

~~SENSITIVE BUT UNCLASSIFIED~~

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

# Report of Inspection

Embassy Sofia, Bulgaria

Report Number ISP-I-05-11A, March 2005

## ~~IMPORTANT NOTICE~~

~~This report is intended solely for the official use of the Department of State or the Broadcasting Board of Governors, or any agency or organization receiving a copy directly from the Office of Inspector General. No secondary distribution may be made, in whole or in part, outside the Department of State or the Broadcasting Board of Governors, by them or by other agencies or organizations, without prior authorization by the Inspector General. Public availability of the document will be determined by the Inspector General under the U.S. Code, 5 U.S.C. 552. Improper disclosure of this report may result in criminal, civil, or administrative penalties.~~

~~SENSITIVE BUT UNCLASSIFIED~~

## TABLE OF CONTENTS

KEY JUDGMENTS.....	1
CONTEXT .....	3
POLICY OVERVIEW.....	5
EXECUTIVE DIRECTION .....	7
Mission Performance Plan .....	8
Entry-Level Officers.....	8
POLICY AND PROGRAM IMPLEMENTATION .....	9
Political/Economic Affairs .....	9
Trade Promotion .....	10
Public Diplomacy .....	11
Assistance Programs .....	13
Regional Security Office.....	14
Consular Operations .....	14
RESOURCE MANAGEMENT .....	19
Overview.....	20
Rightsizing.....	20
Human Resources Management and Computer Assisted Job Evaluation .....	21
New Embassy Compound .....	23
General Services and Facilities Maintenance .....	24
Financial Management .....	26
International Cooperative Administrative Support Services .....	26
Information Management and Information Security .....	26

QUALITY OF LIFE ..... 29

**(b)(2)(b)(6)** ..... 29

    Medical Unit ..... 29

    Community Liaison Office ..... 30

    Equal Employment Opportunity/Federal Women’s Program ..... 30

MANAGEMENT CONTROLS ..... 33

    Procurement ..... 34

    Expendable Supplies ..... 35

    Consular Management Controls ..... 36

FORMAL RECOMMENDATIONS ..... 37

INFORMAL RECOMMENDATIONS ..... 39

PRINCIPAL OFFICIALS ..... 45

ABBREVIATIONS ..... 47

## KEY JUDGMENTS

- Embassy management's use of the Mission Performance Plan (MPP) to coordinate progress on goals and objectives is intense and effective. The Ambassador and deputy chief of mission (DCM) participate in regularly scheduled working groups that track progress toward each major goal. The MPP is well written and reflects current U.S. policy interests in Bulgaria.
- The Ambassador has had noteworthy success in aligning U.S. Agency for International Development (USAID) priorities tightly with those of the MPP. He has also been tireless in inserting post management into the USAID budget process and directing some of that budget toward innovative programs in such areas as trade development and Peace Corps self help projects.
- Post reporting has not been sufficient to meet legitimate interests of Washington readers, including policy makers. A reporting plan was under preparation; the Office of Inspector General (OIG) suggested it be coordinated with the desk to ensure that Washington and Embassy Sofia agree on reporting priorities.
- The public affairs section provides proactive and effective support in achieving all MPP goals. However, the information resource center (IRC) is underutilized and would benefit from fuller participation from other embassy elements, particularly in the area of information outreach to target audiences.
- Administrative services at Embassy Sofia are currently complicated by the location of staff in eight widely scattered buildings. The Department of State (Department) repeatedly assigns inexperienced first-tour officers to key jobs. The warehouse has been poorly managed, and more attention to customer service and better supervision of the new officers and their Foreign Service national (FSN) employees is required. There is a general need for a better understanding of the underlying principles of management controls.

- Overall, Embassy Sofia's information management staff is dedicated and well regarded. At an embassy where employees are geographically separated, the information management staff has been able to provide good service and assistance to all employees.
- The embassy is within weeks of moving into a new embassy compound (NEC), an impressive facility that is secure, functional, and attractive. Coordination between the Bureau of Overseas Buildings Operations (OBO) and Embassy Sofia has been exemplary, and post management has led an excellent effort to prepare for the imminent move to the NEC.
- The inspection took place in Washington, DC, between September 13 and October 8, 2004, and in Sofia, Bulgaria, between October 25 and November 5, 2004. Ambassador John McCarthy (team leader), Paul Smith (deputy team leader), Anthony Carbone, Bohdan Dmytrewycz, Ernest Fischer, Richard Jones, and Sharon Mercurio conducted the inspection.

## CONTEXT

Bulgaria, a country roughly the size of Pennsylvania with a population of 7.5 million, is one of the oldest states in Europe. Bulgaria's strategic location at the crossroads between Europe and Asia Minor has not been kind to her. Occupied by



the neighboring Ottoman Turks for 500 years, Bulgaria gained full independence only in 1908, was then drawn into fighting on the losing side in both World Wars, and fell under Soviet domination in 1946. Following the Soviet collapse in 1990, Bulgaria has followed a slow and difficult path towards transformation of its political and economic structures. With a population that includes 9.5 percent Islamic Turkish and 4.6 percent

Roma minorities, Bulgaria has managed to avoid the ethnic and political divides that have caused bloodshed in the rest of the Balkans and provides a degree of stability to the region. Bulgaria has a clear sense that its future lies with the values of the West. That said, there is still a strong cultural affinity for Russia, brought about through shared religious traditions and alphabet, and enduring Bulgarian respect for Russia's role in liberating the country from Ottoman rule. Bulgaria joined the North Atlantic Treaty Organization (NATO) in April 2004 and is on track for integration into the European Union (EU) in 2007.

The political process in Bulgaria, while maturing and essentially democratic, nevertheless relies heavily on internal connivance at the expense of meaningful public policy debate. The Bulgarian economy continues to recover from a disastrous collapse in 1996 and has grown for the past five years at a rate better than four percent. Overall unemployment has fallen to about 13 percent and inflation to 5.6 percent, but Bulgaria's per capita monthly income of \$180 seriously lags behind the EU. Macro-economic stability has been maintained by responsible fiscal policy, a \$300 million International Monetary Fund stand-by agreement, and both U.S. and EU assistance.

Bulgaria's democratic development and successful Euro-Atlantic integration are seriously threatened by high levels of organized crime and institutionalized corruption. Bulgaria's location on the Black Sea provides a natural route for trafficking in narcotics, contraband, and persons. During 2003, more illicit drugs were seized on Bulgarian borders than in the entire EU combined. The past two years have seen more than two-dozen high-profile gangland slayings, with no resulting arrests. Bulgaria is the world's second largest counterfeiter of U.S. currency behind Colombia. Electronic piracy, money laundering, and arms smuggling are also major problems.

The reported prevalence of HIV/AIDS in Bulgaria is relatively low, with 500 reported HIV positive persons recorded since 1987. However, the rate of increase has accelerated from three new reported cases in 1990 to 63 new reported cases in 2003. The government of Bulgaria recognizes the problem, has a national strategy, and has qualified for a \$15 million grant from the UN Global Fund to Fight HIV/AIDS, tuberculosis, and malaria.

