation 18: Embassy Mexico City should establish a regularly scheduled mechanism for all public affairs sections in Mexico to share information and program ideas. (Action: Embassy Mexico City)

CONSULAR AFFAIRS

Mission Mexico's consular operations, the largest in the world, are well run. In every major consular workload category, Mission Mexico is bigger than any other mission. For example, the 154 consular officers and 484 consular LE staff adjudicated almost 1.3 million NIVs and more than 149,000 IVs in FY 2008. In American citizen services (ACS), the numbers are equally impressive. Consulate General Tijuana alone has 20 percent of all the incarcerated American cases in the world. The Western Hemisphere Travel Initiative (WHTI), which will require all land travelers to have passports by June 2009, is expected to increase the number of passport applications at all Mexican consular sections geometrically. The U.S. diplomatic presence in Mexico is spread among nine consulates or consulates general and 14 consular agencies, in addition to the embassy, making the oversight and coordination of consular operations particularly complex.

The MCCA in Mexico City is responsible for coordinating this huge operation. His responsibilities include establishing consistent, mission-wide consular policies and procedures that conform with Department regulations and ensuring that each consular section has sufficient resources to carry out its duties in a timely fashion. Embassy Mexico City is unusual among Foreign Service posts in that there are two senior management positions in the consular section. Besides the MCCA, there is also a consul general whose primary job is to manage the Mexico City consular

section. The 2003 OIG inspection report noted that there was confusion about the roles of the two positions and that some people thought the MCCA ran the consular section in Mexico City. That confusion no longer exists, and the two senior officers have established an excellent relationship.

Consular Management

One of the challenges of managing a consular operation of this size and diversity is standardizing practices countrywide. The size and physical layout of each consular section or consular agency will determine some post-specific practices for work flow, customer service, and staff rotations. There are many areas, however, where standardization of policy and practice is essential. Mexico City has determined that all of Mexico is essentially one consular district, and visa and passport applicants should be processed following similar guidelines no matter where in Mexico they apply for services. It is inefficient for each consular section to draw up its own unique operating procedures or determine how to handle certain situations in isolation when another section may have already developed a useful mechanism.

The OIG team compiled a list of 17 areas that could benefit from standardized guidance and common operating procedures. For example, some consular sections have massive backlogs of advisory opinions without an efficient mechanism for follow-up on overdue cases, sometimes waiting over a year for responses; other consular sections have developed mechanisms for follow-up that seem to be successful in keeping their backlogs under control. Some consular sections routinely recommend waivers of ineligibility, but others rarely do so. Some consular sections still will not accept passport applications from U.S. citizens from another consular district. Each border post sets its own NIV appointment quota for applicants already in the United States hoping to renew existing visas; some underworked consular sections set low numbers while some busy sections try to set higher numbers to meet demand. There does not seem to be standard criteria for securing an emergency NIV appointment.

Coordination and standardization of such procedures clearly fall in the MCCA's purview. He has issued several standard operating procedures to date, and he realizes that there are many more areas requiring attention. The OIG team made an informal recommendation that the MCCA coordinate the development of new standards with all the consular sections, using some excellent processes already in place at one or more posts.

CA expects to see a Mexico-wide surge in passport applications in FY 2009 as the WHTI deadline approaches, and a commensurate increase in visa applications as more of the 10-year border crossing cards (BCCs) come up for renewal. The Bureau

of Overseas Buildings Operations (OBO) has undertaken construction projects to increase the number of interview windows at several consulates, and it has increased the amount of equipment that consular sections will require to meet the anticipated demand. To date, however, only Ciudad Juarez has seen any sustained increase in its NIV workload because it was the first consulate to begin issuing the original BCCs 10 years ago. Most ACS units saw an increase in passport and citizenship workload earlier in FY 2008, but when Congress postponed the WHTI deadline until June 2009, the ACS workloads returned to the pre-WHTI rates. In addition, the U.S. economic downturn has resulted in a lower level of remittances and a general lessening of visa demand. As a result, several Mexico consular sections are currently over-staffed while they await the expected workload surges in FY 2009 and FY 2010.

This situation has three positive aspects. First, well-staffed sections are able to lend interviewing officers to the two sections—Ciudad Juarez and Matamoros—that are under pressure, offering excellent professional development opportunities to ELOs while maintaining customer service levels. Second, ELOs are able to take advantage of a wide range of career enhancing opportunities after the consular section's public hours are over. Principal officers have been able to include ELOs in reporting activities, public outreach, representation, and other activities across the broad diplomatic spectrum. Monterrey, Nuevo Laredo, and Guadalajara have particularly effective programs for ELO development, thanks to a temporarily reduced demand for consular services. Third, some consular managers have redirected both officer and LE staff to projects often neglected when workload is very high, but are nonetheless important in the longer term, including file maintenance and warden system management. The unique situation in Ciudad Juarez is addressed later in this section.

As the deadline for WHTI passes and as the BCC workload surges at various consulates materializes, or fails to do so, the MCCA needs to review consular staffing countrywide and work with CA to rationalize permanent positions in Ciudad Juarez, Matamoros, and any other post where new highs in NIV and passport workload become the norm. There are discussions of individual workload issues in the relevant report sections on Matamoros, Nuevo Laredo, and Hermosillo.

Recommendation 19: Embassy Mexico City, in coordination with the Bureau of Consular Affairs, should develop a plan for reprogramming officer and locally employed staff positions countrywide at the conclusion of the anticipated passport and border crossing card surges based on new, permanent workload levels. (Action: Embassy Mexico City, in coordination with CA)

Mexico City

Mexico City's consular operation is breathtaking in scale, with well over 400,000 NIV cases and over 30,000 ACS and passport cases annually. In light of those figures, the consular managers run a tight and smoothly functioning operation. Located in the middle of the country, Mexico City has been less affected than the border posts by the BCC renewal surge and the swings of passport applications stemming from WHTI. Overall staffing levels are appropriate for the massive scale of the work, and there is a decent ratio of mid-level managers to oversee the large number of ELOs. There is an ELO rotation program, although its schedule within the ACS unit is very fast and is addressed separately later in the report. The recent integration of separate passport and special consular services units into a single ACS unit has posed challenges, but the consolidation has improved oversight and cross-training. The ongoing project to add eight NIV interview windows will improve workflow and oversight in that unit. Mexico City's fraud prevention program appears to function well.

Mexico City oversees four busy consular agencies. Further discussion of the consular agency program appears in a separate section.

Ciudad Juarez

The consular section in Ciudad Juarez is the largest in the world with 50 consular officers, six EFMs, and 116 LE staff, yet its staffing is still too small for the workload (see the section of this report on IVs for a complete discussion). Despite workload pressures, the consular section is doing a remarkable job under excellent leadership. The consular section chief and IV unit chief work effectively as a team to manage the massive challenges facing the IV unit. However, the other parts of the consular section are also under stress. NIV work increased 31.4 percent to 121,010 cases in FY 2008. The NIV unit copes with this increase with the help of a steady stream of TDY ELOs from other posts in Mexico.

This NIV workload increase was not surprising because Ciudad Juarez was the first post in Mexico to start issuing an improved version of the BCC on April 1, 1998, and therefore the first post to experience a surge from the 10-year replacement program. The workload rose dramatically in 1999 (to 308,370 cases) and peaked in 2001 (at 411,743 cases). This means Ciudad Juarez is likely to be hit by a huge increase in NIV work in the next three years. In addition, analysis shows that much of the Ciudad Juarez FY 2008 NIV workload increase is, in fact, coming from first-

time applicants, and this means that NIV levels after the BCC renewal surge ends are likely to remain higher than previously thought, requiring additional permanent resources.

The ACS unit is also facing workload pressures. In addition to the doubling of passport applications faced elsewhere as a result of WHTI, Ciudad Juarez has become a locus of narcotics-related violence; at least 18 U.S. citizens who were involved in narcotics trafficking have been killed so far this year in the state of Chihuahua. The consular employees often have to do much more work in these death cases because the families in Mexico or in the United States are afraid to get involved in matters that normally would require their physical presence. Consular management reprogrammed an NIV position to ACS this year in acknowledgement of the ACS workload demands. While this was the correct decision, because services to U.S. citizens always take priority, this has placed greater pressure on staffing for visas.

Immediately following the visit by the OIG team to Ciudad Juarez, the consulate staff moved into a new OBO-built facility. This vast facility -- with 87 visa interview windows -- gives the staff the capability to handle the huge numbers of consular visitors and provides for future growth.

Guadalajara

The consular section in Guadalajara consists of 22 consular officers, five EFMs, and 38 LE staff. The consular district covers the part of Mexico that has traditionally generated some of the highest rates of legal and illegal emigration to the United States, which may explain in part why Guadalajara usually has a higher NIV refusal rate than other posts in Mexico. Guadalajara is one of the busiest NIV operations in the world, yet its visa waiting room, which was converted from a parking area 10 years ago, is relatively small. Nevertheless, the flow of applicants through the NIV process is so efficient that the waiting room is rarely overcrowded.

Although consular officer staffing has increased in anticipation of NIV workload growth, there are only 11 NIV interview windows. Consular managers find it increasingly difficult to use all of the new officers to maximum capacity. Guadalajara is not scheduled to move into a new facility for years, so as the workload grows establishing an ASC in Guadalajara soon may be a solution to the lack of interview windows. (See the NIV section of this report for a discussion of ASCs.) Having an ASC would allow Guadalajara to build more NIV windows in the area where LE staff currently enroll visa applicants.

More than 50,000 American citizens, many of them retirees, live in Guadalajara's consular district, making the four-officer ACS unit a busy one. For example, the unit handled 269 cases involving the deaths of American citizens in FY 2008. There are also tens of thousands of dual nationals in the area who have never had a U.S. passport. As a result of WHTI, many of them are now applying for passports. In FY 2005, Guadalajara processed 420 passport applications. In FY 2008 the number of passport applications had increased by 2150 percent to 9,457 cases. (See the section of the report on American citizen services for a detailed discussion of passport processing issues.)

Hermosillo

Hermosillo's consular section has grown significantly in the past two years, moving from a small, boutique operation to a medium-sized one with large NIV and ACS workloads. A recently completed physical renovation expanded the section's capacity. The flow-through of both NIV and ACS clients is very smooth. Like Monterrey, Hermosillo is generously staffed in anticipation of the surge in both WHTI-related U.S. passport applications and 10-year BCC renewals and may be overstaffed after the BCC surge has subsided. In the meantime, Hermosillo serves as an officer reserve to assist other Mexican posts, which has provided additional exposure for the ELOs assigned to this rather isolated post.

The consular section chief is assisted by two deputy unit chiefs. The NIV chief, a Civil Service employee on an excursion tour, designed and oversees a contract system that corrected earlier security and accountability problems for returning travel documents. ELOs rotate between the units and are provided with a range of opportunities for professional growth. However, the timing of the rotations and the assignment of the various opportunities should be laid out more in advance and done in a more transparent fashion. Contrary to Department requirements, ELO supervisors are not documenting at least one counseling session prior to the annual written performance reviews. The OIG team made an informal recommendation to redress this situation.

While the larger issue of consular agencies will be addressed separately, communication and interaction between Hermosillo and the consular agency in Mazatlan are excellent.

The ACS unit chief supervises the fraud prevention manager. As the vast majority of the fraud prevention workload is visa-related, the OIG team made an informal recommendation to move supervision to the consular section chief. As in Tijuana, the consular chief and the RSO need to improve their shared oversight of the assis-

Recommendation 20: Embassy Mexico City, in coordination with the Bureau of Consular Affairs and the Bureau of Human Resources, should establish an additional mid-level consular manager position in Consulate General Matamoros. (Action: Embassy Mexico City, in coordination with CA and HR)

As mentioned above, Matamoros has not begun the review, culling, scanning, and retirement of its Category I files.² This project, which involves teams of officers and LE staff, reviewing at least six full file cabinets of files dating back 20 years, cannot be accomplished during the normal work day. In order to kick off this project, Matamoros will certainly require funds for officer and LE staff overtime and a flexible, multi-month plan to complete the project. Not only will completion of the Category I project reduce file holdings considerably in accordance with CA's backscanning instructions, but the project will also create more work space in the overcrowded visa unit.

Recommendation 21: Embassy Mexico City, in coordination with the Bureau of Consular Affairs, should develop and implement a plan to review, scan, and retire the Category 1 files at Consulate General Matamoros. (Action: Embassy Mexico City, in coordination with CA)

Merida

The consular section's biggest challenge involves the management of three busy consular agencies in the Yucatan, where the nearest and busiest of the agencies is approximately a five-hour drive from the supervisory post. Consular management does not expect to see the passport and BCC surges anticipated at the consulates closer to the U.S. border, but its consular workload has held steady this past year; whereas, other consulates have seen declines in visa demand. Merida's small consular officer cohort consists of a second-tour non-consular section chief, two full-time ELOs, and one half-time ELO who also doubles as the post's management and security officer. With the arrival of an RSO, this officer will be able to devote more time to consular responsibilities. Embassy Mexico City also intends to create a management position in Merida, similar to its plans for Hermosillo (see management section of the report). When that resource becomes available, Merida's third ELO will return to full-time consular duties.

²Category 1 files contain paper records of permanently-refused visa cases based on statutory grounds of ineligibility.

Consular management is forward thinking, and morale is good. The principal officer and the consular section chief have taken steps to correct deficiencies that existed for years at the Cancun consular agency. The section chief is establishing an appointment system for the ACS unit in order to give the ACS officer consistent blocks of time to devote to that unit and still serve as an NIV interviewer. The new fraud investigator divides his attention appropriately between the NIV and ACS units. Merida's officers and ACS LE staff play critical roles as emergency responders during the hurricane season, and it would be useful to have NIV LE staff cross-trained in ACS issues as well. The OIG team made an informal recommendation that consular management set up month-long training rotations for NIV LE staff on ACS processes.

Monterrey

Monterrey's consular operation has long jockeyed for position among the top five NIV posts in the world. An experienced FS-01 manages 23 ELOs, two EFMs, and 51 LE staff with the support of mid-level ACS and NIV chiefs and a full-time fraud prevention manager. To prepare for the expected WHTI and BCC workload growth, the consular section is due to undergo a building project to increase the number of NIV interviewing windows from 10 to 26 to be used for either visa or passport surges. The ACS unit has high speed scanners on nearly every desk to facilitate hundreds of passport applications. Although the post is ready for the expected onslaught, so far Monterrey has seen only modest increases in passport workload and an actual decrease in visa workload. Managers speculate that the combination of the U.S. economic downturn and Monterrey's pilot program for offsite data collection and an online visa application may account for the temporary sluggishness of the NIV workload.

As mentioned earlier, consular management has taken advantage of this lull in the workload to clean up its large Category 1 holdings and archive old files in compliance with instructions issued in 2003 but never carried out due to lack of resources. The consular ELOs are also able to take advantage of multiple opportunities for professional development and to provide TDY assistance to other consular sections in need. ELOs also rotate through at least two consular units, giving all ELOs broad experience. As a result of the reduced workload and the increase in career development opportunities, officer morale is high.

