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

Report of Inspection

Embassy Bern, Switzerland

Report Number ISP-I-09-31A, June 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 Council of the Inspectors General 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 instance 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

- Reporting by the lean political-economic section has been good, especially on the Swiss reaction to the current global financial crisis, but the section could do more reporting and contact work. The political-economic section devotes a large amount of its limited time and resources to the support of U.S. participation in the World Economic Forum (WEF).
- Support for the U.S. Administration and Congressional officials who attend the WEF, a large private sector gathering of global leaders from government, business, media and nongovernmental organizations each January, could be provided more efficiently by the U.S. Mission to the United Nations and other International Organizations in Geneva.
- The small public affairs section (PAS) has worked hard and achieved measures of success in cultural and media outreach and in the support of the Fulbright exchange program. It can improve the Embassy's Internet presence and the perception of its responsiveness to other sections and agencies.
- Consular operations in Bern feature a busy American citizen services workload and visa waiting times well within Bureau of Consular Affairs (CA) guidelines. The renovated facility it occupies has serious flaws, many of which are inherent in the design. The new section chief is making good strides in complying with CA internal controls policies, but needs assistance from the management section to complete them.
- Embassy Bern's management team, despite its small size, provides a consistently high level of customer service by focusing on continual improvement, seeking innovative ways to reduce costs, improving quality, and increasing effective service delivery. However, additional attention to management controls is needed.

The inspection took place in Washington, DC, between January 5 and 27, 2009; in Bern, Switzerland, between March 2 and 12, 2009; in Geneva, Switzerland, on March 4, 2009; and in Zurich, Switzerland, on March 5, 2009. (b) (6)(b) (6) (b) (6)(b) (6)(b) (6)(b) (6)(b) (6)(b) (6)(b) (6) (b) (6)(b) (6)(b) (6)(b) (6)(b) (6)(b) (6)(b) (6)(b) (6)(b) (6) (b) (6)(b) (6)(b) (6)(b) (6)(b) (6)(b) (6)(b) (6)(b) (6)(b) (6)

CONTEXT

Switzerland lies at the heart of Europe with a small but affluent population of 7.7 million and with an annual gross domestic product of nearly \$500 billion. The U.S. Ambassador in Bern is also accredited to the principality of Liechtenstein. Although tiny with only 33,000 inhabitants, the principality is an important banking center, offering offshore financial services to thousands of foreign clients.



Switzerland and Liechtenstein, as international banking centers, figure prominently into the U.S. Government's programs to disrupt the financing of terror organizations and to impede money laundering by criminal groups. Switzerland is the manager or custodian of over seven percent of the world's privately held financial assets. Thus, a top priority of the U.S. mission is to improve the transparency of local banking practices and financial regulations. Banking secrecy

laws in Switzerland and Liechtenstein also have contributed to the loss of millions of dollars in tax revenue on income sheltered from U.S. tax authorities. Recent efforts by the U.S. Government to force greater disclosure by Swiss banks of the identity of their U.S. citizen clients generated a firestorm of criticism in Switzerland.

The United States is Switzerland's largest export market after Germany and remains one of our fastest growing two-way trade partnerships in Europe for goods and services. The United States is the second largest foreign investor in Switzerland, and the Swiss rank sixth as a foreign investor in the United States. Few barriers to trade exist between the United States and Switzerland, except in Switzerland's highly protected agricultural sector.

Traditionally the Swiss have practiced strict neutrality. The country's Federal Government cedes significant powers to the many canton governments in Switzerland's loose confederation. Switzerland and the United States find common ground on many global issues, including nonproliferation and counterterrorism. The Swiss participate in all relevant export control and nonproliferation regimes. With its neutrality and history, the Swiss have a disproportionate influence in the United Nations

and in international humanitarian bodies (the International Committee of the Red Cross is headquartered in Switzerland). They act as protecting power for U.S. interests in Iran and Cuba. They are among the neutral nations monitoring the Korean demilitarized zone and supply military observers in international peacekeeping operations in several African countries and Kosovo.