## POLICY OVERVIEW

During most of 2003, the United States and Bulgaria celebrated the 100th anniversary of bilateral diplomatic relations in an ambitious series of public diplomacy programs conducted in 26 Bulgarian cities. The message proclaimed by senior officials of both countries was that the U.S.-Bulgarian relationship has never been better. Indeed, Bulgaria's national reorientation toward U.S.-European models for political and economic development and her charter membership in the coalition against terrorism have produced significant improvements in U.S.-Bulgarian relations. The security relationship is particularly strong. Bulgaria became a full member of NATO in April 2004. Even before its NATO membership, Bulgaria had assumed the role of a de facto U.S. ally. As a member of the UN Security Council, Bulgaria supported the U.S. position on Iraq, granted U.S. forces unrestricted over-flight rights and basing of aircraft, and deployed a military battalion as part of the coalition effort. Bulgarian troops also support international efforts in Afghanistan, Bosnia, and Kosovo.

U.S.-Bulgarian economic relations have also seen incremental progress. Direct U.S. investment in Bulgaria now stands at \$390 million and continues to grow, despite serious systemic problems that include lack of transparency, corruption, intellectual property rights violations, and the absence of a bilateral tax treaty. U.S. exports to Bulgaria in 2003 were valued at \$277 million. The United States supports Bulgaria in its quest for EU membership, now scheduled for 2007.

Embassy Sofia MPP goals are in line with U.S. objectives in Bulgaria. There is concern about how well Bulgaria can bear the burden of both NATO and EU memberships without more progress in the rule of law reforms necessary to overcome the pervasive corruption and organized crime that exists today. One-third of U.S. assistance to Bulgaria is devoted to this area of reform.

The United States provides approximately \$40 million per year in assistance to Bulgaria, including \$28 million via Special East European Development (SEED) funding and over \$10 million in security assistance programs. Bulgaria is scheduled to graduate from SEED assistance in FY 2007, corresponding with the country's

entrance into the EU. Much of this funding is administered by the USAID mission, which will begin a phased departure from Bulgaria in 2006 as programs are completed.

Embassy Sofia is staffed by 101 direct-hire American employees and 331 locally employed staff (LES) members representing 12 U.S. government agencies.

## EXECUTIVE DIRECTION

The inescapable analogy for management at this highly effective and efficient embassy is a tightly run ship. The Ambassador and DCM together provide strong and clear leadership to their staff. Both are hands-on managers who provide policy direction and also stay engaged at a level of considerable detail in activities related to key mission goals.

One way they achieve this degree of control is through daily meetings grouping a large number of agency heads, section chiefs, and others. These include a weekly country team meeting supplemented by short press briefing/daily activities sessions all other days of the week. In addition, either or both of them attend regularly scheduled meetings of the four inter-agency working groups devoted to specific goals of the MPP and also hold, generally once a week, private sessions with all section chiefs and agency heads.

The benefits of this intense involvement are manifold: there is unquestioned joint ownership of mission goals and broad agreement on ways to measure progress and iron out problems. One singular achievement is the Ambassador's success in setting SEED priorities and in directing funds both to the main line mission programs in fields such as rule of law and strengthening democratic institutions, and also to innovative ones in other areas, such as agriculture and commercial trade development and Peace Corps self-help development projects. OIG has rarely, if ever, seen a USAID budget more closely in line with overall mission goals, and the credit belongs almost entirely to post management, which has doggedly insisted on inserting itself at all stages of the USAID budget process.

Some Americans at Embassy Sofia noted that the Ambassador, while willing to hear dissenting views, is unlikely to alter his own as a result. In their opinion, direction is from the top down; orders are given and are to be carried out. Nonetheless, morale is high, and OIG questionnaires and interviews confirm that the Ambassador and DCM are seen as effective leaders. Their scores in areas such as vision, communication, judgment, and clarity were above OIG averages.

A few officers also complained that the daily meetings cut too deeply into their own activities. The Ambassador regards these meetings as voluntary for many officers and obligatory for only a few, but there is some ambiguity around who is on which list. OIG suggested that post management clarify the ambiguity and also consider whether meeting on something less than a daily basis might not achieve comparable results.

## MISSION PERFORMANCE PLAN

All embassy elements participated in preparation of the MPP that focuses on seven key goals: counterterrorism, regional stability, international crime and drugs, economic prosperity and security, democracy and human rights, management and organizational excellence, and mutual understanding. The number one MPP goal of counterterrorism includes the embassy's current top priority, security of American personnel and facilities. This reflects ongoing concern over the dispersion of embassy operations at eight locations and current planning for the move into a NEC later this year. In broader terms, this goal corresponds to increasing bilateral cooperation in the war on terrorism and includes strategies for the protection of American citizens and U.S. borders.

## ENTRY-LEVEL OFFICERS

The DCM at Embassy Sofia has created an ambitious and apparently highly successful mentoring program for entry-level officers. He has adopted an extremely broad definition of such officers, including all first and second tour generalists and specialists, regardless of tenure status, and those on their first tour in a new specialty. He meets with them each month, requires supervisors to give them quarterly feedback sessions, and guarantees that they are exposed to an ambitious menu of learning experiences including as control officers, in public speaking, in making and reporting on demarches, and hosting representational events. Under his aegis, other agency heads, including those located in other embassies who visit only on temporary duty, meet with these officers to explain their operations. Meetings with first tour officers indicate that they view the DCM as a thorough and much admired guide to the intricacies of the Foreign Service.

## POLICY AND PROGRAM IMPLEMENTATION

### POLITICAL/ECONOMIC AFFAIRS

Embassy Sofia's four-officer political/economic section is on top of a wide range of issues. The section chief is highly regarded by both his American and FSN staff. They praise his direction, openness, professional knowledge, and concern with their development. At post for a year, the two first tour entry-level officers covering political/military and rule of law issues are successfully fulfilling their ambitious work requirements. There is concern that less talented entry-level officers would be unable to keep up with the work of this busy section. The section chief's burden, developing first tour officers and integrating them into the section, will increase next summer when one of the positions becomes a rotation with the consular section. The section's office management specialist is a valued member of the section.

Section contacts are broad and provide entrée for both advocacy and reporting purposes. The section has wisely cultivated contacts within the opposition party in advance of the national election in 2005.

Section FSNs are highly motivated and well connected professionals. They receive no representation funds. OIG recommends that they be included in the allocation of representation funds to help them develop new contacts.

The section spends considerable time advocating MPP goals, many of which require efforts over the long term. However, significant progress has been made on controls on money laundering and terrorist financing, support for Iraq, and buyout of MANPADS (man-portable air defense systems). The section participates actively in the economic development, political/military, and rule of law inter-agency working groups that continually review progress in reaching MPP goals and ensure that all aspects of issues are covered.