The LE staff does not enjoy the same variety of opportunity, however. An off-site contractor does much of the work normally done by locally hired consular staff, so consular LE staff now have few opportunities to interact with the public, and many jobs have been reduced to data verification. Consular management rotates LE

staff to the FPU for a week at a time to assist with job letter spot checks, but consular management needs to do more to restore an intellectual component to the LE staff job descriptions. The OIG team made an informal recommendation to enlist NIV LE staff in validation studies that would benefit the adjudicating officers and the FPU, while re-introducing a higher intellectual component and public interaction to the LE staff jobs.

Nogales

Nogales' well-run six-officer consular section is located minutes from the U.S. border. The mid-level chief sets an excellent tone of mutual support and teamwork for the ELOs, the Civil Service adjudicators, and the LE staff. The section is fully occupied with a wide range of NIV and ACS work, but appears appropriately staffed.

Nogales is about to receive its first permanently assigned officials from another agency. The consular chief is prepared to brief them fully on the requirements of the visa referral system.

Nuevo Laredo

Like Monterrey, Nuevo Laredo is a pilot post for offsite data collection and the on-line visa application. Although a much smaller operation, in FY 2008 Nuevo Laredo saw a similar decrease in NIV workload and a manageable increase in passport demand. Consequently, its current staffing levels are generous and its three-person consular management team perhaps excessively robust. Post leadership has taken advantage of the workload lull to focus on ELO development, in particular enlisting the consular ELOs as reporting officers at a consulate without permanent resources to carry out that diplomatic function.

The recently-arrived consular section chief is struggling to find a role for himself that does not encroach on the work of the two experienced unit chiefs. The OIG team counseled him about the need to facilitate communication and coordination between the ACS/FPU and NIV unit chiefs, whose offices are in two separate buildings, and made an informal recommendation about section-wide access to the FPU.

Like Matamoros, Nuevo Laredo will need a high-level review of its consular staffing. If the visa and passport workload surges expected in FY 2009 do not materialize, Nuevo Laredo's officer staffing may be excessive and it may have one too many consular management positions. Likewise, its FPU staffing, with five LE

investigators, may also be excessive; it is clearly already out of balance compared to the FPU staffing levels in nearby Monterrey and Matamoros. (See recommendation 19 which addresses this issue.)

The ACS unit is in the overcrowded building that houses all of Nuevo Laredo's nonconsular offices. ACS occupies three disconnected offices (b) (2)(b) (2) (b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2) The NIV unit, on the other hand, is in an annex with two large waiting rooms, space to construct additional interview windows, and a second floor with vast areas of unused space. The FPU is in the NIV building and physically separated from the ACS/FPU chief who oversees the fraud work. An obvious solution to coordination, communication, and work oversight deficiencies would be the colocation of the entire consular operation in the NIV building. This would also free needed space in the main consulate building for other ill-housed operations. Nuevo Laredo is low on the priority list for new facilities, with a proposed construction start date in 2017 that is very likely to slip as time goes on. Even though the interim reconfiguration of the NIV annex to include all consular operations would carry a price tag, the real value to post may justify the expense. Consular construction projects in Mexico City and Monterrey (which is expected to see a new facility much earlier than Nuevo Laredo) were approved and are in progress.

Recommendation 22: Embassy Mexico City, in coordination with the Bureau of Overseas Buildings Operations, should design and implement a plan to move Consulate General Nuevo Laredo's American citizen services unit into the nonimmigrant visa annex. (Action: Embassy Mexico City, in coordination with OBO)

Tijuana

Tijuana's consular section has one of the heaviest ACS workloads in the world and a consistently heavy NIV demand. An experienced FS-01 manages the section, with the assistance of two mid-level deputies. Overall officer staffing appears appropriate for the workload. The NIV unit is located in a separate building several miles away from the rest of the consulate. This poses severe operational and leadership challenges, (b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2) (b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2) (b) (2) (See the management controls section for further discussion and an informal recommendation.)

Section management rotates ELOs appropriately between the ACS and NIV units and provides them with good opportunities for a full consular experience as well as nonconsular professional development. The section chief reestablished a smoothly functioning referral system, correcting instances where it deviated from standard CA guidelines. Tijuana is addressing significant issues with regard to restaffing the consular agency in Cabo San Lucas and providing it with adequate support.

Tijuana has three Civil Service adjudicators. Under previous leadership these adjudicators were not well integrated into the consular section, and the incumbents felt that they were treated as second-class employees. Current management has done an admirable job of working to reintegrate all staff into a single team mentality. Additional cross-training between the NIV and ACS LE staff would be beneficial, but their current physical separation inhibits this.

The consular chief and the RSO need to improve their shared oversight of the A/RSO-I. This will be addressed separately in the fraud prevention section of the report.

Immigrant Visas

The consulate general in Ciudad Juarez processes all IVs for Mission Mexico, and in FY 2008 it handled 149,014 applications, 19 percent of all IVs worldwide. The workload was greater than that of the next three largest IV operations in Santo Domingo, Manila, and Ho Chi Minh City combined. IV workload has fluctuated greatly in the last 10 years in Ciudad Juarez, but recently increased dramatically. The Department will need to increase significantly officer and LE staffing in Ciudad Juarez to rightsize the operations.

IV applications rose sharply in the late 1990s and peaked at 131,594 cases in 1999. Then the workload started dropping and reached 56,075 cases in 2005. The primary reason appears to have been that the Department of Homeland Security had backlogs in processing IV petitions. Since 2005, the number of IV applications has been rising, but the most dramatic growth was in 2008. Due to staffing shortages, a backlog of approximately 45,000 IV cases existed in the middle of 2007. With the strong encouragement of the Department, Consulate General Ciudad Juarez's management organized a huge six-month project to work off the backlog. This entailed overtime on the part of consular employees in Ciudad Juarez and TDY help from other Mexican posts. The backlog elimination project led to the high workload in FY 2008.

The additional officers could include some Civil Service officers as well as Foreign Service officers if the Department were to decide to resume hiring Civil Service visa adjudicators. This issue is discussed under human resources in the resource management part of the inspection report.

Recommendation 23: Embassy Mexico City should request, and the Bureau of Consular Affairs and the Bureau of Western Hemisphere Affairs should establish, fund, and fill 10 additional consular officer positions and 25 additional locally employed staff positions in the immigrant visa unit at Consulate General Ciudad Juarez. (Action: Embassy Mexico City, in coordination with CA and WHA)

Nonimmigrant Visas

For years Mexico City has been vying with Seoul for the honor of the largest NIV operation in the world. In FY 2008, Mexico City adjudicated 412,751 NIVs, only 1,500 behind Seoul. In general, NIV operations in Mexico City are efficient, customer service oriented, and timely. CA told the OIG team during the pre-inspection survey that Mexico City's NIV operation was their model for large visa operations worldwide. At the time of the inspection, only Ciudad Juarez had an appointment wait time of three weeks; all others were under two weeks, with most being current. Because Mexican applicants are free to apply at any consulate countrywide without being considered out-of-district, it is fair to say that an NIV appointment is available somewhere on a day's notice.

By FY 2012, Mexico's NIV units may have to renew more than five million BCCs on top of the normal NIV workload. CA has worked with Embassy Mexico City to beef up officer and LE staffing in anticipation of the renewal tidal wave. CA has also designed a program to provide TDY roving adjudicators to Mexico, an innovative concept that would provide just-in-time assistance to posts. Such a program provides Mission Mexico the flexibility to address any surges when and where they occur without assigning additional permanent resources that would then become redundant in FY 2012. CA, DS, and RSO Mexico City have not yet agreed on the security requirements for adjudicator housing, however, and failure to resolve this impasse could jeopardize Mission Mexico's ability to meet the anticipated workload and skew the assignment of permanent officer resources for several years.

Recommendation 24: The Bureau of Consular Affairs, in coordination with the Bureau of Diplomatic Security, should resolve the issue of security standards for housing for the roving visa adjudicators who will be assisting Mission Mexico in handling the huge increase in nonimmigrant visa work over the next few years. (Action: CA, in coordination with DS)

In addition to this roving adjudicator program, OBO is also constructing additional interview windows at several Mexican posts. Three posts, Monterrey, Nuevo Laredo, and Ciudad Juarez, will soon be using ASCs to ease pressures on limited waiting room, interview window, and LE staff resources. The consular management section of the report elaborates on the need to review NIV staffing countrywide as the BCC surge materializes or fails to do so.

Mexico's NIV workload has fallen off in the past year everywhere except Matamoros and Ciudad Juarez. The workload decrease, while it lasts, gives consular management many options to undertake valuable initiatives that enhance officer performance and provide even better customer service. The traditional crushing NIV workload has limited posts' attention to validation studies that follow up on applicant returns. Those NIV units with excess officer and LE staff capacity could also increase the number of appointments allocated to third country nationals already in the United States who are always seeking nearby consular sections for visa renewal. The OIG team made informal recommendations to address both these issues.

Effective June 2007, NIV issuing posts worldwide have been required, under certain circumstances, to refer visa applicants with drunk driving arrests to post-approved panel physicians. The panel physicians then examine applicants following Centers for Disease Control and Prevention guidance and determine if applicants have statutory medical visa ineligibility. All consular sections follow CA's guidelines scrupulously, but the only approved panel physicians in Mexico are in Ciudad Juarez. This contrasts with Canada where, in acknowledgment of the vastness of the country and the need for both consular sections countrywide and DHS border personnel to refer travelers for medical evaluation, there are panel physicians in several locations. Mexico City acknowledges the need for more panel physicians and has taken the initial steps to identify and approve more.

Recommendation 25: Embassy Mexico City should recruit panel physicians for nonimmigrant visa medical evaluations in Mexico City, Monterrey, and Tijuana and submit those names for Centers for Disease Control and Prevention approval. (Action: Embassy Mexico City)

The OIG team reviewed the referral program at each post as well as the handling of correspondence related to visa denials. The referral program operates well in most posts, but specific comments about the referral program in Matamoros and Guadalajara are addressed in the management controls section of the report. Most posts are handling appeals of visa denials through correspondence units that rely on templates to address all but the most unusual cases. In Guadalajara, however, the consular section uses something like to a reapplication process in which supervisor and the original adjudicator review appeal letters and decide whether to use a discouraging or encouraging form letter, depending on their review of the appeal letter's content. In January 2008, State 004261 advised all posts to terminate any written reapplication procedures because they added an "unproductive step in the visa process."

Recommendation 26: Embassy Mexico City should review the correspondence process at Consulate General Guadalajara and limit response to a visa refusal appeal to a neutral form reply advising the applicant that a reapplication is the only way to have a case reviewed. (Action: Embassy Mexico City)

Part of any successful NIV operation is the process for getting applicants in to the waiting room and then up to random interview windows as quickly as possible. There are many tools available to help with the customer-flow aspect of NIV work including electronic queuing systems, contract customer service personnel, and passport barcode scanners that link to the day's appointments. Mexico City makes good use of these tools, but not all consular sections have equal access to them or use them efficiently. Monterrey, for example, has no electronic queuing and no barcode scanners; their contract customer service personnel laboriously check an alphabetized list of applicants at the consular access control point. Monterrey's contractors also direct specific applicants to queues in front of individual officers' interview windows, which violates CA guidance on randomness. With its 16 new interview windows, Monterrey requires an electronic queuing system and a barcode reader linked to the appointment system.

Recommendation 27: Embassy Mexico City should procure an electronic queuing system and barcode scanners linked to the appointment system for Consulate General Monterrey's consular section and complete installation at the same time as the project to construct the 16 additional interview windows. (Action: Embassy Mexico City)

The OIG team also made an informal recommendation on the Matamoros applicant intake process.

Best Practice: Electronic Verification of Nonimmigrant Visa Appointments

Issue: Nonimmigrant visa applicants in almost all high-volume posts must make an appointment in order to apply. When they arrive at the embassy or consulate, an employee needs to verify that they have an appointment and that they are there at the correct time. That employee then sends them to a window where another employee issues a queuing ticket based on the requested service. In most posts, the verification must be done by hand by an employee who has a printed list of the appointments. The process is cumbersome and time-consuming.

Response: Embassy Mexico City was a pioneer in creating a new system for verifying appointments and issuing queuing tickets. When applicants arrive at the embassy, an employee scans their machine-readable passport through a reader hooked up to a stand-alone computer. The computer is linked to the appointment system. When the passport is scanned, the computer immediately verifies that the applicant has an appointment at a specified time and automatically generates a queuing ticket. This system has been installed in some of the consulates in Mexico in addition to the embassy.

Result: Mexico City's system is much faster than at other posts, allowing for a much more efficient and customer-friendly service that uses fewer personnel resources. The system is also much more reliable, as under the paper system used at most posts an employee could misuse the system to allow someone in without an appointment. Misuse is much more difficult when a post uses an electronic verification system.

Applicant Service Centers

As mentioned earlier, Monterrey and Nuevo Laredo are pilot posts for online NIV applications and for the offsite uploading of those applications and the collection of biometrics by contractors. Ciudad Juarez will become Mexico's third ASC post in February 2009. Completing these tasks before a visa applicant even enters the consulate on the day of his or her interview reduces the amount of time that applicants are actually in the consular section and provides adjudicating staff access to application information in advance of the interview. Monterrey's LE staff has become

adept at catching errors in data entry that might otherwise be overlooked in the press of interviewing, and its FPU conducts pre-validations of U.S. employers, flagging possible fraud concerns for the interviewers.

The OIG team visited both ASCs to review staffing, equipment, space, efficiency, security, and the basic integrity of the process. Although Nuevo Laredo's ASC is miniscule compared to the spacious building in Monterrey, both operations are well organized and supervised. Employees limit their interactions with the applicants to biometrics collection and the uploading of personal applicant information from a barcoded receipt keyed to an application the traveler has completed elsewhere. There is no opportunity for the contract employees to review, correct, or change applicant information or to associate information from another applicant with the photo and fingerprints of the person sitting at the enrollment station. The biometric and application information is sent to the consular section several times a day via a data cloud that protects the integrity of the personal information.

Although both posts report some problems with the fingerprint and photo quality when new contractors are hired, they can identify the work station that has a quality control problem and work with the contract employee to rectify the problem. Both posts also report a problem with data entry errors in the online application form, but that is to be expected in a country where many applicants are not computer literate. The OIG team did not detect any vulnerabilities in Mexico's ASC program, but as discussed earlier the two-day process—one day to complete biometric processing and one for the actual interview—may have discouraged visa applicants from outlying areas who now have to invest more time and money to process their visas. Once ASCs are located in secondary cities in large consular districts, this problem should be mitigated.