The largest cluster of pharmaceutical and biotech firms in Europe is based in Switzerland. Switzerland is also home to the largest micro-chip company in Europe as well as the Center for Nuclear Research, the world's largest super-collider and multinational energy research project. The world's leading food processing company, Nestle, a major player in global food policy, is a Swiss company. Thus, the targets of opportunity for political, economic, and scientific engagement by Embassy Bern are enormous. Unfortunately, the lean staffing resources available preclude full exploitation of these opportunities.

Embassy Bern's total staffing of 111 includes 47 direct-hire American staff, 58 locally employed (LE) staff members, and six eligible family members (EFM). The Department's annual budget for Embassy Bern is \$15.6 million. In addition to the Embassy, there are two consular agencies, one in Geneva and one in Zurich. Embassy Bern is responsible for all aspects of the U.S.-Swiss bilateral relationship. It is separate from the larger U.S. Mission to the United Nations and other International Organizations in Geneva, which is solely responsible for multilateral UN issues.

EXECUTIVE DIRECTION

The noncareer Ambassador completed his tour of duty and departed in December 2008. A highly regarded career Foreign Service chargé d'affaires leads Embassy Bern. The chargé keeps the country team coordinated through a series of interlocking but mutually reinforcing weekly meetings. She augments these group meetings by weekly one-on-one meetings with State section chiefs and biweekly one-on-one meetings with heads of other agencies. All members of the country team reported these meetings useful, time efficient, and invaluable. Further, the chargé's scores for communication and interpersonal relations on the personal questionnaires completed by Department officers and heads of agencies, set two new record highs as compared to the last 100 deputy chiefs of mission (DCM) inspected by the Office of the Inspector General (OIG). Without exception, interagency relations are harmonious and cooperative.

The process in developing the Mission Strategic Plan (MSP) was inclusive of all Department sections and other agencies based in Bern. The six goals selected by Embassy Bern focus properly on those areas where the U.S. mission staff can be most influential. These include improving counterterrorism cooperation; advancing nonproliferation cooperation; increasing trade and investment; disrupting criminal organizations; enhancing cooperation on global and environmental issues; and enhancing public support for the United States and its goals. One way for Bern to improve its MSP is to strengthen its chief of mission statement. The chief of mission statement for FY 2011 described why Switzerland is important to the United States but did not articulate a vision of where the U.S. mission should be in 2011, nor the resources needed to reach its goals.

In addition to having a public diplomacy goal paper in the MSP, public diplomacy tools are integrated into the goals and targets of the other five goal papers. Embassy Bern, under the guidance of the former Ambassador and now the chargé, conducts an active public diplomacy effort. The Ambassador initiated outreach to the Muslim communities by hosting an Iftar dinner each Ramadan. He also worked diligently to raise funds for an expanded Fulbright program. The chargé also participates in public diplomacy activities, giving five or six speeches each year. In addition, she devotes a great deal of attention to ensuring that the PAS supports all the elements represented on the country team.

One complication for both the development of Bern's MSP and the executive direction exercised by its senior management is the fact that the U.S. Government has a much larger establishment in the city of Geneva—the U.S. Mission to the United Nations and other International Organizations. There are three U.S. chiefs of mission based in Geneva—the Ambassador to United Nations Organizations, the U.S. Trade Representative, and the U.S. Representative to the Conference on Disarmament. On occasion, the U.S. missions in Geneva and Embassy Bern can find themselves chasing the same targets of opportunity, especially in the public diplomacy arena or while conducting fundraising for public diplomacy or representational events. The chargé is properly sensitive to the need to coordinate with the U.S. missions in Geneva on such subjects.