Required reporting is balanced and thorough. Event-driven reporting of meetings, visits, current issues, and demarches is concise and includes summaries and comments useful for providing perspective and suggested action.

Until this fall, the section had no reporting, representation, or travel plans. The newly drafted reporting plan will broaden and deepen embassy reporting on issues of major concern to the United States. However, the embassy should expand the plan to include analysis of issues identified by Washington for in depth coverage, such as organized crime and corruption. Officers should travel outside Sofia to better understand conditions and problems outside the capital - another area identified by Washington for more reporting. OIG suggests coordination with the desk to ensure agreement on reporting priorities. The section chief agrees that a section offsite would be useful. OIG suggests that the Ambassador and DCM kick it off.

The section has done little leadership analysis. OIG found the well-connected FSNs enthusiastic to contribute their insights, augmenting reporting on present and future leaders. The section chief agreed to do so.

Biographic files are in need of updating and the section's office management specialist has been given that responsibility. The process has started, but the section chief should set a date for its completion. The office, as with other offices in the embassy, is behind in retiring files. OIG reviewed use of e-mail and found no abuses.

## TRADE PROMOTION

U.S. exports to Bulgaria totaled \$277 million in FY 2003, the largest categories being machinery and transport equipment, professional and scientific instruments, and mineral fuels. U.S. cumulative investment in Bulgaria was \$390 million, with major investments in porcelain fixtures, banking, foods, restaurants, and hotels. U.S. exports to Bulgaria continue to grow. However, the association agreement between Bulgaria and the EU, a prelude to eventual EU membership, enables most goods to move between these two parties at close to zero tariffs - a disadvantage for U.S. exporters with European competitors in the Bulgarian market. U.S. products receive most favored nation tariff rates, almost always higher than tariffs applicable to EU products. The embassy has initiated the process for negotiating a reduction of these tariff rates.

The senior commercial officer arrived this summer. He supervises four Bulgarian commercial assistants plus an administrative assistant and chauffeur. The Foreign Commercial Service will lose the Central and Eastern European Business Information Center position (funded by SEED through the International Trade Administration) in 2005. The position helps Bulgarians find business partners in the United States.

Most U.S. companies come to Bulgaria in response to specific opportunities. For those who do not, the Foreign Commercial Service provides fee-based market research and leads. Much of the senior commercial officer's time is spent assisting companies who have run into barriers - including changing unclear regulations, lack of response from government entities, and general lack of transparency. Given the obstacles to U.S. business, the senior commercial officer believes his primary focus must be on removing them, in line with the MPP's goal of promoting a more open market for U.S. exporters and investors. He is working on the double taxation treaty, tariff reductions on U.S. products, intellectual property right problems, and energy issues. These and other issues are taken up by the economic development task force, of which he is an integral part. He works very closely with the economic officer as they pursue these issues in tandem.

The American Chamber of Commerce has 400 plus members. The Ambassador hosts a monthly breakfast for the board to discuss issues of concern. American Chamber of Commerce activities are useful in helping to change business attitudes.

## PUBLIC DIPLOMACY<sup>1</sup>

Embassy Sofia incorporates public diplomacy into all seven of its MPP goals, one of which is devoted specifically to mutual understanding. An experienced public affairs officer (PAO) provides clear guidance and mentoring to the information officer and cultural affairs officer, both first tour officers. The PAO kicks off each program year with a one-day offsite that includes the public affairs section's (PAS) 14 FSN employees, focuses on the development of an annual public diplomacy program plan keyed to the MPP, and includes the participation of both the Ambassador and DCM. The plan is shared with the Department and neighboring

---

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

embassies and is reviewed and updated quarterly. The PAO participates in all country team and interagency MPP working group sessions, meets weekly with the DCM to discuss the public diplomacy program plan, and has a weekly meeting with the cultural affairs officer and Ambassador to discuss exchanges and cultural programming.

Embassy Sofia's public diplomacy program is broad, highly focused, and creative. For the past three years, the embassy has won three \$30,000 grants in the Bureau of Educational and Cultural Affairs highly competitive Ambassador's Fund for Cultural Preservation. Two of the projects were devoted to the restoration of Islamic religious sites in Bulgaria. All embassy elements participate in the international visitor program, which reflects MPP priorities. PAS makes frequent use of digital videoconferences to reinforce international visitor and other programs. A SEED funded book translation program introduces roughly 20 new titles on MPP themes to the public each year, many of which are inaugurated via digital videoconferencing with the American author.

The SEED funded Democracy Commission is chaired by the DCM, and in FY 2005 will administer \$600 thousand in small grants, up from \$400 thousand the previous year. The cultural affairs officer directly supervises one FSN in managing commission grants, and records for the past year appear to be complete. All three American officers are certified to manage grants. During FY 2004, particular focus was placed on NATO membership, anticorruption, and multi-ethnic education, and several grants supported efforts by nongovernmental organizations within Islamic and Roma communities.

## Fulbright Commission

The U.S.- Bulgaria Fulbright Commission was established in 1993 and currently administers programs for 14 students and scholars each way. The PAO is a member of the commission, and the executive director has managed the program since its inception. The commission administers a full range of English language instruction and educational testing through eight regional centers. Fulbright alumni participate in all phases of participant selection and orientation as well as an annual international summer institute and a biennial international conference. After months of negotiation and the direct involvement of the Ambassador, a new Fulbright agreement was signed and ratified by the Bulgarian parliament. The agreement provides permanent tax-free status to the commission and a modest, but first, direct financial contribution.

## Information Outreach

The IRC is collocated with PAS offices. Both will move with other embassy elements to the NEC in late 2004. The IRC is supervised by the information officer and staffed by three FSNs, one of whom maintains the embassy Internet web site. Two American Corners located outside of Sofia rely on the IRC for program support; a third corner will be established in FY 2005. During the past year, IRC staff time was dominated by preparations for the One Hundred Years of Bulgarian-U.S. Diplomatic Relations celebration that required the writing and publishing of a book and design of an exhibit and related programs that toured 26 Bulgarian cities and included a visit by the Secretary of State. During that period, the core functions of the IRC suffered. The IRC includes a well rounded hard bound and compact disc reference collection, subscriptions to 20 U.S. journals, and three Internet stations for use by embassy contacts. An average of only 20 Bulgarian contacts use the facility each month. In addition, the IRC staff responds to only 20 requests for reference assistance a month from Bulgarian contacts and 20 reference requests from embassy elements. The IRC is currently underutilized, and an informal recommendation was made to develop a more proactive program.

The IRC electronic outreach effort is based primarily on distribution of the monthly Article Alert service to recipient lists generated by PAS with no input from other embassy elements. Although the IRC maintains an excellent embassy Internet web site with daily updates, more could be done to promote the site and other MPP related electronic information products within Bulgarian target audiences.