CA owns the computers and the peripherals used to run the remote data collection system, and the contractor maintains the infrastructure. The existing contract, however, also states that the Department will provide some support to the ASCs, without defining the limits of that support. At both pilot posts, the ASCs have called on the information management (IM) staffs to provide assistance, and CA is in the process of defining the levels and types of support required for the ASCs, along with any additional staff requirements.

American Citizen Services

All the posts in Mexico are doing an admirable job of providing services to American citizens. An estimated one million American citizens reside in Mexico, many of them dual nationals, and another 12 million Americans visit Mexico each

year. Throughout the country, but particularly in the border region, the ease of entry into Mexico (with essentially no document check whatsoever at the land crossings) means that the number of arrests, crime victims, runaways, abducted children, deportations, extraditions, and repatriations vastly exceeds that of any other country, with over 40,000 such cases in the past year.

Similarly, citizenship issues are very complex, with many Mexicans giving birth to children on the U.S. side of the border. Those children may return to Mexico and have no further contact with the United States until much later in life. Documenting these dual nationals, many of whom were born outside of hospitals; determining identity by connecting very old birth documentation with an adult now making a passport application; or confirming the ability to transmit citizenship when there are few records of the movement back and forth across the border all make these cases prone to fraud and extremely time-consuming.

WHTI, with its requirement that U.S. citizens present specific compliant documentation at the land borders, has magnified these long-standing issues. Persons who traveled back and forth for years with minimal documentation are now applying for consular reports of birth abroad or U.S. passports. Passport applications doubled in each of the past two years and, while they declined somewhat with the delay in implementing WHTI until June 2009, there remains a huge number of potential applicants for passport services. High volume posts are concerned about continued inefficiencies in the ACS automated systems for processing passport cases and have made suggestions to CA's Office of Consular Systems and Technology. If these inefficiencies can be corrected, the posts will be able to process passport applications more efficiently.

Nearly all Mexican posts benefit from experienced LE staffs that provide continuity and expertise on these unique citizenship issues. Except for the smallest operations, ELOs normally rotate between the NIV and ACS units during their two-year tours. Different posts rotate their officers with different frequencies and the posts must carefully balance the benefits of providing professional growth for ELOs with the burden that too-frequent rotations place on LE staff trainers and the loss of continuity in sensitive cases. This is particularly true in Mexico City, which has the fastest ELO rotation system. The OIG team made an informal recommendation regarding to Mexico City's ACS rotation program.

All posts in Mexico provide passport services by appointment. This is appropriate given the volume of the work. The appointment system also encourages applicants to be well prepared prior to appearing for the actual application. Mexico City requires applicants to e-mail copies of applications in advance to ensure completeness before they will schedule an appointment. This is appropriate given the history

of large numbers of clients appearing with incomplete applications and the time delays this caused. However, in the current process, Mexico City's passport unit staff then prints out the e-mailed material; enters the case data; and files it for retrieval when the applicant appears for the interview. This process is duplicative and inefficient. Doing data entry in advance of the applicant's interview results in a large number of open cases in the passport system where the applicant never follows up on the application or fails to appear for an appointment. The OIG team made an informal recommendation regarding this.

The growing violence in many parts of Mexico, combined with the frequency of hurricanes and other natural disasters, makes it imperative that all posts maintain and test their warden systems on a regular basis. Embassy Mexico City is in the process of totally revamping its American citizen registration list and warden system. This project is well underway.

The ACS unit in Guadalajara needs to be reorganized. The previous ACS unit manager instituted changes to improve the efficiency of passport services in anticipation of an increase in passport workload as a result of WHTI. The changes were, on the whole, good, but in making them he split the supervision of passport services between two LE staff members. The processing of any given passport application now is split 50/50 between two different supervisors. One of the supervisors is also responsible for managing the busy special consular services unit. This division of the passport unit in half is inefficient, and it makes it difficult to determine accountability on any given case. In addition, the way in which this reorganization was carried out has engendered bad feelings among some of the LE staff. With the arrival of a new ACS chief, the opportunity exists to reunite the passport services under one LE staff supervisor and enhance accountability.

Recommendation 28: Embassy Mexico City should reorganize the American citizen services unit of Consulate General Guadalajara so that passport services are once again under the supervision of one locally employed staff supervisor. (Action: Embassy Mexico City)

The return of property stolen from the United States and brought to Mexico is a major consular issue. The existing treaty functions smoothly with regard to cars and planes but does not address the growing number of stolen boats. There are more than 50 stolen boats in the Merida consular district (Cancun). Many come from U.S. locations, and most remain due to the current ad hoc mechanisms for identifying them and securing their return. While there is recognition in the mission that the property treaty needs to be updated, no action has been taken.

Recommendation 29: Embassy Mexico City should negotiate an amendment to the existing treaty with the Mexican government on the return of stolen property to encompass stolen boats. (Action: Embassy Mexico City)

Securing the return of stolen cars and planes requires consular sections to interact extensively with Mexican authorities and companies in the United States to verify the ownership of stolen vehicles and producing formal letters and other documentation on behalf of the recovering U.S. parties (usually insurance companies) to present to the Mexican authorities. This workload is much greater in Mexico than in other missions, and several consular sections in Mexico have one or more staff dedicated exclusively to this function. While costs for this service are included in a general fashion amid other citizen services, the full scale and costs are not captured directly in the periodic cost of service studies now reflected in the annual consular package exercise. There are fees charged for some services, such as notarial services, but the Department does not charge any specific fees for the services related to the return of stolen property.

Recommendation 30: The Bureau of Consular Affairs should include a survey in the next cost of service study to determine the costs for services related to the return of stolen property and determine an appropriate fee for such services. (Action: CA)

Fraud Prevention

Fraud prevention programs have grown rapidly in Mexico in the past several years. Mexico City and six of the consulates have ARSO-Is, and many have dedicated LE investigators. In general the programs function well. Citizenship fraud has always been the priority of the FPU, but many posts worldwide have little apparent passport fraud, and their FPUs gravitate to a visa fraud focus. WHTI requires all travelers to the United States have a passport or other compliant documentation, so there has been an upsurge in applications for citizenship documentation by purported U.S. citizens who previously used birth certificates to cross the border. Among those applications are a high number of midwife-birth cases, and a significant percentage of those have fraud indicators. This situation has reinvigorated the Mexico FPU's focus on citizenship fraud.

In most locations, the fraud prevention manager position is an ELO, who often rotates. As with other rotational ELO jobs, there are both benefits and costs to the rotational program and the frequency of the rotation must be balanced with the need for continuity.

There is little central coordination of the fraud prevention effort across Mexico. Individual post programs have grown piecemeal. Resources are not always consistent with the work demand. The FPU in Monterrey stands out as one that is well run, appropriately staffed, with clear operating procedures, and excellent coordination between the ARSO-I and the fraud prevention manager. On the other hand, some units are overwhelmed while others are generously staffed. For example Matamoros has a single LE investigative assistant, while nearby Nuevo Laredo, with a similar citizenship load and half of the visa workload, has five LE investigators.

Recommendation 31: Embassy Mexico City should conduct a mission-wide review of the workload and resources dedicated to the fraud prevention program and rationalize staffing. (Action: Embassy Mexico City)

Where there are ARSO-I positions, Mission Mexico policy is for the resident RSO to rate these officers. This works well in most locations where there is a clear understanding of the duties and responsibilities of the ARSO-I program and there is a clear way for the consular section chief and fraud prevention manager to provide appropriate input to the RSO at evaluation time. In some locations, however, the basic nature of the program should be reviewed. In both Tijuana and Hermosillo, the consular section chief and the RSO need to work more cooperatively in the spirit of the memorandum between CA and DS (2004 STATE 33360) in supervising the ARSO-I. The locally developed standard operating procedure in Hermosillo provides an excellent basis for a common understanding for assigning and carrying out the investigative duties of the ARSO-I and is a good first step.

Recommendation 32: Embassy Mexico City should reissue guidance to constituent posts about the joint nature of the assistant regional security officer-investigations program, including the relative percentage of time that should be dedicated to consular and security duties, and the shared supervision and formal input for investigator evaluations. (Action: Embassy Mexico City)

Recommendation 35: Embassy Mexico City, in coordination with the Bureau of Western Hemisphere Affairs, should create a position description, fund, and hire a second locally employed staff for the consular agency in Oaxaca. (Action: Embassy Mexico City, in coordination with WHA)

Recommendation 36: Embassy Mexico City, in coordination with the Bureau of Overseas Buildings Operations, should install two more interview windows at the consular agency in Oaxaca. (Action: Embassy Mexico City, in coordination with OBO)

The consular agency in Cancun is busier than many ACS units, and covering consular emergencies in the evenings and on weekends is particularly onerous. The Cancun consular agent and the three LE staff all take turns manning the duty phone, with each one having the duty for one week each month. Whoever has the duty deals with the emergency, which means that LE staff often call the next-of-kin in a death case, visit the local prison, or rush to the scene of an accident. There is a mechanism for compensating the LE staff for any overtime work. Even though the Cancun LE staff is dedicated and experienced, the OIG team is concerned about LE staff taking a primary and largely unsupervised role in ACS cases that would be handled by Foreign Service duty officers at any full-service post. The OIG team made an informal recommendation to pool the four consular officers in Merida, along with the three consular agents in Cancun, Playa del Carmen, and Cozumel, and the three Cancun LE staff to handle all after hours emergency calls. Personnel at any of the four sites could handle those calls that do not require on-site intervention; consular agents would be alerted on those cases requiring immediate personal attention in their cities. This would put American staff back in a lead role on the most sensitive cases and spread the burden of duty in the Yucatan more broadly.

The OIG team also made two informal recommendations for the consular agencies: the preparation of blanket travel orders for consular agents so that they can travel to remote areas of their districts on after-hour emergencies; and some access to representational funds to maintain local contacts.

RESOURCE MANAGEMENT

Mission Mexico
Resource Management
Data as of September 30, 2008 *

Agency	USDHs	US PSCs	FMA/PSAs	LES	Total Staff	Total Funding	Foot-notes
State – Program	299	0	57	589	945	\$32,306,575	1
State – ICASS	31	0	36	367	434	\$26,293,600	
State – OBO	10	4	0	7	21	\$43,237,086	
State – Diplomatic Security	34	0	6	21	61	\$3,804,852	
State – PD	13	0	1	49	63	\$4,132,162	
State – Marine Security Guard Support (MSG)	12	0	0	3	15	\$185,000	
State – INL/Narcotics Affairs Section (NAS)	2	5	1	11	19	\$21,600,000	
State – NAS – Merida Initiative	7	3	3	9	22	\$400,000,000	2,3,4
Agri-Animal and Plant Inspection Service	5	0	1	154	160	\$8,289,856	
Agriculture – Trade Office	2	0	0	5	7	\$541,411	
Agriculture – Research Service	1	0	0	14	15	\$650,786	
Agriculture – Foreign Agricultural Service	4	0	0	7	11	\$848,636	
AID – Development Assistance	4	0	0	11	15	\$22,796,000	
AID – Operating Expenses, Missions	3	0	1	6	10	\$559,454	
American Battle Monuments Commission	1	0	0	1	2	\$178,708	
Army – HQDA DCOPS, Strategic Leadership Div	0	0	0	0	0	\$0	5
Army – HQDA DCSPER Students at Foreign Civilian Training Institute	0	0	0	0	0	\$0	5
Army – Southcom, Tactical Analysis Teams (TATS)	3	0	0	0	3	\$95,000	
Commerce – U.S. Foreign Commercial Service	10	0	0	40	50	\$2,510,797	
Defense – Intelligence Agency	15	0	0	5	20	\$960,770	
Defense – Security Cooperation Agency	4	0	0	4	8	\$17,242,000	6
DHS – Customs & Border Patrol – Air and Marine	8	0	0	0	8	\$940,825	7
DHS – Customs & Border Patrol – Int'l Affairs Office	5	0	0	3	8	\$708,503	
DHS – CIS Refugee, Asylum & International Ops	10	0	0	19	29	\$2,337,518	
DHS – ICE International Affairs Office	14	0	0	7	21	\$1,822,945	
DHS – Office of Sec & Executive Management	1	0	0	1	2	\$285,645	8
DHS – Transportation Security Administration	1	0	0	1	2	\$151,999	
DHS – U.S. Secret Service	3	0	1	1	5	\$400,000	
HHS – Social Security Administration	1	0	0	35	36	\$1,642,924	
Justice – ATF	6	0	0	5	11	\$404,400	
Justice – Criminal Division	2	0	1	1	4	\$174,900	
Justice – Drug Enforcement Admin	79	0	2	22	103	\$5,083,660	
Justice – FBI – LEGATT	12	0	0	0	12	\$1,333,477	
Justice – OPDAT Prosecutorial Dev, Asst & Training	1	0	0	0	1	\$785,000	
Justice – U.S. Marshals Service	3	0	0	2	5	\$426,030	
Navy – Personnel Exchange Program	1	0	0	0	1	\$14,000	9
Northcom Office of Defense Coordination Mexico	5	0	0	0	5	\$756,000	10
Open Source Center	0	0	0	1	1	\$7,381	11
Peace Corps	2	12	0	2	16	\$1,445,634	
Treasury – Internal Revenue Service	2	0	0	1	3	\$102,099	
Treasury – Office of Foreign Assets Control	1	0	0	1	2	\$220,497	
U.S. Northern Command Joint Task Force	3	0	0	0	3	\$0	12
USAF – Personnel Exchange Program	1	0	0	0	1	\$12,000	9
Veterans Administration	0	0	0	2	2	\$74,031	
Totals	621	24	110	1,407	2,162	\$605,362,161	

* Funding amounts include operational and program budgets, but do not include ICASS costs and USDH salaries & benefits.

- 1) Program funding includes Diplomatic & Consular Program, MRV, BCC, and H&L CA.
- 2) Merida is a multi-year project with additional funding anticipated in FY 2009 and FY 2010. The FY 2009 request was for \$450 million and FY 2010 is expected to be consistent with the two prior years. INL will control funds used for law enforcement training and equipment contracts.
- 3) While none of the 25 projected LES jobs are specifically designated for EFMs, they are encouraged to apply. As of Nov 12, 2008, three EFMs have been identified to fill Merida-related positions.
- 4) USDH figure of seven includes the six-member "Administration of Justice" project team. This team may include USDHs from agencies other than State.
- 5) No data available.
- 6) Includes T-20 (security assistance funding), IMET (international military education and training funds), Sec 1206 (funding for support of the global war on terrorism), CD (counter drug funding) and CTFP (counter terrorism fellowship program funding).
- 7) Six of the eight USDHs are TDYers.
- 8) Agency newly established; the funding amount relates to FY 2009 and the LES position will be established shortly.
- 9) Reflects only administrative funding.
- 10) Includes CD (counter drug funding), O&M (operational and maintenance funding) and TCA (traditional commander's activities funding).
- 11) Employee hired in late FY08. Annualized funding would total \$32,000.
- 12) Funding amount is unknown; managed by JTFN J8, Ft Bliss, Texas.