Another event with a strikingly disproportionate impact on Embassy Bern's meager resource base is the annual WEF, known as Davos. Though designated as an unofficial event, the WEF usually draws a high-level mix of U.S. Administration officials and Congressional participants. Embassy Bern is called upon to support the U.S. executive and legislative branch officials who attend Davos, often arranging side bar meetings and assisting with the organization of an annual bilateral U.S.-Swiss Joint Economic Commission on the margins. The work done by Embassy Bern to support the many U.S. officials participating in Davos consumes approximately 1 month of the embassy staff time each year. Usually the Embassy is able to charge official U.S. visitors a fee sufficient to cover the cost of providing support. In January 2009, however, due to lighter than normal participation by U.S. officials, the Embassy was left to cover approximately \$30,000 in control room and representational costs from its own resources. This issue will be discussed further in the management resources section of this report.

Each of the recent Ambassadors to Switzerland has been a noncareer appointee. The most recent Ambassador brought a wealth of experience in international finance and a strong background in fundraising to his position. He put these skills to good use in several programs to include the expansion of the Fulbright program mentioned above and the annual July 4 National Day celebration. The Ambassador's personal participation in such fundraising for U.S. Government sponsored activities was generally well documented and approved by the appropriate authorities in Washington but in at least one case the inspectors could not locate documentation to demonstrate that the fundraising conducted complied with Foreign Affairs Manual procedures. This issue will be discussed further in the management controls section of this report.

Embassy Bern did not experience significant growth in U.S. direct-hire positions in recent years with the exception of several temporary positions added by the

Bureau of Overseas Buildings Operations (OBO) to oversee the move into the new chancery. The front office performs its mandatory approval of each new request under the National Security Decision Directive-38 process, but the Embassy lacks both centralized files on National Security Decision Directive-38 requests and a process to estimate the full cost to the Department, both in terms of the Department's International Cooperative Administrative Support Services (ICASS) contribution and program security costs. The inspectors briefed the chargé and the management officer on the latest approaches to controlling growth of the U.S. presence overseas, and methods to enhance cost recovery in the ICASS and security programs.

The Ambassador, before he departed, and the chargé, both fully supported the Embassy's security program. The 2008 move of the chancery to a new location resulted in improved security. This relocation into a short-term leased building in the downtown area of Bern required intensive preparations and coordination. The regional security officer and the Marine security guards were pleased with the attention given to the security program by embassy management.

Swiss society is not naturally open and welcoming, but individual Swiss citizens are quite welcoming to foreigners. No formal Equal Employment Opportunity (EEO) complaints were on record at the time of the inspection. Several informal complaints were resolved with the assistance of the DCM and an EEO counselor based in Embassy London. By all accounts both the Ambassador, when at post, and the chargé, now and in her role as DCM, provide the EEO program with their complete support.

Officers and their accompanying family members are happy to be working at Embassy Bern. Negative quality of life issues tend to be outside of the control of the Embassy and include issues with cold winter weather, the extraordinarily high cost of living, and the lack of employment opportunities for family members. The Embassy runs an active EFM program, and several such positions were in the process of being filled during the inspection. As more and more EFMs come with advanced degrees and extensive career experience, the kind of positions available, security escorts for example, falls short of expectations.

There are only four entry-level officer (ELO) positions in Bern. Two officers work in the consular section (with one position vacant at the time of the inspection) and the others are in the security office and the general services unit. The chargé provides each ELO with mentoring and guidance, making herself available for counseling and advice whenever needed. She makes a point of including the one specialist ELO in the program. During the past year, she held quarterly sessions to discuss topics such as bidding and performance evaluation. Overall the ELO program is performing in accordance with Department policy.

POLICY AND PROGRAM IMPLEMENTATION

POLITICAL AND ECONOMIC SECTION

Headed by an FS-01 political-economic counselor, the section includes two political officers, an economic officer, an office management specialist, and two LE staff members. An important goal is to strengthen cooperation with Swiss authorities as they monitor and act to curtail violations of export control and nonproliferation regimes. As a major exporter of sensitive dual-use technology and as a global financial center, Switzerland is a key U.S. partner to combat illicit exports and funding which would fuel weapons of mass destruction and missile proliferation. The Swiss are responsive when the Embassy shares information on possible questionable commercial activities by local firms with countries of interest, but are hampered by limited resources dedicated to intelligence and enforcement. The Embassy, through the political-economic section and its law enforcement representatives, is working to expand bilateral cooperation in this area.