## ASSISTANCE PROGRAMS

Bulgaria is scheduled to graduate from the SEED assistance program in 2007, corresponding with entrance into the EU. The plan provides annual funding of \$28 million through FY 2006. Approximately \$5 million of the annual SEED budget is devoted to rule of law and law enforcement that address issues such as organized crime, money laundering, judicial reform, and counterfeiting that will remain high U.S. national priorities after the scheduled graduation. Embassy Sofia has requested continued funding for these efforts beyond graduation in its FY 2006 MPP. OIG agrees that these programs are important to U.S. interests and that there will be a need for our continued active engagement with the Bulgarians on these issues.

## REGIONAL SECURITY OFFICE

The regional security office (RSO) has undertaken an enormous burden of work and responsibility during the past two years of NEC construction, and by all accounts performance across the board has been commendable. It is the embassy's largest section and is staffed by an experienced RSO, four American direct hire employees, and 77 FSN employees. The RSO and his team have been proactive in working with OBO and embassy elements to plan the complex move into the NEC. The move will consolidate all embassy operations, with the exception of Peace Corps, from eight locations into one facility. The RSO enjoys the full confidence of both the Ambassador and DCM. He attends all country team meetings and meets weekly with the DCM. The RSO communicates well with embassy personnel of all agencies and has been able to gain their cooperation in running an integrated security program. A detailed report of RSO operations is contained in the classified report.

## CONSULAR OPERATIONS

The MPP's first objective focuses on antiterrorist issues and defending U.S. citizens. The MPP correctly charges the consular section with tactical responsibilities for safeguarding American citizens and their interests and explicit visa/entry-related U.S. border protection goals.

Four Foreign Service officers and 14 LES work in the consular section. All officers hold responsibilities for specific sensitive materials assigned to their units, which are discussed in the management controls section of this report. Consular management developed accurate position descriptions and delivers timely efficiency reports. Supervisors encourage employees to develop professional skills through training, including distance-learning consular courses offered by the Foreign Service Institute.

Better planning and organization would increase section efficiency. OIG counseled consular leadership to eliminate unnecessary work and refine processes. OIG suggested methods to enhance productivity and working relationships including development of embassy-specific, written consular standard operating procedures, workflow organization, and formal outreach, representation, and reporting programs. As an example, increased use of the electronic nonimmigrant visa (NIV)

applications would speed processing and improve client satisfaction. The consular and public diplomacy sections could cooperate in demystifying the visa processes and keeping the public current on consular initiatives via outreach efforts. The consul began work on these issues during the inspection.

Embassy Sofia uses about 85 percent of its consular resources for visa processing. Sharp-eyed assessment of visa applicants protects U.S. borders by recognizing and excluding terrorists, curtailing illegal immigration, and encouraging bona fide travel to the United States. The section receives about 300 print communications and about 500 telephone inquiries per week. Coordination between the consular section and other sections at post is satisfactory. The embassy's Internet site includes a consular information page on Bulgaria.

## American Citizens Services

Nearly 100,000 American citizens visit Bulgaria annually. About 350 U.S. citizens, including potential dual national retirees and minor children who live in Bulgaria, have registered with the consular unit. In FY 2004, the consular section adjudicated approximately 500 citizenship/passport requests and performed roughly 300 notarial services. The unit carefully scrutinizes passport and report of birth applications and accompanying documents, and the National Passport Center quickly responds to embassy requests for services. Americans in Bulgaria may encounter problems ranging from minor difficulty to serious crises. To help resolve such matters, the consular unit developed excellent working relationships with Bulgarian authorities. Natural disasters such as earthquakes, and catastrophes like airplane crashes, could affect U.S. citizens in Bulgaria. The embassy's warden system meets requirements for developing effective emergency safety and/or evacuation plans for Americans.

## Adoptions

Increasing numbers of U.S. citizens seek to adopt Bulgarian children. This boosts staff time spent in advising prospective adoptive parents and processing related documentation. Americans sought nearly 260 immigrant visas (IVs) for their adopted children at Embassy Sofia in FY 2004. In Bulgaria, these potentially thorny applications, although sometimes administratively difficult, are almost entirely proper, straightforward, and clearly approvable. OIG observed the positive, professional relationship between personnel of adoption agencies and consular section staff.

## Visas

The section adjudicated nearly 28,700 NIVs, 2,600 IVs, and 1,900 diversity visa applications in FY 2004. Estimates for FY 2005 project a slight overall increase. The visa unit correctly focuses on eligibility decisions emphasizing legal/procedural parameters and antiterrorist concerns. Unit chiefs stress requirements for lawful and fair eligibility screening while improving efficiency. NIV applicants apply for interview appointments via the Internet. At the time of the inspection, NIV applicants waited for about four weeks from the time they requested an appointment for interview until the actual interview. To reduce congestion and potential terrorist targets, sections stagger appointments over the course of the workday so that all applicants do not arrive at one time.

## Visa Fraud

Approximately 28 percent of first time NIV applicants at Embassy Sofia fail to qualify for visa issuance. Applicants may conceal their true intent or use counterfeit materials and identities in attempts to qualify for American visas. Full name checks for terrorist, criminal, and other forms of disqualifying behavior are performed. Requests for reevaluation of failed visitor visa applications add to pressures on the staff. In this setting, fraud ranks high on the visa unit's concerns. Anti-fraud tasks include determining identity and citizenship, validating educational records, substantiating work histories, and authenticating family relationships. For more efficient, focused resource use, OIG suggested modifying the antifraud unit's practice of screening every NIV application before interviewing offices reviewed them.

In FY 2004, the two consular antifraud employees investigated approximately 1,000 suspicious cases of record and performed numerous "spot checks." In addition to examining visa claims, the investigators validate information for the American citizens services unit. Limited opportunities exist to examine cases outside Sofia. The consular section works to provide courteous, efficient service while maintaining the integrity of U.S. laws and regulations by carefully evaluating visa applications. OIG found that the post does not precisely count antifraud work in consular package statistics and suggested ways to improve tracking and reporting it.

## Visas Viper Program

The visas viper program requires that information on "people who may threaten the welfare of the United States" held by any mission element be submitted through the consular section to the Department. The Department reviews consular reports to identify persons for potential inclusion in the automated visa lookout system. Embassy Sofia holds monthly visas viper program committee meetings.

## Physical Environment and Security

At the time of the inspection, the consular section office and client space was inadequate, fragmented, and dysfunctional. The move to the NEC should greatly improve matters.



RESOURCE MANAGEMENT

Agency	U.S. Direct-Hire Staff	U.S. Local-Hire Staff	Foreign National Staff	Contract/PSA Plus American / TDY	Total Staff	Total Funding (USD, 000s)
Department of State	42	2	251	18	313	12,518
Foreign Commercial Service	1	NA	6	NA	7	339
Defense Attaché Office	10	NA	6	1	17	507
U.S. Agency for International Development	3	NA	29	4	36	2,313
Foreign Agricultural Service	1	NA	3	NA	4	356
Office of Defense Cooperation	3	NA	NA	NA	3	162
Peace Corps	3*	NA	34	1	38	2,600
Department of Justice	1	NA	2	NA	3	207
Marine Security Guard	6	NA	NA	NA	6	175
EXBS	NA	NA	NA	1	1	126
US Secret Service	1				1	80
Department of the Treasury				2	2	
US Customs/SECI	NA	NA	NA	1	1	277
<b>Totals</b>	<b>71</b>	<b>2</b>	<b>331</b>	<b>28</b>	<b>432</b>	<b>19,660</b>

\*Plus 174 Peace Corps Volunteers

Note: The embassy and FBI have agreed to establish a resident Legal Attaché office. Staff will arrive once the NEC is available.