MANAGEMENT SECTION

The management team at Embassy Mexico City provides good services to almost two dozen U.S. government agencies, the consulates, and the consular agencies, serving a total of 2,162 employees. It is an extraordinary workload in an environment of shrinking budgets and rising security concerns. The OIG workplace and quality of life questionnaire scores for Embassy Mexico City are average compared to world-wide scores. The senior management officer is a seasoned officer who is in his fifth year at post. He knows his job and has the full support of the DCM. The embassy filled the number two management officer position as the inspection began. The position had been vacant for over a year. The senior financial management officer is an experienced officer in his fourth year at post. The human resources officer is a strong multi-tour Foreign Service specialist. The general services officer is knowledgeable and provides good support to all U.S. government agencies represented in Mexico City. The level of management experience at the constituent posts varies widely. Embassy managers find it challenging to adjust to the relative inexperience of their colleagues in the field.

It is a mission priority to improve communications between the embassy and the consulates. More visits to and from the constituent posts and more training for management section LE staff will improve performance and reduce the impression at some consulates that they are marginalized and under financed relative to the embassy. The OIG team found that the embassy does share resources, but it could do a better job of explaining the budget process and the way it allocates resources through the fiscal year. More follow-up with constituent posts should focus on how each post can use the funding it receives and how to budget to make the best use of funds available. The embassy should tailor the guidance it offers and its visits to constituent posts to the experience level of the management staff at constituent posts. Done properly, this form of mentoring would reduce misunderstandings, help train officers doing management jobs for the first time, and create mission cohesion.

The embassy agrees that more travel to the consulates general will be scheduled to provide guidance and follow-up on budgeting and financial management issues.

The lack of full-time management officers at Consulate General Hermosillo and Consulate Merida hampers consulate operations. In both cases, an ELO serves part-time as a management officer and part-time as a consular officer. The embassy set these arrangements at least ten years ago when both posts were considerably smaller and did not require full-time management officers. With the increase in consular and other agency staffing at both posts, it is no longer tenable to have half-time management officers.

Recommendation 37: Embassy Mexico City should request, and the Bureau of Western Hemisphere Affairs should support, the establishment of management officer positions in Consulate General Hermosillo and Consulate Merida. (Action: Embassy Mexico City, in coordination with WHA)

INTERNATIONAL COOPERATIVE ADMINISTRATIVE SUPPORT SERVICES

The International Cooperative Administrative Support Services (ICASS) council at Embassy Mexico City has 42 members. The council chairman praises the openness and constant communication and guidance he receives from the management counselor. It is his assessment that the council is well-fused and prepared at all times to deal with the issues that arise. The chairman was very aware of upcoming challenges to the ICASS system, including an anticipated consular workload surge and implementation of the Merida Initiative.

The service descriptions and standards adopted by the council are posted on the embassy's intranet website and date back to December 2004 and January 2005. The OIG inspectors informally recommended that the standards be reviewed on an annual basis as suggested by 6 FAH-5 H-213.4.

The present level of TDY activity and the potential activity associated with the Merida Initiative and increased consular programs require a policy that will ensure costs are properly documented and collected. The embassy promulgated its TDY policy in November 2003. The ICASS Service Center issued updated guidance on this subject in July 2008. The OIG inspectors informally recommended that the embassy develop and disseminate a more current ICASS TDY policy that includes a means to account for the number of personnel at the embassy and constituent posts.

HUMAN RESOURCES

The human resources (HR) office at the embassy is well run and innovative. For example, an HR officer is training the LE staff to replace paper files with electronic ones. The HR section's scores on the 2008 ICASS survey are well above the world-wide average in all categories and are average to slightly better than average on the OIG workplace and quality of life questionnaires. The HR section was recently reorganized and strengthened by the addition of one LE staff position authorized by the ICASS council in FY 2008. There are four HR officers in Mexico, three at the embassy and one in Consulate General Ciudad Juarez. One position at the embassy has been frozen for service in Iraq. More needs to be done to reduce a backlog of 150 unfilled LE staff vacancies countrywide. Extended vacancies have had a negative effect on operations and morale. In some cases, hiring is slowed by delays in background checks that are outside the control of the HR section. Some offices have been slow to conduct interviews, causing further delays. The HR office has begun the good practice of keeping a flow chart for recruitment and hiring to monitor each vacancy so that the HR office can be proactive when delays occur at any point in the process.

The Human Resources Office

In 2007 the embassy moved a human resources officer position from Mexico City to Consulate General Ciudad Juarez. The position was filled in the fall of 2008. The officer serves as an adjunct to the HR office in Mexico City, with regional responsibility for Consulates General Tijuana, Matamoros, and Nuevo Laredo, and Consulate Nogales. The officer does position classifications for the serviced posts. This frees the HR staff in Mexico City to focus on recruitment and hiring. Since There are 150 open LE staff positions at any given time mission-wide, this is deemed a better use of resources and could expedite the hiring process. Human resources officers are not visiting the consulates general frequently enough. For example, no HR officer has visited Hermosillo in three years.

Recommendation 38: Embassy Mexico City should create, fund, and implement a travel plan for human resources officers from Embassy Mexico City and Consulate General Ciudad Juarez to visit their respective posts three times a year. (Action: Embassy Mexico City)

The workload in HR does not allow time to plan or prepare other projects, such as an LE staff retirement program. The HR office discussed such a program with the Bureau of Human Resources, Office of Overseas Employment, but there has

been no follow-up. The program would be in Spanish on video disks and available for the embassy, consulates general, and other Spanish speaking embassies.

Recommendation 39: The Bureau of Human Resources should develop and disseminate a retirement program, in Spanish, for locally employed staff at Embassy Mexico City. (Action: HR)

Civil Service Program in Ciudad Juarez

Twenty-one Civil Service visa adjudicators serve in Ciudad Juarez, Matamoros, Nogales, and Tijuana. In Ciudad Juarez, more than a dozen Civil Service officers work as adjudicators in the IV unit. Currently, Foreign Service officers replace Civil Service adjudicators who retire or transfer, and the embassy is hiring no new Civil Service visa adjudicators. The OIG team believes that the embassy should revise this policy to permit the hiring of new Civil Service visa adjudicators, with a goal of having a 50/50 allocation of Civil Service and Foreign Service officers in the IV unit.

The Department created the Civil Service visa adjudicator program in 1988 as it consolidated IV operations in Mexico in Tijuana and Ciudad Juarez. The intent of the program was to provide flexibility to hire additional staff when Foreign Service hiring was low. In addition, employees living in the United States and working in border posts allow the Department to avoid costs, e.g., residential lease costs, education allowances, cost of living allowances, differential, logistical support costs, etc. In 1992, the embassy consolidated all of its IV operations in Ciudad Juarez. In the late 1990s, Congress legislated the BCC replacement program and mandated that it be implemented in a compressed timeframe. This required a huge increase in consular staffing in Mexico at a time when Foreign Service intake was low. The Department decided to expand the hiring of Civil Service employees on limited appointments to assist in NIV adjudication. In 2000 and early 2001, however, it seemed that the NIV workload would continue to grow even after the BCC replacement program ended, and the embassy converted the Civil Service officer positions to permanent appointments.

Two events dramatically changed the perception of the civil service visa adjudicator program. After September 11, 2001, NIV demand in Mexico plummeted, and it was clear that NIV work in Mexico was subject to wild fluctuations. The second, malfeasance was discovered among Civil Service visa adjudicators in Nuevo Laredo, and there were some additional problems in Nogales and Ciudad Juarez. This, combined with the high intake of Foreign Service officers as a result of the Diplomatic Readiness Initiative, led the Department to end any further hiring of Civil Service

visa adjudicators at border posts. It is important to note that the malfeasance concerns were primarily with NIV work and that the vast majority of Civil Service adjudicators in the Ciudad Juarez IV unit have always performed their work in an exemplary manner.

The OIG inspection team believes that the Civil Service visa adjudicator program should be renewed in Ciudad Juarez with certain modifications. The reasons are as follows: (1) The end of the Diplomatic Readiness Initiative has led to another period in which intake of Foreign Service officers is not meeting service needs. Using a mix of Civil Service and Foreign Service personnel would help the Department meet those needs, and needs associated with global repositioning; (2) The Civil Service adjudicators in the Ciudad Juarez IV unit provide expertise and train the ELOs, a fact the ELOs praised repeatedly during the inspection. Having a mix of Civil Service and Foreign Service officers provides a healthy dynamic in performing this complex work; (3) Replacing Civil Service with Foreign Service officers will place increasing demands on a management operation that is already overloaded and will increase the costs to the Department of supporting more Foreign Service personnel in Ciudad Juarez.

The Department could modify the program to expand the pool of potential applicants, thus addressing a concern about long-term residents of a community adjudicating visas in their own community. For example, the Department could follow the model of the U.S. Border Patrol, which recruits nationwide. Also, successful applicants would not have to speak Spanish as a prerequisite and could be trained by the Department in the language after being hired. Finally, the Department could establish limited appointments for flexibility in adjusting to changing visa workloads.

Recommendation 40: The Bureau of Consular Affairs, in coordination with the Bureau of Human Resources and the Bureau of Western Hemisphere Affairs, should renew the Civil Service visa adjudicator program with a goal of providing a balance of Civil Service and Foreign Service personnel performing immigrant visa work at Consulate General Ciudad Juarez. (Action: CA, in coordination with HR and WHA)

HOUSING ON U.S. SIDE OF BORDER

There is growing sentiment and preference among Foreign Service personnel posted to Consulate General Ciudad Juarez to live on the U.S. side of the border. Other border posts did not express similar interest. The growing crime rate in

Ciudad Juarez – almost 1200 murders in the first ten months of 2008 and frequent displays of grisly narcotics-related violence – is one reason. Another reason is the commuting time to schools on the U.S. side of the border, which most children attend, and the resulting difficulty in participating in extracurricular activities. Giving officers the option of living on either side of the border appears simple on its face, but it is not. Possible issues include credit for an overseas assignment, loss of allowances (education, differential, cost of living), loss of in-depth local knowledge, and payment of locality pay. Resolution will require legislation, such as that which entitles Civil Service employees working at border posts in Mexico to be eligible for border equalization pay, which is equivalent to locality pay. Success in resolving these issues could result in a more satisfied workforce, help attract more qualified bidders, reduce the security risk of living in a high crime environment, and improve the opportunities for school-aged dependents.

Recommendation 41: The Bureau of Human Resources, in coordination with the Bureau of Western Hemisphere Affairs, should develop and implement a plan that gives incentives and provides the option for Foreign Service personnel assigned to the border posts in Mexico to live on the United States side of the border. (Action: HR, in coordination with WHA)

FAMILY MEMBER EMPLOYMENT

An LE staff employee administers the embassy's Strategic Networking Assistance Program (SNAP), which is funded by ICASS. The program is limited to Mexico City, although the Family Liaison Office recently established a regional employment advisor position in Mexico City that will cover several U.S. embassies in the region, as well as the constituent posts in Mexico.

At the time of the inspection, the SNAP coordinator had approximately 30 clients and a placement rate of about 14 per year. Eighteen family members are employed outside of the embassy. Prospective clients complete a questionnaire and submit a draft resume as a departure point for the SNAP process. Several challenges face the coordinator and her clients. Meeting client expectations in terms of commute, salary, hours, and job portability is sometimes difficult. Relationships with the network of employers can be delicate, particularly if an employee terminates after working only a short while, as has happened in the past. The two-year tour of duty for Foreign Service employees assigned in the embassy translates realistically to a

potential 16 to 18 month term of employment. This does not appeal to many employers. Part of that downtime is the result of the work permit process, which takes approximately six weeks. The SNAP coordinator spends about 30 percent of her time assisting clients to get work permits.

FINANCIAL MANAGEMENT SERVICES

The ICASS budget of \$26 million is one of the Department's most complex, and the \$32 million program budget is one of the largest in the world. Financial management at Mission Mexico manages a large volume of work for the consulates and consular agencies. Skillful management is necessary, and Mission Mexico is fortunate to have a dynamic team of financial officers. The senior financial manager has strong organizational skills. He has reorganized the accounting and voucher sections. He has cross-trained local staff in all positions. The deputy financial manager is a professional accountant with good interpersonal skills. During two years at post, she has corrected discrepancies in cashiering and streamlined budget preparation. The third officer is new to financial management. She has trained voucher examiners and certified payments according to regulations. Delays in getting its allotments during the fiscal year, and changes the Department imposes make it difficult for the embassy to fund the consulates in a timely fashion. For example, after receipt of the initial embassy target ICASS budget for FY 2009, the Department took back \$0.9 million in exchange rate adjustments.

The three financial management officers work long hours to maintain solvency of mission funding. The section has experienced a high turnover in its LE staff. This has caused some disruption and delays in processing a caseload that totals over 100,000 fiscal obligations annually, and caused less than ideal support for 11 Class B cashiers countrywide and for the 38 purchase card holders. At the time of the inspection, the finance section was hiring one senior accountant, had four LE voucher staff awaiting security clearances, and two other voucher staff in training.

To reduce the impact of delayed voucher payments, the embassy could utilize Financial Service Center Charleston's post support unit (PSU), which provides off-site support for vendor payments. The embassy used the PSU for a backlog of travel vouchers in late summer when the impact of financial management office vacancies was worst. The results were mixed because the voucher section at the embassy had to take questions from the PSU about vouchers submitted from constituent posts. The inspectors recommend that the PSU option be tried again, with consulates directly responding to PSU questions on vouchers.

Recommendation 42: Embassy Mexico City, in coordination with the Bureau of Resource Management, should contract to utilize the post support unit for processing routine vouchers directly with the embassy and all consulates. (Action: Embassy Mexico City, in coordination with RM)

Budgeting – Coordination with Constituent Posts

The financial management section has taken some positive steps recently to involve consulates in the budget process and improve transparency. For example, it provides consulates with operating allowances, which represent a source of discretionary funding above and beyond fixed expenses, e.g., salaries and utility costs. It also allocates representation funds in a manner that is timely and transparent. Notwithstanding these process improvements, shortcomings remain in budget planning, execution, and management that hamper operations, particularly at constituent posts, most of which were consistent in their complaints of lack of funding to accomplish even the smallest and most fundamental tasks.

Although the financial management section issues an annual call for specific line item budget input from its serviced consulates, it issues lump sum operating allowances that do not correlate with the detailed input provided by posts. Moreover, the embassy management office reserves the right, on a case by case basis, to disallow requests to use operating allowances. This detracts from the discretionary nature of the allowance, disempowers constituent posts, and causes general confusion regarding the budgeting process. Requiring consulates to request funds for most procurement transactions – including every petty cash purchase, every purchase card purchase, and every blanket purchase agreement call – adds to a cumbersome process and helps generate a clear impression among constituent posts that funds are not available for any activity. Finally, continuing resolutions and the wide range of management expertise at constituent posts add to Mission Mexico's financial management challenges.