## OVERVIEW

The administrative section adequately supports this medium-sized embassy. The scores generated in the workplace and quality of life questionnaires were acceptable to very good. While the overall assessment of OIG was favorable, a lack of communication with the FSN employees, inadequate supervision of first-tour officers, and an overall weak understanding of the principles behind good management controls were issues that embassy management must address - none are insurmountable.

The imminent move into one of the first single design concept NECs will be a tremendous boon to an embassy currently operating out of eight locations. The NEC is a vast improvement over the existing infrastructure. For the most part, the construction team and a group charged with planning the move to the NEC have been preparing for a smooth transition. The challenge for the future will be to adjust to the new environment and avoid repetition of the few pitfalls identified in this report.

The administrative section consists of a recently arrived management officer, an experienced financial management officer, two co-equal general services officers (GSO), a human resources (HR) officer, an experienced facilities maintenance manager, a Foreign Service health practitioner, two co-community liaison office coordinators, plus seven information management professionals. Several locally employed Americans augment the FSN staff of 82. By any measure, the American complement is well balanced to meet the mission's needs. However, OIG found that serious deficiencies occurred in the areas staffed by officers serving on their first tour in the function - HR and GSO. Inexperience, staffing gaps, and inattention by their supervisors led to poor management control practices in general services and an isolation of the HR unit from its clients. New leadership and fresh approaches bode well for the future.

## RIGHTSIZING

The embassy is adequately staffed to fulfill its goals and objectives. The move to the NEC will provide an opportunity to develop administrative support procedures within a new environment. With the completion of the NEC project, the seven project FSN positions would theoretically be terminated. However, the embassy anticipates rehiring them to retain their skills and knowledge of the







the project but has taken comprehensive steps to prepare for the transition. The Ambassador has been deeply involved and has ensured that every contingency was addressed in an impressive level of detail. Learning that transportation to the new site might be difficult for some FSNs, the Ambassador approached the mayor to change the routes of public transportation in the area. He ensured that there was a commercial operator of the new cafeteria, and that communication within the embassy community was maintained, in part via a special newsletter posted on the Intranet. The embassy is well positioned to move as soon as the facility is ready for occupancy. The Ambassador also has used personal contact with OBO Washington to resolve problems as they surfaced.

## GENERAL SERVICES AND FACILITIES MAINTENANCE

The general services and facilities maintenance sections provide good services as reflected in high scores in the workplace and quality of life questionnaires. Truly commendable is that two co-equal GSOs on their first management tours, and a highly regarded facilities maintenance manager, have overcome the burden of serving eight facilities and worked in a section that has endured staffing gaps. Under such circumstances, the scores are impressive. An experienced facilities maintenance manager ably leads the facilities maintenance section. Their work will ease significantly when they leave labor-intensive facilities for the NEC. The embassy has a good safety and environmental health program that should become even stronger in the state-of-the-art NEC.

The embassy is in the final phases toward purchase of 12 new residential properties that will add to a pool of attractive and functional residential units. The move to purchase rather than lease is timely, because housing costs are accelerating as more Westerners compete for housing, and landlords speculate that entry into the EU will drive property values significantly higher.

The shipping and customs, motor pool, and travel units performed well with high satisfaction levels, but OIG provided some informal recommendations. On the surface, the GSO staffing gaps and assignment of first tour officers has not affected satisfaction levels of the sections' customers. Unseen by the customers were serious gaps in the internal management of the section detailed below. OIG pointed out that by regulation, the two GSOs cannot supervise each other. The management officer agreed to become the de facto supervisory GSO for the embassy.

## Procurement

Although the embassy community viewed the office as a good service provider, OIG observed that a succession of American officers had failed to implement many of the Department's policies and procedures regarding procurements. This issue is discussed further in the Management Controls section of the report.

## Shipping and Customs

Under normal circumstances, OIG would comment only in passing on functions that were performed well and within regulations. However, the success of the shipping and customs unit and the strong support it received from embassy management in supporting the requirements of the NEC construction project, were a model that should be emulated.

## Property Management

The embassy reported nonexpendable property shortages within the tolerable limits in its 2004 Property Management Report (Form DS-582). The property management section was adequately staffed. A full FSN staff complements the GSO assistant/property manager and a newly appointed eligible family member who supervises the day-to-day operations at the warehouse. The staffing arrangement allows for the appropriate separation of property management duties. The accountable property officer, the assistant GSO whose office is at the administrative annex, is physically removed far away from the warehouse. This will change with the upcoming move when everyone will be on the same compound.

The embassy's warehouse space was adequate. Administrative offices were clean and well maintained. The receiving area was organized and cordoned off. The warehouse area set aside for nonexpendable property showed all the signs of being efficiently organized. Although the NEC warehouse will have less space, OIG believes the area to be sufficient for embassy needs. The inspection observed a well organized filing system for records relating to receiving, issuance, work orders, nonexpendable property application inventory, property sales, residential property, and auto parts. Inspection of expendable supplies indicated substantial deficiencies in stock management and record keeping. These issues are discussed in the Management Controls section of the report.

## FINANCIAL MANAGEMENT

The financial management office runs smoothly. The office has had the benefit of an experienced and seasoned financial management officer during the past two years. Nine FSNs perform the accounting and cashiering functions. Transactions are recorded in a timely manner and accurately, and the office's files and filing systems are orderly and systematic. The low rate of unliquidated obligations and outstanding workplace quality and quality of life ratings indicate the section has developed good coordination between the administrative offices and embassy requesters. In the past the office has not reported grants over \$600 paid to U.S. citizens to the Internal Revenue Service and must do so. The office does not test the veracity of expenses charged to post assignment travel orders, a vulnerability to which the Department has alerted all posts. OIG offered informal recommendations.

## INTERNATIONAL COOPERATIVE ADMINISTRATIVE SUPPORT SERVICES

Embassy Sofia uses the International Cooperative Administrative Support Services (ICASS) Light software. There are duplicative structures at post but on a small scale. USAID has its own drivers and a one-person management office providing limited HR services. Also, USAID receives financial management services from the USAID regional office in Budapest. OIG found there was duplication of effort and that the embassy administrative section could adequately provide those services under ICASS. ICASS council members and all management office American direct hires and FSN service providers have received training from Washington. OIG review determined that ICASS standards were relevant and specific, reflected accurately customers' needs, and had meaningful performance measures.

## INFORMATION MANAGEMENT AND INFORMATION SECURITY

Embassy Sofia's information management (IM) and information security programs, for the most part, meet the needs of its approximately 190 authorized users. Overall, the IM section is well run with a dedicated staff that works to maintain a secure classified and unclassified IM security environment. However, OIG found several key areas requiring management attention. Also, OIG

discovered pornography on post's systems that is prohibited by Department policy and guidance. Post took appropriate action to remove the pornography from its systems and notify the offending parties that pornography is not permitted on government systems.

OIG found that the embassy was not assuring that its systems are adequately purged of personal user files and e-mails as required by 5 FAM 751.1 and post guidance. The post IM staff occasionally notifies users of their responsibility for cleaning out their accounts; however, the IM staff has not been able to get users to comply. OIG performed a random review of eight posts user e-mail accounts with four of the eight e-mail accounts containing approximately 3,000 e-mails each. One e-mail account contained nearly 4,000 e-mails for an employee who has been at post less than a year.

Limiting the personal e-mails and files on government systems allows users personal use of government owned systems but does not cause the system to become overloaded, susceptible to virus attacks or other hazardous files, and does not slow systems operations. Embassy Sofia has taken action to correct this problem.

OIG found that embassy Sofia does not have a written procedure for storage of electronic records and files, nor are official electronic records and files being archived as required by 5 FAM 443.3. Department policy also requires that electronic records and attachments that meet the statutory definition of official records be printed out and filed with related records. Post management was not aware of the requirement to archive official e-mail records and related attachments and therefore has allowed official records to accumulate on the systems.

**Recommendation 2:** Embassy Sofia should develop a written procedure covering storage of electronic records and require that users print out and file electronic records as required by Department guidance. (Action: Embassy Sofia)

OIG found that Embassy Sofia was not transferring, retiring, or destroying official records according to the Department records disposal schedule defined in 5 FAM 433. As an example, the post political and economic and counselor affairs sections were a year behind in retiring their records. Additionally, post management recently appointed a records control officer who has not been adequately trained on

his responsibilities. Failure to dispose of official records in a timely manner may hinder the preservation of these records as required by Department guidance.

**Recommendation 3:** Embassy Sofia should assure its records are transferred, retired, or destroyed in accordance with the Department's records disposal schedule and the post records management officer receives training for his new responsibilities. (Action: Embassy Sofia)

## QUALITY OF LIFE

### (b)(2)(b)(6)

The (b)(2)(b)(6) provides preschool through eighth grade instruction to 171 students in Sofia. (b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6) Department allowances compensate tuition costs. The New England Association of Schools and Colleges and the Council of International Schools accredit the (b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6) In FY 2004, the Department granted the school \$27,200 for educational support and another \$11,200 for security purposes. The school board chair position is reserved for the Ambassador's nominee. The Ambassador also names three other members, and the British Ambassador selects four additional members. The president of the parent-teacher organization fills the ninth board seat.

A regional educational officer of the Department's Office of Overseas Schools visited the school in October 2004 to evaluate needs. The officer's report noted that, while parents express satisfaction with teachers, they were displeased with the school director and his management practices. School administration did not permit parent volunteerism or attendance at school board meetings or parent-teacher organization meetings. Besides informing embassy management of these issues, the regional educational officer counseled school administrators, parents, and the general community. The school reversed these policies in late October 2004 but must work to overcome the legacy of excluding parents from school involvement.

### MEDICAL UNIT

The embassy's health unit occupies part of an annex near the chancery. It provides medical counseling as well as first aid for all embassy staff, and primary outpatient care for Americans assigned to the mission. Health unit employees oversee additional medical treatment or procedures that require use of Bulgarian facilities. The unit coordinates an average of one medical evacuation a month to

help ensure that employees obtain satisfactory medical care. It follows Office of Medical Services guidelines in providing care, which limits services sometimes expected by clients.

A Foreign Service health practitioner manages the unit and supervises a registered nurse, a clerk, and a Bulgarian physician. Medical specialists are available on call. The Department's Office of Medical Services and the regional medical office in Vienna support the health unit. OIG review confirmed that the unit competently administers confidential patient records and controlled medical supplies, properly keeping stocks on hand in secure containers.

## COMMUNITY LIAISON OFFICE

Two co-community liaison office coordinators, each working half-time, organize informative and entertaining morale building events for embassy American and LES staff and families. During the past year, the community liaison office and embassy management worked to resolve a number of personnel and administrative issues.

Community liaison office activities include arranging sponsors for new arrivals, advising employees on local conditions, offering guidance and a sympathetic ear, organizing social events for staff and dependents, and managing a lending library. The community liaison office publishes an informative weekly newsletter and coordinates recreational programs. These include trips that help staffers get outside the capital and experience the country's culture and beauty. Embassy employees rated the community liaison office as an effective service provider in the workplace and quality of life questionnaire scores.

## EQUAL EMPLOYMENT OPPORTUNITY/FEDERAL WOMEN'S PROGRAM

American employees rated equal employment opportunity (EEO) and Federal Women's Program (FWP) workplace sensitivities among the top ten categories of embassy services in their workplace and quality of life questionnaire responses. During the inspection, officers charged with managing the embassy EEO program

started organizing an EEO program tailored for LES staffers. EEO/FWP coordinators stated that no employees registered complaints or sought counseling during the past year. Coordinators post EEO/FWP information on the embassy web site and in each building.



## MANAGEMENT CONTROLS

The embassy completed a risk assessment questionnaire immediately before the inspection, receiving acceptable scores from the Bureau of Resource Management. Its previous risk assessment was completed in 2000. The management counselor is the management controls coordinator. OIG believes the management control coordinator should be the DCM to ensure all offices with control responsibilities report accurately. An informal recommendation was made.

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

Although the mission demonstrated a commitment to observing, reporting, and correcting weaknesses, it experienced shortcomings in documenting its system of management controls. For example, the embassy did not identify risks and control objectives peculiar to its operations, which is the first step in the Department's approach to assessing management controls. In addition, the embassy did not have written policies and procedures specifically tailored for many of its administrative processes. Many of the entry-level officers lack an understanding of the Department's management controls program sufficient enough for them to be effective managers in this context.

Approaching a management controls review, prescribed in 2 FAM 021.3j (1), is a systematic method that affords the best and most direct approach to meet Department requirements and to detect program vulnerabilities. For example, recognizing and formulating a strategy to approach the risk that costs for goods and services are excessive could have prevented the embassy from experiencing a breakdown in its control over purchasing (see procurement discussion below). The current management counselor has not been involved in the embassy's statement of

assurance process but is nonetheless well informed of the Department's management controls program and can properly carry out its objectives. He is poised to ensure all embassy managers with control responsibilities get appropriate training.