The OIG inspection team believes that increased involvement and empowerment of constituent posts would enhance financial management operations. Correlating operating allowances with specific line item budgets for each post would clearly define a budget that consulates could execute and manage, as well as give posts a basis for reallocating fungible monies and/or requesting additional funding. Defining specifically what discretion consulates have and do not have over their operating allowances would empower them, while increasing their responsibility and accountability for sound financial management. Providing an automated means, such as a custom

GENERAL SERVICES

The general services operation (GSO) in Embassy Mexico City is complex and challenging. The overall level of satisfaction with general services in Mexico City tends to be lower than that of other management areas in the OIG questionnaires. Motor Pool and Attention to Fire and Safety Measures were ranked higher than most items.

Integrated Logistics Management System

The integrated logistics management system (ILMS) is the Department's enterprise system for logistics management, providing a web-based commercial off-the-shelf application that enables the embassy to manage logistics, in a single system, from acquisition through disposal. Mission Mexico deployed the ILMS in January 2008. The full application was not adopted at all constituent posts. Mexico City is using the full system.

Mexico is the largest mission at which the Department has deployed ILMS. The Office of Logistics Management has made a strong effort to ensure success, including sending an expert trainer to Mexico City just prior to the end of FY 2008. Nevertheless, there have been some problems with the deployment.

Some FY 2008 funds were lost when purchase orders were not funded in time, but action personnel neglected to forward the completed orders to vendors before the midnight, September 30, deadline. The mistake was documented by the web-based system, and some procurement offices were surprised to learn that one-year funds were irretrievably lost as a result. It would be wrong to attribute the results to the ILMS system. Rather, this experience highlights the need to complete procurement actions prior to the midnight deadline, as the ILMS system eliminates the "fudge factor."

The inability to draw down bulk funding efficiently while using the Ariba acquisitions application is cumbersome for financial management. Embassy Mexico City has 38 purchase card holders and finds the workload associated with Ariba to be excessive. In addition, financial management has not found a method to prioritize procurement requests once they are initiated in the Ariba application. These two issues have been brought to the attention of the Office of Logistics Management, but with no resolution to date. The OIG will address this issue in a separate memorandum.

The embassy's financial management officer expressed concern that the extra work associated with ILMS adversely affected the FMC's productivity. The inspectors found that the need to enter data in both the accounting system and ILMS (as part of the procurement approval flow) was causing dissatisfaction. This situation will be corrected over time once the Bureau of Resource Management modifies the Regional Financial Management System, which will allow one-time data entry to serve both systems. The OIG will also address this issue in a separate memorandum.

Full ILMS usage at all posts would produce mission-wide efficiencies. At the time of deployment in January 2008, some posts adopted some applications but not others.

Recommendation 44: Embassy Mexico City should request, and the Bureau of Administration should provide, training to management staff in Consulates General Ciudad Juarez, Monterrey, Nuevo Laredo, and Tijuana, and Consulate Nogales, to enable those posts to adopt the full Integrated Logistics Management System suite of applications. (Action: Embassy Mexico City, in coordination with A)

The procurement section at Consulate General Ciudad Juarez ratified more than 40 unauthorized commitments made prior to the current general services officer arriving at post early in 2008. Since his arrival, no additional unauthorized commitments have been made. The procurement LE staff has relatively little experience and need more training. Their workload is increased by a process requiring every petty cash purchase and purchase card purchase be processed as a purchase order. If bulk funding were a practice, these purchases would be speedier and easier. Moreover, if the public diplomacy section had its own purchase card, that would reduce the workload for the procurement section. The OIG team informally recommended that the general services office assist the public diplomacy section in applying and qualifying for a purchase card.

The procurement clerk at Consulate General Tijuana has never received procurement training. The OIG team informally recommended that the consulate make this a priority.

Motor Pool

Two Mexico City motor pool areas received some of the highest customer ratings among the OIG workplace and quality of life questionnaires. Leadership of the motor pool is reportedly responsive and service-oriented. A check of vehicle

records on file confirmed that the daily vehicle record forms are completed properly and that passengers are signing the logs. Motor pool chauffeurs require passengers to fasten their seatbelts. The embassy motor pool has seen the area available for its operations shrink as the space is taken for additional workspace for other sections of the embassy. The GSO uses creative solutions, including the installation of vehicle lifts, to make the most of available space and maintain good motor pool service.

The Mexico City “Authorized and On Hand Vehicles Report” showed 70 vehicles on hand. A physical inventory of motor vehicles, carried out by the motor vehicle supervisor with an inspector present, found that 19 vehicles shown on the report could not be identified. The motor vehicle supervisor reported that the 19 vehicles were unknown to motor pool staff.

Three vehicles in use in the Mexico City Motor Pool appear on a working list, provided by the motor pool supervisor, annotated “Donation USAID,” but do not appear on the “Authorized and On Hand Vehicles Report.” OIG was told that the USAID vehicles were consolidated with the embassy motor pool as part of the Joint Management Initiative. Two USAID vehicles in use at Consulate General Ciudad Juarez are not on that post’s “Authorized and On Hand Vehicles Report.”

The physical inventory of motor pool vehicles at Consulate General Nuevo Laredo confirmed the accuracy of the “Authorized and On Hand Vehicle Report” for that post, with the exception of one vehicle shown twice. The GSO could not explain the discrepancy. Consulate General Nuevo Laredo has a small management staff supervised by a newly hired Civil Service management officer. The OIG inspectors advised the officer to reconcile post’s inventory records with the assistance of GSO at the embassy and the Office of Logistics Management Motor Vehicle Branch in Washington, DC.

The contradictory information found at the embassy and in constituent posts’ inventories is sufficient to conclude that motor vehicle inventories are inaccurate.

Recommendation 45: Embassy Mexico City should conduct a mission-wide physical inventory of all State Department vehicles on hand, compare and reconcile the results of the inventory with the Authorized and On Hand Vehicles Report, and update the inventories in the integrated logistics management system. (Action: Embassy Mexico City)

Eight vehicles on Embassy Mexico City’s vehicle inventory have sales authorizations, one with a date of September 9, 2005. Comparison of the sale authorization date for program vehicles, with the In-Service Date shown for the same or similar

type of program vehicle, indicates six program units have been kept in service in Mexico City after receipt of replacements.

Recommendation 46: Embassy Mexico City should conduct a fleet review to ensure its fleet is configured and in compliance with the regulatory guidance, and that vehicles are assigned and used properly. (Action: Embassy Mexico City)

Property Management

Property management in the mission is generally satisfactory. There are, however, some exceptions that require immediate attention. The mission can make better use of the U.S. logistics center in Brownsville, Texas, to manage its property holdings. The 28,000 square foot Brownsville warehouse is ideally suited for maintaining a standardized stock of appliances and furniture, sufficient to support serviced posts.

Property records in Mexico City's warehouse are current. The entry area is not an ideal receiving area, but it works. A separate area for welcome kit storage and preparation is clean and well-organized. Mexico City separates property management duties in accordance with the guidance in 14 FAM 411.2.

Property records at the consulates are generally adequate and warehousing sufficient for posts' needs.

Property management duties in Monterrey are not properly separated. One employee is assigned as both receiving clerk and property clerk and is responsible for annual inventories. Remedial action for posts where the number of employees precludes separation of duties is provided in 14 FAM 411.2.

Recommendation 47: Embassy Mexico City should separate property management duties at Consulate General Monterrey so that no one employee is performing the duties of receiving clerk and property clerk, participating in annual inventories, and conducting and documenting a management review twice annually. (Action: Embassy Mexico City)

At Consulate General Monterrey, warehouse holdings include upright household freezers still in their shipping cartons. The GSO reported that the reason for warehousing freezers was unknown because Monterrey does not provide them as part of

the standard household kit. The OIG team informally recommended to the management officer that post either make the freezers available for issue as additions to household inventories or consider offering them to other posts in Mexico.

At Consulate General Matamoros there is a covered, indoor space that is used to store office equipment and office and household furnishings. It is not a proper warehouse. Items in storage appeared to be mostly in usable condition, but the space is also used to hold items that are unusable. The OIG team made an informal recommendation that Consulate General Matamoros dispose of unusable items in its storeroom and survey the remaining items for usability; it should then take action to preserve, protect, or offer for transfer within the mission, any unneeded but usable items.

At Consulate General Nuevo Laredo, a large amount of excess property has been allowed to collect in hallways, closets, and in covered outdoor spaces. The newly arrived management officer plans to identify, justify, and lease a warehouse. Considering the consulate general's relatively small size, it would be more advantageous to dispose of the items by selling them or transferring them within the mission, and keep the minimum necessary in commercial storage. The OIG team made an informal recommendation that Nuevo Laredo request, and that Mexico City provide, assistance with disposal actions.

The LE staff member responsible for nonexpendable property management completed residential property inventories, but the responsible officer failed to sign them in a timely manner. The OIG team informally recommended that the consulate general reconcile inventories and sign them promptly. The GSO began corrective action immediately.

The OIG inspectors reviewed GSO at Consulate General Tijuana and found no significant discrepancies. The nonexpendable property inventory is up-to-date, but includes many items that should be sold. There has not been a disposal sale at the consulate general in a year. The OIG team informally recommended that the consulate hold a sale as soon as possible.

Management officers at all posts spoke of their sections' active management of year-end spending. Their remarks, along with observations of warehouse holdings, attest to the large proportion of the mission's property acquisitions that are done in the last quarter of the fiscal year. Posts are effectively banking funds in the form of excessive property procurements and then storing the property in warehouses, without reference to any demonstrated future need. The past practice of storing large amounts of expendable and nonexpendable property in warehouses to moderate the effects of long supply chains is wasteful and unnecessary in Mexico. The

The IM program is also responsible for switchboard operations, telephone and radio management, and the classified and unclassified pouch operations. OIG inspectors reviewed these operations and found that the embassy follows the Department's policies and guidelines. OIG survey results showed that all services are adequate mission-wide.

Embassy Mexico City's information management officer (IMO) oversees the information systems and information processing centers for the mission. In addition to the IMO, the section includes an information systems officer, who oversees unclassified systems, and an information program officer in charge of the classified systems. There are three American officers and 13 LE staff supporting Mexico City's unclassified systems. Twenty LE staff provide operator and switchboard support and telephone and radio support as well as pouch operations support. Overall, the IM office supports 900 users, 690 personal computers, and 19 servers. The information processing unit has six IM specialists who support the classified network, which consists of approximately 169 users, 80 workstations, and seven servers.

The consulates, with one exception, have one American information program officer to oversee and manage IM operations. The consulate user communities range between 50 and 300 users. It should be noted that consulates such as Tijuana, Monterrey, Ciudad Juarez, and Guadalajara are the size of medium-sized embassies. Ciudad Juarez has an additional IM specialist position that has not been filled and one civil service position to help support operations.

In addition to the regular duties described above, the IM sections of the embassy and the consulates provide support to consular agencies, large visits, pilot programs such as state messaging and archive retrieval toolset, and the ASCs in Monterrey and Nuevo Laredo (See the consular affairs section of this report for a discussion of the ASCs). Although consular agencies tend to operate with one or two personal computers, the consular agency in Puerto Vallarta has a dedicated Internet network that includes seven workstations, one of which also doubles as a server, printers, a firewall, e-mail, and an Internet connection. The Puerto Vallarta consular agency also has a phone system that Mexico City's IM technical specialist has maintained and repaired when necessary.

On the horizon, the Merida Initiative will add an additional large contingent of personnel that will need IM support. A discussion of this issue is included in the management section of this report.

Embassy Mexico City, as well as most of the consulates, rely on the logistics facility in Brownsville to receive their household effects, privately owned vehicles, and official and personal mail. The facility is located in Brownsville, Texas, a few

miles from Consulate General Matamoros. The warehouse is a one-story commercial building. The Department is the only occupant and there is an OpenNet connection. The warehouse is organized and clean and the mail movement appears to run smoothly and efficiently. The actual movement of the mail from Brownsville to and from our missions throughout Mexico is performed by a Mexican carrier service.

Unlike most posts in the Foreign Service, Embassy Mexico City and the consulates are not hampered by mail restrictions. All employees can send mail, including large packages that enter the U.S. postal system from the Brownsville facility. Since most consulates in Mexico have staff as large as many embassies, the processing of unclassified mail is a major operation that has a large impact on both the LE staff and American staff. The Matamoros information programs officer visits Brownsville each workday in order to collect mail, provide systems support, and back up the system.

The OIG team also counseled Embassy Mexico City and consulates on issues such as documentation, access management, IM space physical security, audit and accountability, configuration change management, and IM best practices. The mission addressed most concerns to the satisfaction of the OIG team, and some mitigation activities remain in progress.

The IMO is unable to plan travel effectively to the constituent posts for technical, TDY, and information security support. IM travel requirements were included in the mission budget plan but were not earmarked for IM travel. The IMO needs to have a formal travel plan approved by management for this section to perform effective support for consulates and consular agencies. Without a dedicated travel plan, the IMO is unable to be proactive, resulting in a reduction in service.

Recommendation 52: Embassy Mexico City should create, approve, and fund a formal information management travel plan. (Action: Embassy Mexico City)

Consulate General Hermosillo submitted a request for an IM LE Staff position to ICASS that was approved and ranked highest in importance. However, it was bypassed because Consulate General Ciudad Juarez required additional personnel to staff this new building. Two LE staff support all IM functions in Hermosillo, including mail, phone, and radio, and due to increased consular support additional staff is needed. Without the additional position, the IM staff will be unable to keep up with the excessive workload.

Recommendation 53: Embassy Mexico City should create and fill an additional information management locally employed staff position in Consulate General Hermosillo. (Action: Embassy Mexico City)

Consulate General Nuevo Laredo and Consulate General Matamoros are storing an excessive amount of used IM hardware. This problem was caused by the yearly scheduled global information technology modernization equipment refresh and other upgrades that provided new equipment. The excess equipment is unnecessary and competes for limited storage space.

Recommendation 54: Embassy Mexico City should dispose of excess information management equipment in Consulate General Nuevo Laredo and Consulate General Matamoros. (Action: Embassy Mexico City)

The IM LE Staff is in charge of all aspects of the cell phone program in Mexico City, including procurement. The cell phone program at post is often thought of as an IM function only. At a minimum, the GSO should handle procurement and billing to ensure separation of duties. The OIG team made an informal recommendation on this matter.

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The OIG team found that Consulate Merida had not completed the information systems documentation required by 12 FAM 620, including contingency plans and standard operation procedures. Documentation of all aspects of computer opera-

tions and support is necessary for efficient and consistent operation and for the continuity of business operations. The OIG team made an informal recommendation on this matter.

Information Security

Embassy Mexico City operates a comprehensive information security (IS) program. The consulates perform IS duties as workload dictates. Their IS duties vary from a complete program to minimal IS duties such as incident response and patching only.