**Recommendation 4:** Embassy Sofia should enroll all embassy managers with control responsibilities in the Foreign Service Institute's Management Controls Workbook correspondence course. (Action: Embassy Sofia)

**Recommendation 5:** Embassy Sofia, upon moving to its new compound, should promptly conduct an embassy-wide management controls review, as described in the Foreign Affairs Manual. (Action: Embassy Sofia)

## PROCUREMENT

OIG observed that a succession of American officers had failed to implement many of the Department's policies and procedures regarding procurements. The section never completed the required documentation in form DS-1918, Purchase Order File, required by Chapter 2 of the Overseas Contracting and Simplified Acquisition Guidebook. As a result, critical procurement information has never been efficiently communicated to American supervisors. Also, individuals responsible for procurement actions could not always be identified which presents a control vulnerability.

In addition, there was little evidence that purchase request forms were being properly prepared. For example, fiscal data was not being obtained at the purchase request phase as required by regulations, and there is evidence that embassy requesters instructed procurement staff on vendor selection, a fundamental breach of appropriate separation of duties.

Far more serious, OIG concluded that the procurement section did not always obtain sufficient competition for purchases over \$2,500 required by FAR 13.104(b) and paid little or no attention to requirements to provide proper justifications for sole source and limited source procurements. There were many examples. As a result of the failure to implement Department internal controls over purchasing,

the embassy did not have reasonable assurance that it paid the lowest prices for goods and services and increased its risk for procurement fraud. The failed management controls in the embassy's procurement section resulted from failed supervision.

**Recommendation 6:** Embassy Sofia should ensure that price competition is obtained and documented for procurements and that internal controls are followed as required by regulations contained in the Foreign Affairs Manual. (Action: Embassy Sofia)

## EXPENDABLE SUPPLIES

Management of the warehouse expendable supply area reflected poorly on the property management staff. Procedures as outlined in 6 FAM 220 are not being followed. Shelves were cluttered, and inventory items were scattered with no rhyme or reason. The expendable supply area contained property that did not belong there. For example, junk art, broken glass, unrecorded cleaning supplies, and soft drinks cluttered the area. The condition is the result of neglect over a substantial period of time. Correcting the current condition of the expendable supply area at the current warehouse would be a useless exercise, but ensuring better performance at the new compound is vital.

Inventory arrangements were chaotic and did not always make sense. For example, the physical inventory of tires was not grouped by tire size but rather by an assigned vehicle. Tire inventory records were categorized by tire size. As a result, verification of tires to inventory records is extremely difficult at best. An informal recommendation was made to arrange the physical inventory of tires according to size.

Spot checks by OIG indicated wide disparities between physical counts and inventory records for most expendable supply items. This is of great concern because some disparities are quite large. For instance, copying paper had a shortage of 70 boxes, an amount that should have been readily apparent to the eye. This indicates possible serious flaws in the embassy's processes for receiving, recording, and distributing supplies. A contributing factor to weak oversight was that spot

checks of inventory by the accountable property officer have not been conducted. It is obvious that the embassy's inability to reconcile expendable supplies resulted from years of neglect. The 2004 Property Management Report, disclosing no exceptions, is clearly in error.

**Recommendation 7:** Embassy Sofia should ensure that property management procedures as specified in the Foreign Affairs Manual are applied. (Action: Embassy Sofia)

## CONSULAR MANAGEMENT CONTROLS

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

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

## FORMAL RECOMMENDATIONS

**Recommendation 1:** Embassy Sofia should fully implement the new Department directive to include the U.S. Agency for International Development (State 199609) in its hiring policy and should expand the American hiring committee to provide broader embassy representation. (Action: Embassy Sofia)

**Recommendation 2:** Embassy Sofia should develop a written procedure covering storage of electronic records and require that users print out and file electronic records as required by Department guidance. (Action: Embassy Sofia)

**Recommendation 3:** Embassy Sofia should assure its records are transferred, retired, or destroyed in accordance with the Department's records disposal schedule and the post records management officer receives training for his new responsibilities. (Action: Embassy Sofia)

**Recommendation 4:** Embassy Sofia should enroll all embassy managers with control responsibilities in the Foreign Service Institute's Management Controls Workbook correspondence course. (Action: Embassy Sofia)

**Recommendation 5:** Embassy Sofia, upon moving to its new compound, should promptly conduct an embassy-wide management controls review, as described in the Foreign Affairs Manual. (Action: Embassy Sofia)

**Recommendation 6:** Embassy Sofia should ensure that price competition is obtained and documented for procurements and that internal controls are followed as required by regulations contained in the Foreign Affairs Manual. (Action: Embassy Sofia)

**Recommendation 7:** Embassy Sofia should ensure that property management procedures as specified in the Foreign Affairs Manual are applied. (Action: Embassy Sofia)



## 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 and Economic Section***

Although included in section representational events, political/economic section FSNs do not have representation funds - a useful tool for them to use in developing new contacts.

**Informal Recommendation 1:** Embassy Sofia should provide appropriate representation funds to the Foreign Service nationals in the political/economic section allotment.

Washington readers requested more in-depth reporting and analysis of issues affecting the political and economic conditions and prospects of this new NATO partner.

**Informal Recommendation 2:** Embassy Sofia, in coordination with the Department, should augment its reporting plan to include analysis of issues of importance to Bulgaria and to the region, such as corruption and organized crime. Section officers should travel in order to report on issues and conditions outside Sofia.

Biographic files are in need of updating.

**Informal Recommendation 3:** Embassy Sofia's political/economic section should set a date to complete an update of biographic files.

### ***Public Diplomacy***

Embassy Sofia's IRC is currently underutilized. On average, only 20 embassy Bulgarian contacts use the facility each month, and IRC employees respond to approximately 20 reference requests.

**Informal Recommendation 4:** After relocation of the information resource center to the new embassy compound, the public affairs section should develop a proactive program to promote information resource center services with Bulgarian target audiences as well as other embassy elements.

The IRC electronic outreach effort is based primarily on distribution of the monthly Article Alert service to recipient lists generated by PAS with no input from other embassy elements.

**Informal Recommendation 5:** The public affairs section should invite full participation by other embassy elements in developing recipient lists for information resource center electronic information outreach products and should expand the program to include more Bulgarian recipients as well as more priority Mission Performance Plan thematic areas.

Embassy Sofia argues in its FY 2006 MPP that after the termination of SEED funding in 2007, additional funding will be required for continued assistance efforts on some rule of law issues of direct interest to the U.S.

**Informal Recommendation 6:** Embassy Sofia should take the initiative to provide detailed justification for this request to appropriate elements of the Department.

### ***Consular***

Embassy Sofia's consular section administration should be improved with time set aside for management responsibilities such as planning, reporting, training, and outreach.

**Informal Recommendation 7:** Current work schedules should be revised to accommodate time for planning, reporting, training, and outreach. The embassy should request a consular management assistance team visit to upgrade section administration and performance after the move to new space if necessary.

Embassy Sofia's consular section has few standard operating procedures.

**Informal Recommendation 8:** To speed standard operating procedure development, Embassy Sofia should consult samples from other regional embassies on procedures they have prepared that the Office of Inspector General left with consular management.