Embassy Mexico City has a regional information systems security officer (RISSO) whose duties include IS management in Mexico City and oversight of the information systems security officers at the consulates. Currently the RISSO's focus has been mostly on Embassy Mexico City, where she has created a comprehensive IS program. The travel budget for the RISSO has been limited. In discussions with the IMO, it was suggested that the RISSO accrue some of the duties from the information security officers at the consulates, thus alleviating them of workload. These duties could include review of audit logs, search for inappropriate material on the user folders, personal computers and e-mail, and cybersecurity awareness training.

Best Practice: Systems standard operating procedures documentation

Issue: Consulate General Ciudad Juarez and Consulate General Monterrey have comprehensive IM offices that support over 200 users and consular sections with high visa workloads. To provide efficient and timely support, IM staffs need to follow standardized processes and procedures.

Response: Consulate General Ciudad Juarez and Consulate General Monterrey developed detailed systems standard operating procedures. These documents outline basic IM functions, such as account creations, daily system checks for opening and closing, and miscellaneous systems management procedures.

Result: Both consulates scored high in the customer satisfaction survey for all information management services.

QUALITY OF LIFE

COMMUNITY LIAISON OFFICE

The community liaison office (CLO) coordinator at the embassy in Mexico City and her assistant are fully engaged in the eight areas of CLO responsibility. This is a challenge given the size and diversity of the embassy community. A large percentage of employees are from non-foreign affairs agencies and unaccustomed to living overseas. Orienting them to a new environment and assisting them in adapting to embassy life is particularly important. The CLO focuses much of its time and energy in the area of welcoming and orientation. The coordinator has made great efforts, in close collaboration with the management counselor and the Department's Office of Overseas Schools, to address some concerns at the Department-sponsored American school (b)(2)(b)(6)(b)(2)(b)(6). Despite the workload and the extremely large client base, the CLO still makes the time to organize community activities, publish a weekly newsletter, and participate in various mission committees. The CLO in Tijuana is effective and provides valuable service to the consulate community. Consulate General Hermosillo has asked for a part-time CLO position, and it is needed. ICASS funding is pending.

MEDICAL SERVICES

The health unit in Mexico City faces significant challenges. WHA and the Office of Medical Services are working together to establish a new regional medical officer position at the embassy that will provide medical coverage mission-wide. When the new position is filled, the medical unit will be appropriately staffed by a regional medical officer, a regional psychiatrist, a Foreign Service health practitioner, and a regional medical technician.

The space allotted to the health unit at the embassy is small and poorly configured for an operation that sees about 400 patients per month and conducts activities that include routine medical procedures, laboratory testing, and psychiatry. There is no dressing room for patients, the regional medical technician's office is in the ante-

room to the men's toilet, and the lab testing area is not segregated from foot traffic. The psychiatrist's office does not afford private access. The health practitioner has developed a plan that would make more efficient use of existing space and add some contiguous space now shared with another office.

Recommendation 55: Embassy Mexico City should implement its plan to reconfigure the health unit space to enhance the safety, efficiency, and effectiveness of medical and clinical operations. (Action: Embassy Mexico City)

Not enough is being done at the embassy for emergency preparedness. Considering the possibility of an earthquake or other mass casualty event and the large size of the embassy community, it would behoove the embassy to include the health unit personnel as much as possible in emergency planning and seriously consider after action review recommendations. The OIG team made an informal recommendation to this effect.

Medical services at constituent posts are mixed and should be addressed collaboratively to ensure that each post has adequate medical capabilities, particularly in the fundamental areas of emergency medical services and primary care. For example, Consulate General Ciudad Juarez transports emergency patients to El Paso, but Mexican ambulances are not permitted to cross the border; therefore, the patient must be transferred to an American ambulance. No process or mechanism exists to facilitate this handoff. Consulates General Ciudad Juarez and Hermosillo do not have easy access to primary care physicians who have contacts and access to specialists on both sides of the border. Finally and ironically, Ciudad Juarez's new consulate building has space set aside for a health unit, but the consulate general has been unsuccessful in its efforts to find a health professional to staff the unit.

Recommendation 56: Embassy Mexico City should develop and implement a plan to ensure defined and effective emergency and primary medical care for constituent posts. (Action: Embassy Mexico City)

SCHOOLS

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embassy tried to ameliorate the situation, engaging leadership and enlisting the help of the Office of Overseas Schools. The collaborative effort to resolve the problems has yielded positive results.

has minimized, if not eliminated, the problem by a combination of outreach, education, and disciplinary action.

and parents have considerable choices of schools. The embassy worked with offices in the Department to resolve the out-of-pocket tuition payments by increasing the educational allowance and taking the extraordinary step of establishing an allowance for schools away from post. This approach and the outcome represent excellent teamwork among various entities, including embassy management, the CLO, the Office of Overseas Schools, and the Office of Allowances.

The most serious school issue at Consulate General Ciudad Juarez centers on the location of schools in the United States, rather than in Mexico, and the collateral effects. Challenges include crossing the border every day, long commuting times for students, and difficulties in participating in extracurricular and student social activities. Anecdotes abounded regarding parents driving their children to El Paso for school and remaining there until school was over. Some parents recommended that officers with school-age children not bid on the post. The consulate's management office procured two buses and contracted for drivers to improve the commuting problems. The GSO is also relocating housing to areas closer to the new consulate compound and a border crossing that may shorten the commuting time, but they expect only a marginal improvement. Parents of school-age children agreed that being able to live in the United States would be a desirable option to ameliorate the school problem.

EQUAL EMPLOYMENT OPPORTUNITY AND FEDERAL WOMEN'S PROGRAM

Mission Mexico's EEO program, which includes nine consulates, is active in all but two consulates. The HR section monitors the EEO program but does not have a formal mechanism to verify the current status for counselors. In the seven consulates and the embassy, EEO counselors have completed 32 hours of training by the Office of Civil Rights and have on-going programs. In Consulate General Guadalajara there is a newly arrived and trained officer. In Consulate General Tijuana the counselor has been in the position for nearly three years, but never received training. During interviews in both Tijuana and Guadalajara, American and LE staff

indicated there were issues of EEO concern. The OIG team informally recommended that the embassy send experienced EEO counselors to those two consulates to provide immediate on-site training and advice.

Section 1514.2 of 3 FAM requires the Ambassador to appoint an EEO counselor at a post where there are more than 50 employees, including LE staff. Counselors must be approved by the Office of Civil Rights. There is no mission-wide operating procedure for the program. The embassy should also identify at least one non-American LE staff liaison for EEO issues. Some consulates include LE staff as ex-officio counselors, and others do not. The OIG team informally recommended that Embassy Mexico City include LE staff for EEO liaison and update its EEO policy statement to that effect.

Federal Women's Program Managers have been identified at the embassy and constituent posts. However the management notice on the program is almost two years old and is not up to date.

Recommendation 57: Embassy Mexico City should establish a policy to annually review and publish a mission-wide standard operating procedure on Equal Employment Opportunity and the Federal Women's Program, including a current listing of all counselors. (Action: Embassy Mexico City)

RECREATION ASSOCIATION

Mission Mexico has two employee associations, one at Consulate General Ciudad Juarez and one at Embassy Mexico City. Audit reports for both associations are submitted annually and the association boards monitor operations to ensure profitability. The boards also have a defined membership program and perform unannounced cash counts monthly.

MANAGEMENT CONTROLS

Mission Mexico submitted its 2008 Chief of Mission Statement of Assurance on August 15. The four areas cited as potential material weaknesses or significant deficiencies should be considered in the context of the size and complexity of the mission.

Designations of officers for specific post responsibilities are published in a management announcement. Management section officer assignments conform to separation of duties guidance in 14 FAM.

USE OF U.S. GOVERNMENT VEHICLES

Embassy Mexico City and its constituent posts are allowing certain duty personnel to use self-drive U.S. government vehicles for home-to-office transportation per 14 FAM 418.2-3. The embassy has interpreted the regulations to allow use of a government vehicle for home-to-office transportation at no charge to the employee based on a memorandum signed by the Ambassador.

Embassy Mexico City's home-to-office transportation memorandum dated September 25, 2006, is not in conformance with 14 FAM 418.2-3 (D) and 14 FAM 418.2-4. The mission does not document the unique and unusual circumstances that would justify the use of official vehicles for duty officers, nor does the memorandum authorizing home-to-office transportation include a written finding specifying the duration of the approval. Finally, the provision of home-to-office transportation at no charge during normal business hours is not in conformance with explicit guidance in 14 FAM 418.2-4.

Recommendation 58: Embassy Mexico City should draft and implement new policy guidance to bring its mission practices on home-to-office transportation and collection of charges for other authorized use of U.S. government vehicles into conformance with current Department directives. (Action: Embassy Mexico City)

As noted earlier in this report, there are questions that need to be resolved regarding the accuracy of motor vehicle inventories mission-wide. The issue was discussed during the inspection with management officers. The section recognizes the importance of inventory accuracy and at the time of inspection had begun a vigorous effort to reconcile Mexico City's inventory and assist constituent posts to do the same.

FINANCIAL MANAGEMENT

Financial Services Center Charleston can transmit funds to vendors in Mexico only if their accounts are with Banamex Bank. (b) (2)(b) (2)(b) (2) (b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2) . A majority of these checks are sent to Mexico City for deposit at a bank that will in turn wire transfer the money to the vendor accounts. Many checks are hand delivered both at the embassy and at constituent posts. At the embassy, inspectors observed over 20 vendors picking up checks in the lobby. (b) (2)(b) (2)(b) (2)(b) (2)(b) (2) (b) (2)

The Debt Collection Improvement Act of 1996 requires that all federal payments be made via electronic funds transfers (EFTs) by January 1999. (b) (2) (b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2) (b) (2) Banamex has offered to work, at no cost to the U.S. Government, with the Financial Service Center in Charleston and assist in setting up EFTs. In response to the embassy's request, the center replied that when other countries' EFT capabilities are completed they would return and expand the embassy's. The size and scope of this mission makes EFT of all vendor payments a priority.

Recommendation 59: The Bureau of Resource Management should direct the Financial Service Center to implement electronic funds transfers for Embassy Mexico City and all constituent posts. (Action: RM)

Embassy Mexico City uses the standard continental United States per diem rate as a basis for reimbursing employees for overland travel to post, rather than the non-standard area rates, which would consider the specific location at which the traveler overnights. In 2008 the embassy processed over 200 of these reimbursements. When the traveler crosses the border, Mexico per diem rates take effect. This is a longstanding policy supported by the Bureau of Human Resources, which funds permanent change of station travel, but a traveler recently challenged the policy

and requested reimbursement based on the applicable non-standard area rates. The financial management section contacted the Bureau of Resource Management, which verified that the non-standard area rate was valid.

The OIG team advised post to consult with HR and RM to ensure agreement on which rate to use, but there still appears to be uncertainty as to the answer. If non-standard area per diem rates are used, the embassy should consider using the PSU to assist with the backlog, depending on how far into the past corrective action will reach.

Recommendation 60: The Bureau of Human Resources, in coordination with the Bureau of Resource Management, should verify the per diem rate of reimbursement for permanent change of station travel to Mexico when land travel from the United States is used. (Action: HR, in coordination with RM)

CONSULAR MANAGEMENT

In general, consular management controls Mexico-wide are adequate. (b) (2)
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The annex where Matamoros processes NIVs also houses the information technology staff and the consulate general telephone operator; therefore, access to the annex building cannot be limited to consular personnel. (b) (2)(b) (2)(b) (2)
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Both the consulates general in Matamoros and Guadalajara have been using informal referrals in violation of CA's guidance on the referral program. In Matamoros, the standard referral program ceased at least two years ago under unclear circumstances. In Guadalajara, some officers were writing recommendation letters that applicants brought in at the time of interview, and others were passing on verbal referrals when their contacts did not meet standard referral guidelines. Consular management did not immediately stop this practice or bring it to the attention of the principal officer or CA, even when some of the informal referrals related to applicants with serious visa ineligibilities.

Recommendation 64: Embassy Mexico City should conduct refresher referral program training at Consulates General Matamoros and Guadalajara and implement countrywide standard operating procedures for reporting immediately to the minister counselor for consular affairs any attempts to circumvent the standard referral program. (Action: Embassy Mexico City)

LIST OF RECOMMENDATIONS

Recommendation 1: Embassy Mexico City should include in the work requirements statements of section heads their responsibilities for operational oversight of constituent posts in their specific subject areas. (Action: Embassy Mexico City)

Recommendation 2: Embassy Mexico City, in coordination with the Office of Policy, Rightsizing, and Innovation, should update its rightsizing report. (Action: Embassy Mexico City, in coordination with M/PRI)

Recommendation 3: Embassy Mexico City, in coordination with the Bureau of Western Hemisphere Affairs, should prepare a mission-wide political reporting strategy that is cleared within the mission and with appropriate Washington consumers and is updated on a quarterly schedule. (Action: Embassy Mexico City, in coordination with WHA)

Recommendation 4: Embassy Mexico City should appoint an officer as overall coordinator of political reporting from constituent posts, design and implement a plan of regular visits by political section officers to constituent posts, and implement a schedule of regular meetings or conferences with consulates that have reporting responsibilities. (Action: Embassy Mexico City)

Recommendation 5: Embassy Mexico City should request, and the Bureau of Western Hemisphere Affairs should support, the creation of a mid-level political/economic officer position at Consulate General Guadalajara. (Action: Embassy Mexico City, in coordination with WHA)

Recommendation 6: Embassy Mexico City, in coordination with the Bureau of Western Hemisphere Affairs, should strengthen reporting on border issues by clarifying goals, reorganizing areas of responsibility as necessary, holding a conference of border reporting officers, and using a border working group to provide more oversight and guidance. (Action: Embassy Mexico City, in coordination with WHA)

Recommendation 7: Embassy Mexico City should request in its fiscal year 2011 and subsequent Mission Strategic Plans additional positions to staff each border consulate with a reporting officer. (Action: Embassy Mexico City)

Recommendation 8: Embassy Mexico City should request, and the Bureau of Western Hemisphere Affairs and the Bureau of Human Resources should approve, an upgrade of reporting officer position 20-505010 in Consulate General Matamoros to a mid-level grade. (Action: Embassy Mexico City, in coordination with HR and WHA)

Recommendation 9: Embassy Mexico City should add one locally employed staff position to Consulate General Monterrey to support the economic and political reporting functions. (Action: Embassy Mexico City)

Recommendation 10: Embassy Mexico City should approve the request by the Department of Treasury to establish a position in the embassy and should integrate it into the economic section. (Action: Embassy Mexico City)

Recommendation 11: Embassy Mexico City, in coordination with the Bureau of Human Resources and the Bureau for Democracy, Human Rights and Labor, should downgrade the labor officer position to a mid-level position and recruit to fill it in the 2010 assignment cycle. (Action: Embassy Mexico City, in coordination with HR and DRL)

Recommendation 12: Embassy Mexico City should amend the work requirements statement of the environment, science, technology, and health officer position in Consulate General Tijuana so the minister counselor for economic affairs is the reviewing officer. (Action: Embassy Mexico City)

Recommendation 13: Embassy Mexico City, in coordination with the Bureau of International Narcotics and Law Enforcement Affairs, should develop and implement a plan for proper oversight of the Merida Initiative programs. (Action: Embassy Mexico City, in coordination with INL)

Recommendation 14: Embassy Mexico City should re-assess the Embassy Intelligence Fusion Center to determine how best to achieve its counterterrorism goal of sharing interagency law enforcement and intelligence information on an operational and analytical level. (Action: Embassy Mexico City)

Recommendation 15: Embassy Mexico City should request, and the Bureau of International Narcotics and Law Enforcement Affairs should approve and fund, the reinstatement of a locally employed staff public affairs position in the narcotics affairs section for the implementation of the Merida Initiative. (Action: Embassy Mexico City, in coordination with INL)

Recommendation 16: Embassy Mexico City should expand liaison mechanisms in Tijuana that include U.S. and Mexican law enforcement representatives to coordinate bilateral law enforcement issues within the Tijuana consular district. (Action: Embassy Mexico City)

Recommendation 17: Embassy Mexico City should establish regular law enforcement committee meetings at Consulate General Tijuana. (Action: Embassy Mexico City)

Recommendation 18: Embassy Mexico City should establish a regularly scheduled mechanism for all public affairs sections in Mexico to share information and program ideas. (Action: Embassy Mexico City)

Recommendation 19: Embassy Mexico City, in coordination with the Bureau of Consular Affairs, should develop a plan for reprogramming officer and locally employed staff positions countrywide at the conclusion of the anticipated passport and border crossing card surges based on new, permanent workload levels. (Action: Embassy Mexico City, in coordination with CA)

Recommendation 20: Embassy Mexico City, in coordination with the Bureau of Consular Affairs and the Bureau of Human Resources, should establish an additional mid-level consular manager position in Consulate General Matamoros. (Action: Embassy Mexico City, in coordination with CA and HR)

Recommendation 21: Embassy Mexico City, in coordination with the Bureau of Consular Affairs, should develop and implement a plan to review, scan, and retire the Category 1 files at Consulate General Matamoros. (Action: Embassy Mexico City, in coordination with CA)

Recommendation 22: Embassy Mexico City, in coordination with the Bureau of Overseas Buildings Operations, should design and implement a plan to move Consulate General Nuevo Laredo's American citizen services unit into the nonimmigrant visa annex. (Action: Embassy Mexico City, in coordination with OBO)

Recommendation 23: Embassy Mexico City should request, and the Bureau of Consular Affairs and the Bureau of Western Hemisphere Affairs should establish, fund, and fill 10 additional consular officer positions and 25 additional locally employed staff positions in the immigrant visa unit at Consulate General Ciudad Juarez. (Action: Embassy Mexico City, in coordination with CA and WHA)

Recommendation 24: The Bureau of Consular Affairs, in coordination with the Bureau of Diplomatic Security, should resolve the issue of security standards for housing for the roving visa adjudicators who will be assisting Mission Mexico in handling the huge increase in nonimmigrant visa work over the next few years. (Action: CA, in coordination with DS)

Recommendation 25: Embassy Mexico City should recruit panel physicians for nonimmigrant visa medical evaluations in Mexico City, Monterrey, and Tijuana and submit those names for Centers for Disease Control and Prevention approval. (Action: Embassy Mexico City)

Recommendation 26: Embassy Mexico City should review the correspondence process at Consulate General Guadalajara and limit response to a visa refusal appeal to a neutral form reply advising the applicant that a reapplication is the only way to have a case reviewed. (Action: Embassy Mexico City)

Recommendation 27: Embassy Mexico City should procure an electronic queuing system and barcode scanners linked to the appointment system for Consulate General Monterrey's consular section and complete installation at the same time as the project to construct the 16 additional interview windows. (Action: Embassy Mexico City)

Recommendation 28: Embassy Mexico City should reorganize the American citizen services unit of Consulate General Guadalajara so that passport services are once again under the supervision of one locally employed staff supervisor. (Action: Embassy Mexico City)

Recommendation 29: Embassy Mexico City should negotiate an amendment to the existing treaty with the Mexican government on the return of stolen property to encompass stolen boats. (Action: Embassy Mexico City)

Recommendation 30: The Bureau of Consular Affairs should include a survey in the next cost of service study to determine the costs for services related to the return of stolen property and determine an appropriate fee for such services. (Action: CA)

Recommendation 31: Embassy Mexico City should conduct a mission-wide review of the workload and resources dedicated to the fraud prevention program and rationalize staffing. (Action: Embassy Mexico City)

Recommendation 40: The Bureau of Consular Affairs, in coordination with the Bureau of Human Resources and the Bureau of Western Hemisphere Affairs, should renew the Civil Service visa adjudicator program with a goal of providing a balance of Civil Service and Foreign Service personnel performing immigrant visa work at Consulate General Ciudad Juarez. (Action: CA, in coordination with HR and WHA)

Recommendation 41: The Bureau of Human Resources, in coordination with the Bureau of Western Hemisphere Affairs, should develop and implement a plan that gives incentives and provides the option for Foreign Service personnel assigned to the border posts in Mexico to live on the United States side of the border. (Action: HR, in coordination with WHA)

Recommendation 42: Embassy Mexico City, in coordination with the Bureau of Resource Management, should contract to utilize the post support unit for processing routine vouchers directly with the embassy and all consulates. (Action: Embassy Mexico City, in coordination with RM)

Recommendation 43: Embassy Mexico City should develop and implement a plan that allows constituent posts to effectively, efficiently, and economically fulfill the Department's internal management requirements for financial planning, programming, budgeting, performance evaluation, and reporting. (Action: Embassy Mexico City)

Recommendation 44: Embassy Mexico City should request, and the Bureau of Administration should provide, training to management staff in Consulates General Ciudad Juarez, Monterrey, Nuevo Laredo, and Tijuana, and Consulate Nogales, to enable those posts to adopt the full Integrated Logistics Management System suite of applications. (Action: Embassy Mexico City, in coordination with A)

Recommendation 45: Embassy Mexico City should conduct a mission-wide physical inventory of all State Department vehicles on hand, compare and reconcile the results of the inventory with the Authorized and On Hand Vehicles Report, and update the inventories in the integrated logistics management system. (Action: Embassy Mexico City)

Recommendation 46: Embassy Mexico City should conduct a fleet review to ensure its fleet is configured and in compliance with the regulatory guidance, and that vehicles are assigned and used properly. (Action: Embassy Mexico City)

INFORMAL RECOMMENDATIONS

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

Political Affairs

The political section's contact files are organized by individual rather than by subject, making it difficult for new officers to use them to identify initial contacts in the areas they have been assigned to cover.

Informal Recommendation 1: Embassy Mexico City should develop an electronic contact management system searchable by issues and operable by all section employees.

Some U.S. agencies without experience in Mexico are interested in bilateral cooperation on disaster relief but not familiar with how to offer it.

Informal Recommendation 2: Embassy Mexico City and its country desk should brief all relevant U.S. agencies on the bilateral disaster relief cooperation agreement they successfully negotiated in October 2008.

The political section's daily digest of security events contains too little analysis and too many drafting, clearance, or other errors. Some of the information duplicates reporting by other sections.

Informal Recommendation 3: Embassy Mexico City should assign a senior political officer to edit and approve its daily digest of security events before transmitting the report to Washington.

The political section has extensive biographic files but does not make effective use of them, in part because a recent visit by a specialist in the area did not succeed in organizing and consolidating them. The section has the equipment to convert the files from paper to a digital system, but the project will require that files be culled, updated, and condensed before they can be scanned.

Informal Recommendation 4: Embassy Mexico City should request assistance and advice from the Bureau of Intelligence and Research about the best way to proceed with its plan to place its biographic files on line.

Constituent posts along the border, which have been traditionally focused on consular work, have not yet built up political and economic files to support the work of the reporting positions that were created there in 2007.

Informal Recommendation 5: Embassy Mexico City should oversee the creation of political and economic files at Consulates General Tijuana, Ciudad Juarez, and Matamoros to support their new responsibilities for reporting, ensuring that they are maintained electronically and used to strengthen all assigned reporting.

Because of problems in its EACT system, Consulate General Ciudad Juarez is not distributing unclassified cable traffic to its political/economic officer.

Informal Recommendation 6: Embassy Mexico City should task Consulate General Ciudad Juarez with developing and implementing a cable profile distribution system to ensure that cable traffic is directed to all officers who need it.

The political section's weekly digest of press articles on human rights in Spanish is a less effective use of limited resources than a shorter report in English focused on identifying major trends and collecting information needed for annual reports.

Informal Recommendation 7: Embassy Mexico City should review its digest of press articles on human rights, consider producing a shorter report in English instead, and ensure the content is more closely linked to the criteria for preparing required annual reports and identifying major trends.

An anticipated increase in the human rights workload under the Merida Initiative may make it impractical to continue assigning the portfolio to a junior rotational officer.

Informal Recommendation 8: Embassy Mexico City should reassign its human rights portfolio to an officer on a two-year assignment, when staffing allows, to increase continuity and depth.

Economic and Commercial Affairs

Mission Mexico's economic work lacks strategic focus, which undermines the impact and usefulness of its substantive effort. Economic work needs to be more client-oriented.

Informal Recommendation 9: Embassy Mexico City should work with the Office of Mexican Affairs to elicit priorities from Washington-based stakeholders for economic section work and use this as a basis for a coherent strategic orientation.

Communication and coordination gaps continue to exist in substantive work among and between embassy and consulates.

Informal Recommendation 10: Embassy Mexico City should consider communication vehicles such as pooling of resources among border consulates that host Border Liaison Mechanisms, excursions of officers between posts, and periodic conferences of economic reporting officers to support shared goals and priorities and seek synergies among activities.

BLM responsibilities burden border consulates and principal officers suffer from lack of guidance on agendas and feedback on outcomes.

Informal Recommendation 11: Embassy Mexico City should work with the Office of Mexican Affairs' border unit to provide consulates conducting Border Liaison Mechanisms with adequate oversight, strategic guidance, and active feedback.

Informal Recommendation 12: Embassy Mexico City should include Border Liaison Mechanism responsibilities in its assessment of consulates' requirements when making programming decisions regarding representation, program, and travel funding.

An ELO staffs the reporting position in Consulate General Matamoros, and the labor officer in the embassy is the reviewing officer. Embassy Mexico City will not fill the labor officer position in the coming cycle.

Informal Recommendation 13: Embassy Mexico City should designate a senior officer in the embassy to be the reviewer for the efficiency reports of the officer filling the reporting position in Consulate General Matamoros.

ESTH LE staff are physically separated from the rest of the economic section at Embassy Mexico City despite the incorporation of ESTH into the economic section. This has negatively affected morale and productivity among the LE staff.

Informal Recommendation 14: Embassy Mexico City should colocate all locally employed staff for the political and economic sections.

Mexico has an unusually low level of engagement with the United States on ESTH issues compared to other countries of comparable size and importance.

Informal Recommendation 15: The economic section's leadership should engage directly with the senior levels of the Bureau of Oceans, Environment and Science to explore how the United States-Mexican relationship can realize the potential it holds.

Law Enforcement Coordination

Most constituent posts responded to the OIG inspection team that they received information on the embassy law enforcement meetings through different channels. Some of the constituent posts received the information through law enforcement attachés or through RSO channels and some did not receive the information on a regular basis.

Informal Recommendation 16: Embassy Mexico City should establish a formal channel for dissemination of law enforcement committee minutes and information to constituent posts.

USAID and PAS conduct rule-of-law programs throughout Mexico but most principal officers are not aware of them. This has led to duplication of programs, institutions, and persons in some instances.

Informal Recommendation 17: Embassy Mexico City should disseminate more information about rule-of-law programs to constituent posts and develop country-wide coordination channels for law enforcement capacity building programs.

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Informal Recommendation 18: Embassy Mexico City should reinstate law enforcement committee meetings in Consulate General Nuevo Laredo.

Consulate General Tijuana is one of the most volatile border areas for narcotics-related crime but is staffed only with Department of Homeland Security/Immigration and Customs Enforcement and Drug Enforcement Administration personnel (with Resolution 6 LEGATT augmentation) and a reduced RSO capability. Although there is a large U.S. federal law enforcement contingent north of the border, the law enforcement staffing in Tijuana appears to be inadequate for the needs in this corridor.

Informal Recommendation 19: Embassy Mexico City should reassess law enforcement staff levels at Consulate General Tijuana and work with the appropriate law enforcement agencies to make changes.

Public Affairs

At the time of the inspection, neither PAS Mexico City nor the Mexico City IM Section had discussed and agreed upon mission-wide standards for the procurement and installation of digital video conferencing equipment and lines.

Informal Recommendation 20: Embassy Mexico City should standardize the mission-wide process for the procurement and installation of digital video conferencing equipment and lines.

PAS is responsible for the creation, updating, and maintenance of the embassy and consulate websites. Mexico City has a full time LE webmaster; PAS Ciudad Juarez, Guadalajara, Matamoros, Monterrey, Nuevo Laredo, and Tijuana each have one LE staff member with part time webmaster or AV responsibilities. Some posts have the necessary equipment and software, and others do not.

Informal Recommendation 21: Embassy Mexico City should create standard guidelines for electronic outreach, including the updating and maintenance of embassy and consulate websites, requiring the use of dedicated Internet networks hardware and software.

PAS Mexico City acknowledged that it was behind by two fiscal years in entering data into the grants management data base. PAS Mexico City created a work plan and is now systematically entering data. It estimates that all entries should be up to date by the end of the first quarter of FY 2009.

Informal Recommendation 22: Embassy Mexico City should enter the missing data in the grants management data base and, in future, should complete data entry before the deadlines.

The information resource officer in Mexico City was aware of the gap in submitting required reports and is working to complete the reports and file them with IIP before the end of 2008. If the most recent report is more than three years old, the current required report will make reference to the gap and cover it briefly, but the soon-to-be-submitted current report would be considered the new base line.

Informal Recommendation 23: Embassy Mexico City should complete all reports required by IIP.

Entry of data into the MAT is not consistent among PAS Mexico offices. Some find the slowness of the process an impediment and enter data sporadically into the MAT database.

Informal Recommendation 24: Embassy Mexico City should coordinate with Consulates General Ciudad Juarez, Guadalajara, Matamoros, Monterrey, Nuevo Laredo, and Tijuana to enter information in MAT in a timely manner.

The Ciudad Juarez LE information/political assistant position was created five years ago. A new reporting officer position was created recently and the lines of supervisory authority for the LE staff member have been unclear.

Informal Recommendation 25: Embassy Mexico City should coordinate with Consulate General Ciudad Juarez to clarify the lines of supervisory authority for the information/political assistant position.