Embassy Sofia's consular files are not maintained in compliance with Records Management Handbook standards. Many items are obsolete.

**Informal Recommendation 9:** The section should review filed materials, properly arrange them, and discard obsolete items.

### ***Information Management***

Embassy Sofia's IM hardware inventory for the posts annex and American Center lacked and had inaccurate nonexpendable property accountability system numbers and in some cases did not have information management hardware listed on the inventory as required by 6 FAM 221.2-2 and 6 FAM 229. Inventories were corrected during the inspection.

**Informal Recommendation 10:** Embassy Sofia should review its information management inventories when changes are made to the inventory, correcting any inconsistencies, missing, and inaccurate inventory numbers.

### ***Human Resources***

Embassy Sofia has an effective FSN executive committee that meets on an irregular basis with embassy managers.

**Informal Recommendation 11:** Embassy management should meet on a regularly scheduled basis with the Foreign Service national executive committee. Meetings should be monthly with the human resources officer and management officer, quarterly with the deputy chief of mission, and semi-annually with the Chief of Mission.

Post differential ceases when the employee travels in the United States. Embassy Sofia has a system in place to stop paying post differential to employees who travel to the United States, but does not issue periodic reminders.

**Informal Recommendation 12:** Post should periodically remind personnel to inform their timekeepers when they go to the United States.

Embassy Sofia has the appropriate hiring committees, but decisions are not well documented. There have been criticisms and questions regarding hiring decisions.

**Informal Recommendation 13:** Decisions of any hiring committee should be well documented. Particular attention should be made in those instances when the required elements of the position were not fully met by the successful applicant.

Bulgaria has a rapidly changing economy, including the labor market. Keeping

abreast of changes requires expertise and continuity.

**Informal Recommendation 14:** Embassy Sofia should develop, within existing staff, the expertise to stay abreast of a rapidly changing labor market.

Embassy Sofia does not have a designated EEO counselor for FSNs.

**Informal Recommendation 15:** Embassy Sofia should train and appoint an equal employment opportunity counselor for the Foreign Service nationals.

Embassy does not include FSNs on its awards committee.

**Informal Recommendation 16:** Embassy should (as appropriate) include Foreign Service national membership in the awards committee.

Embassy awards program has been criticized for giving repeated awards to the same people for the same performance.

**Informal Recommendation 17:** The human resources section should maintain a list of the previous awards for each employee so that the awards committee has basis for comparison.

The FSN medical plan requires a review of personal medical information. Records must be auditable. That information is maintained in the HR section.

**Informal Recommendation 18:** Medically privileged information should be retained in the medical unit.

### ***Financial Management***

In the past, the financial management office has not reported grants over \$600 paid to U.S. citizens to the Internal Revenue Service.

**Informal Recommendation 19:** Embassy Sofia should issue information returns to the Internal Revenue Service and U.S. citizens regarding nonwage annual payments over \$600.

***Motor Pool***

Motor pool staff members do not always prepare Vehicle Log, Form OF-108 in accordance with 6 FAM 228.6-1. Passenger acknowledgements for service are not always obtained, and the reverse pages of the logs are not always completed.

**Informal Recommendation 20:** Embassy Sofia should implement a control technique to ensure completion of Vehicle Logs, Form OF-108.

Vehicle logs are not filed intact for individual vehicles but merely collected and stored as one group of records.

**Informal Recommendation 21:** Embassy Sofia should ensure that proper files are maintained for individual vehicles.

***Management Controls***

Management control coordinator responsibilities now rest with the management officer. OIG believes the DCM should be the management control coordinator to ensure that all offices with control responsibilities report accurately.

**Informal Recommendation 22:** Embassy Sofia should add management control coordinator to the deputy chief of mission's work requirements statement.

***Expendable Supplies***

The physical inventory of tires is not grouped by tire size but rather by an assigned vehicle, thereby making inventory verification very difficult.

**Informal Recommendation 23:** Embassy Sofia should arrange the physical inventory of tires according to size.

There were wide disparities between physical counts and inventory records for most expendable supply items. There is ambiguity in the regulations as to who should conduct spot checks.

**Informal Recommendation 24:** Embassy Sofia should ensure that the accountable property officer personally conduct periodic spot checks of expendable supply inventories.

The embassy does not maintain accurate records for expendable maintenance supplies.

**Informal Recommendation 25:** When the embassy moves to the new embassy compound, the management of expendable maintenance supplies should be consolidated and managed by one expendable property section employee.

The Department will soon issue new regulations regarding the accountability and disposal of furniture and equipment provided to posts when new facilities are built.

**Informal Recommendation 26:** Embassy Sofia should maintain separate nonexpendable property records for items provided by the Bureau of Overseas Buildings Operations from those transferred from existing locations.

## PRINCIPAL OFFICIALS

Ambassador	James W. Pardew	05/02
Deputy Chief of Mission	Jeffrey D. Levine	08/03
Chiefs of Sections:		
Management	Warren D. Hadley	06/04
Consular	Michael A. Barkin	04/02
Political/Economic	Bradley Freden	08/03
Public Affairs	Matthew Lussenhop	08/03
Regional Security	Paul D. Brown	08/03
Overseas Buildings Operations	Surinder Masson	05/02
Other Agencies:		
Foreign Agricultural Service	Brian D. Goggin	08/01
Department of Defense	Col. Carla Bass	07/02
Foreign Commercial Service	James Rigassio	07/04
U.S. Agency for International Development	Debra D. McFarland	06/00
Department of Justice	Tom Peebles	08/03
Department of Homeland Security	Angelo Angeloupolos	07/03



## ABBREVIATIONS

ACO	Accountable consular officer
CAJE	Computer assisted job evaluation
CMH	Consular management handbook
DCM	Deputy chief of mission
EEO	Equal Employment Opportunity
EU	European Union
FSN	Foreign Service national
FWP	Federal Women's Program
GSO	General services officer
HR	Human resources
ICASS	International Cooperative Administrative Support Services
IM	Information management
IRC	Information resource center
IV	Immigrant visa
LES	Locally employed staff
MPP	Mission Performance Plan
NATO	North Atlantic Treaty Organization
NEC	New embassy compound
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
RSO	Regional security officer
SEED	Special East European Development Fund
USAID	U.S. Agency for International Development

**FRAUD, WASTE, ABUSE, OR MISMANAGEMENT**  
of Federal programs  
and resources hurts everyone.

Call the Office of Inspector General  
**HOTLINE**  
**202-647-3320**  
**or 1-800-409-9926**  
**or e-mail [oighotline@state.gov](mailto:oighotline@state.gov)**  
to report illegal or wasteful activities.

You may also write to  
Office of Inspector General  
U.S. Department of State  
Post Office Box 9778  
Arlington, VA 22219  
Please visit our Web site at:  
<http://oig.state.gov>

Cables to the Inspector General  
should be slugged "OIG Channel"  
to ensure confidentiality.