Consular Affairs

Each of the 10 consular sections has procedures for dealing with a wide range of issues, from interviews for renewal cases to the submission of waivers of ineligibilities, to how to handle correspondence. Applicants for services may receive differing benefits depending on where they apply.

Informal Recommendation 26: Embassy Mexico City should review shared consular procedures with constituent posts and develop standardized guidance for common operations.

The new ASCs are changing the nature of many LE staff jobs. LE staff jobs have lost much of their intellectual component and have been reduced to data verification. Monterrey and Nuevo Laredo use their LE staff in two different ways now that the ASCs capture both data and biometrics.

Informal Recommendation 27: Embassy Mexico City should determine how the consular sections with Applicant Service Centers use the locally employed staff to verify data.

Informal Recommendation 28: Embassy Mexico City should determine a range of other useful tasks, like validation studies, to reintroduce an intellectual component into the locally employed staff work requirements.

The ACS/FPU chief in Nuevo Laredo is located in the main consulate building. The FPU employees, however, sit in the NIV annex and are consequently physically separated.

rated from their supervisor. There is minimal communication between the ACS/FPU chief and the NIV chief about the fraud issues and their need to have adequate mutual access to FPU investigative priorities and results.

Informal Recommendation 29: Embassy Mexico City should include the requirement to coordinate fraud prevention unit priority setting and access between the American citizen services and nonimmigrant visa units in the work requirements statement of the consular section chief in Nuevo Laredo.

In Hermosillo ELO supervisors are not documenting at least one counseling session prior to the annual written performance reviews as required.

Informal Recommendation 30: Embassy Mexico City should remind all supervisors to conduct at least two formal performance reviews with their entry-level subordinates prior to the annual evaluations and that at least one review must be documented in writing.

The Hermosillo fraud prevention manager is supervised by the ACS unit chief. The overwhelming majority of the fraud prevention workload is visa-related and the ACS unit chief has limited involvement in most fraud prevention activities.

Informal Recommendation 31: Embassy Mexico City should move the supervision of the Consulate General Hermosillo fraud prevention manager from the American citizen services unit chief to the consular section chief.

The Mexico NIV workload has decreased in all but Ciudad Juarez and Matamoros. Several consular sections also offer appointments for third country national applicants who live in the United States and seek to renew their visas nearby rather than traveling to their home countries. There are relatively few appointments available for this “Stateside” processing even when there is workload capacity.

Informal Recommendation 32: Embassy Mexico City should require each constituent post with excess personnel resources to have a validation study plan, particularly as they move towards renewals without interview.

Informal Recommendation 33: Embassy Mexico City should review the regimen for nonimmigrant appointments for applicants already living in the United States and decide on appropriate appointment levels given the fluctuating rates of demand by Mexican citizens.

The interviewing officers in Matamoros are unable to start interviewing NIV applicants when the work day starts because the LE staff has not usually enrolled enough

applicants before starting time. LE staff arrive early to admit applicants to the waiting area during a 45 minute period when there are no contract customer service assistants. Once those contractors arrive for work, the LE staff can begin capturing biometrics and completing data entry.

Informal Recommendation 34: Embassy Mexico City should alter the work arrangements of the contract customer service assistants in Matamoros so that they arrive earlier to do access control and enable the locally employed staff to begin data entry simultaneously.

In Mexico City, ELOs rotate into the ACS unit for eight months and then spend two months in each of four sub-units. This rotation is very fast, placing a burden on the LE staff as trainers, and there is also a loss of continuity for sensitive cases.

Informal Recommendation 35: Embassy Mexico City should change the entry-level officer rotation schedule in the American citizen services unit so that rotating officers spend four months in each of two sub-units.

Mexico City requires passport applicants to submit their applications by e-mail in advance of the appointment date to ensure completeness. Staff then prints out the e-mailed material, data enters the case, and files it for retrieval on the date of the scheduled interview. There are a large number of open cases in the passport system in which the applicant never follows up on the application or fails to appear for an appointment.

Informal Recommendation 36: Embassy Mexico City should stop printing out e-mailed passport application material, performing data entry, and filing such material in advance of the passport application appointment.

The MCCA has visited all the consular agencies in the past year, and most supervisory consular officers also visit their agencies annually, but the last group agent training occurred in the spring of 2006.

Informal Recommendation 37: Embassy Mexico City should organize country-wide training for consular agency personnel at least every other year in order to standardize the operations of consular agencies, update agent training, review accountability and record keeping, and facilitate the exchange of professional information.

Cancun has far more after-hour emergency duty calls than Merida, Cozumel, or Playa del Carmen. In order to cover the duty, the Cancun LE staff also pulls duty and handles even the most complicated ACS cases on their own. This might include notifying the next-of-kin in a death case or visiting the scene of an accident involving Americans.

Informal Recommendation 43: Embassy Mexico City should review its International Cooperative Administrative Support Services standards on an annual basis.

Embassy Mexico City's TDY policy is dated November 2003. In the interim, the ICASS Service Center has issued new guidelines and policies regarding the charges that can be levied on TDY personnel. The number of TDY personnel at the embassy on any given day numbers in the hundreds and anticipated program growth will result in even more. It would be in the embassy's interest to recapture as much as possible in costs expended to support TDY visitors.

Informal Recommendation 44: Embassy Mexico City should update its temporary duty visitor policy to incorporate the latest guidance and ensure compensation for services rendered.

Consulates do not have information on the mission status of funds for travel, training, or overall fixed and discretionary funding.

Informal Recommendation 45: Embassy Mexico City should provide comparative, updated information on travel, training, and funding updated as needed to all consulates.

The software used by consulates to manage discretionary funding is not easily accessible.

Informal Recommendation 46: Embassy Mexico City should revise funding spreadsheets to include training on the use and options available for the consulates to manage discretionary funds.

The ability of LE staff at the consulates to manage financial funds varies.

Informal Recommendation 47: Embassy Mexico City should expand the on-going training programs at the mission in cashiering and voucher processing to include site visits to consulates based on relative expertise levels.

The backup Class B cashier at Consulate General Ciudad Juarez does not have a cash advance or a safe in which to store it. Prior to anticipated absences, the two cashiers conduct a cash count and transfer accountability back and forth. During unexpected absences, the backup cashier can not transact business.

Informal Recommendation 48: Embassy Mexico City should provide a safe for the Consulate General Ciudad Juarez backup Class B cashier and issue the cashier a cash advance at a level that will allow transactions during absences of the primary Class B cashier.

The public diplomacy section of Consulate General Ciudad Juarez would like to streamline its program purchases to ensure goods and materials are procured in an expeditious and timely manner. The vast majority of its needs would be met by purchases at micro-purchase level. Its own purchase card, bulk funding, and proper use of both would to achieve this outcome.

Informal Recommendation 49: Embassy Mexico City should assist PAS Ciudad Juarez section in applying for and qualifying for a purchase card for its use in making appropriate purchases.

The procurement clerk at Consulate General Tijuana has never received procurement training.

Informal Recommendation 50: Embassy Mexico City should provide training for the procurement clerk in Consulate General Tijuana.

The warehouse holdings in Consulate General Monterrey included upright household freezers still in their shipping cartons. However, Monterrey does not provide freezers as part of the standard household kit.

Informal Recommendation 51: Embassy Mexico City should either make the freezers available for issue as part of the standard household kit in Consulate General Monterrey or should offer them to other posts in Mexico.

Consulate General Matamoros uses a covered, indoor space for storage of office equipment and office and household furnishings. Items in storage appeared to be mostly usable, but the space is also used to hold items that are essentially trash.

Informal Recommendation 52: Embassy Mexico City should dispose of unusable items in the store room in Consulate General Matamoros, survey the remaining items for usability, and take action to preserve, protect or offer for transfer any usable items within the mission.

A large amount of excess property has been allowed to collect in hallways, closets, and in covered outdoor spaces in Consulate General Nuevo Laredo. The new management officer is attempting to look for a warehouse in Nuevo Laredo, but given the small size of the post it would be more advantageous to dispose of most of the items.

Informal Recommendation 53: Embassy Mexico City should coordinate with Consulate General Nuevo Laredo on disposing the excess property there.

Informal Recommendation 59: Embassy Mexico City should require Consulate Merida to develop and update all required systems documentation including contingency plan and update annually.

Quality of Life

Embassy Mexico City is located in an earthquake zone but its health unit professionals are not included in mass casualty planning as part of the embassy's emergency preparedness plans and exercises.

Informal Recommendation 60: Embassy Mexico City should include health unit personnel in emergency preparedness plans and exercises.

Trained EEO counselors have not been active in EEO programs at Consulate General Tijuana or Consulate General Guadalajara, where an EEO counselor just arrived. Neither consulate has an active EEO program.

Informal Recommendation 61: Embassy Mexico City should send the current equal employment opportunity counselors to Consulate General Tijuana and Consulate General Guadalajara to provide immediate on-site training to consulate staff.

LE staff may be appointed as EEO liaisons.

Informal Recommendation 62: Embassy Mexico City should include locally employed staff as equal employment opportunity liaisons.

PRINCIPAL OFFICIALS

	Name	Arrival Date
Ambassador	Antonio O. Garza, Jr.	11/02
Deputy Chief of Mission	Leslie A. Bassett	7/06

Chiefs of Sections:

Administrative	Isiah L. Parnell	8/03
Consular	Edward J. McKeon	8/07
Economic	James G. Williard	8/08
Narcotics Affairs	Keith W. Mines	8/08
Political	Charles A. Barclay, Jr.	8/06
Public Affairs	James H. Williams	9/07
Regional Security	David Schnorbus	8/07

Other Agencies:

Animal and Plant Health Inspection Service	Felipe Cruz	8/08
Bureau of Alcohol, Tobacco, Firearms and Explosives	Davy Aguilera	9/07
Department of Defense Defense Attaché Office	Col. Jeffrey Jore	1/07
Office of Defense Cooperation	Col. Daniel Barreto	9/06
Department of Homeland Security	Alonzo Pena	7/08
Department of Homeland Security - Customs and Border Protection	Renee Harris	8/04
Department of Homeland Security - Immigration and Customs Enforcement	Louie Garcia	9/08

Department of Homeland Security - Transportation Security Administration	Mike Galvan	10/06
Department of Homeland Security - Citizenship and Immigration Services	Mari-Carmen Jordan	2/07
Department of Homeland Security - U.S. Secret Service	Ignacio Zamora	1/08
Department of Justice	Gregory B. Stevens	4/05
Department of Treasury	John Baxter	8/05
Drug Enforcement Administration	David Gaddis	8/06
Foreign Agricultural Service	Allan P. Mustard	8/08
Foreign Commercial Service	Karen Zens	4/05
Internal Revenue Service	Orlando Silva	1/08
Legal Attaché	Rene Medina	2/07
U.S. Agency for International Development	Rodger Garner	2/07
U.S. Marshals Service	Jose Chavarria	4/08

Constituent Posts

U.S. Consulate General Ciudad Juarez Principal Officer	Raymond McGrath
U.S. Consulate General Guadalajara Principal Officer	Edward Ramotowski
U.S. Consulate General Hermosillo Principal Officer	John Breidenstine
U.S. Consulate General Matamoros Principal Officer	Cecilia Elizondo-Herrera
U.S. Consulate Merida Principal Officer	Karen Martin

U.S. Consulate General Monterrey

Principal Officer

Bruce Williamson

U.S. Consulate Nogales

Principal Officer

John W. Dinkelman

U.S. Consulate General Nuevo Laredo

Principal Officer

David Stone

U.S. Consulate General Tijuana

Principal Officer

Ronald J. Kramer

~~**SENSITIVE BUT UNCLASSIFIED**~~

~~**SENSITIVE BUT UNCLASSIFIED**~~

ABBREVIATIONS

ACS	American citizen services
ASC	Applicant Service Center
ARSO-I	Assistant Regional Security Officer-Investigator
BBF	Benjamin Franklin Library/Biblioteca Benjamin Franklin/
BCC	Border crossing card
BLM	Border Liaison Mechanism
CA	Bureau of Consular Affairs
CAO	Cultural affairs officer
CLO	Community liaison office
COMEXUS	U.S.-Mexico Commission for Educational and Cultural Exchange
DCM	Deputy Chief of Mission
DVC	Digital Video Conferencing
ECA	Bureau of Educational and Cultural Affairs
EEO	Equal Employment Opportunity
EFM	Eligible Family Member
EFT	Electronic Funds Transfer
ELO	Entry-level Officer
ESTH	Environment, Science, Technology and Health
FPU	Fraud Prevention Unit
FS	Foreign Service
HR	Human Resources
ICASS	International Cooperative Administrative Support Services

IIP	Bureau of International Information Programs
ILMS	Integrated Logistics Management System
IM	Information Management
IMO	Information Management Officer
IV	Immigrant Visa
LE staff	Locally Employed Staff
MCCA	Minister Counselor for Consular Affairs
MSP	Mission Strategic Plan
NAS	Narcotics Affairs Section
NIV	Nonimmigrant Visa
OBO	Bureau of Overseas Buildings Operations
OIG	Office of Inspector General
PAO	Public Affairs Officer
PAS	Public Affairs Section
PD	Public Diplomacy
PSC	Personal Services Contract
PSU	Post Support Unit
RELO	Regional English Language Office
RISSO	Regional Information Systems Security Officer
RSO	Regional Security Officer
SNAP	Strategic Networking Assistance Program
TDY	Temporary Duty
USAID	U. S. Agency for International Development
WHA	Bureau of Western Hemisphere Affairs
WHTI	Western Hemisphere Travel Initiative

APPENDIX A

Guide for Evaluation Report

The following questions will give you an idea of the points that will be included in this evaluation:

1. General comments about the program. Did it fulfill its goal? Indicate how you would evaluate it: Regular, Good, Very Good, Excellent, etc.
2. Indicate if this trip changed in any way the perspective you had of the country, society and culture, etc. Briefly explain why?
3. Mention the aspects/topics that were new for you and if this trip helped you increasing your professional knowledge.
4. Which was the best appointment that you attended? (In the future which institution or group of individuals would best contribute to the program or benefit from a similar program such as this). Briefly explain why?
5. List the weakest parts of the program. Indicate the institutions, lecturers and themes that shouldn't be included in the future. Briefly explain why?
6. Make a brief reference of the appointments on each city you visited, indicating the best ones and the least useful ones. Explain why?
7. Grade the logistic and administrative aspects of the program. The travel expenses, "home hospitality", hotels quality, relationship with peers of the group (if applies) and the work performed by the translators (its linguistic ability as his work as cultural promoter).
8. Identify the most impressive lecturers you heard, was there an outstanding one which you would like to invite to participate as lecturer on a future event? Name them and mention the theme.
9. Mention your future plans as result of this trip (large, medium and short term). Example: Possible exchanges, future collaboration between Mexican and American institutions; commitments acquired to work jointly; programs implementation or change of your organization based upon American models.

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