The front office and the section press Switzerland to support multilateral approaches in the International Atomic Energy Agency, the United Nations, and regionally, to resolve the Iran nuclear problem. There was mixed success in 2008. While senior Swiss officials publicly stated their support for the multilateral approach championed by the United States to isolate Iran on the nuclear issue, their position was undercut by a Swiss company's controversial energy deal with Iran over strong U.S. objections presented by the Ambassador.

The section works to obtain Swiss support for bilateral and regional trade agreements. With the Doha trade round under the World Trade Organization facing an uncertain prospect, the achievement of more limited trade agreements rises in importance. In 2005, Swiss officials approached the U.S. Government about pursuing negotiations for a free trade agreement. Although the section, working with the Office of the United States Trade Representative encouraged this initiative, the Swiss Government eventually balked at starting talks; the government chose not to open fully Switzerland's highly protected agricultural market to U.S. competition. The United States Trade Representative later proposed creation of a Trade and Investment Cooperation Forum to resolve more modest trade disagreements. The section supports the Trade and Investment Cooperation Forum and hopes that if it makes

progress on contentious issues, such as wine, beef, and intellectual property, it could set the stage for an eventual free trade agreement. The section also organizes regular meetings of the U.S.-Swiss Joint Economic Forum to review broad economic themes. Over the last year, the section helped conclude several trade agreements: a Safe Harbor agreement, an e-Commerce agreement, and an updated Open Skies agreement to expand civil aviation ties. It is also fosters U.S. and Swiss efforts to conclude an anticounterfeiting trade agreement including other countries.

The section is active in U.S. efforts to pursue bilateral political cooperation in areas of mutual interest in the Balkans, the Middle East and North Africa, Sudan, South and Central Asia, and Latin America. The counselor handles regional security, such as Georgia and Kosovo, macroeconomics as well as environment, science and technology, and health issues. He has an extensive dialogue with the Swiss on the full range of UN and Organization for Security and Cooperation in Europe human rights issues, including Georgia, the development of institutions in Kosovo, trafficking in persons and women's rights.

Traditionally, the Swiss avoid joining alliances that might entail military, political, or direct economic action, including North Atlantic Treaty Organization. However, they recently broadened the scope of activities in which they feel able to participate without compromising their neutrality after Swiss voters approved legislation for deploying armed troops for international peacekeeping missions under UN or Organization for Security and Cooperation in Europe auspices. The section closely works with the Defense attaché office about Swiss participation in international peacekeeping efforts in Kosovo where they have a small number of troops. But these deployments remain controversial. In late 2007, the Swiss withdrew their contribution of two staff officers to the International Security Assistance Force in Afghanistan because of concerns that this mission might go beyond the limits of Swiss peacekeeping guidelines. Leahy vetting is jointly done by the section and the Defense attaché office.

A new focus for the section is to enhance bilateral cooperation on global and environmental issues. The advent of a new Administration in Washington creates an opportunity to reengage with Switzerland on clean energy, health technologies, climate change, reactor safety, and related issues. This is a highly advanced, globally oriented society with an impressive educational system, a world class biotechnology industry, and a strong consensus in favor of energy-saving and green technologies. The section continues to increase its science and technology reporting and to pursue efforts to conclude a long contemplated bilateral science and technology agreement.

Despite the extremely lean staffing, the volume and quality of reporting from Embassy Bern is good. The OIG team noted its excellent reporting on the Swiss

reaction to the current financial crisis and the consequent economic slowdown affecting local businesses, including the country's two major banks, which rank among the largest and most influential in the world. However, the section would like to do more in-depth reporting. The current requirement to produce all mandated annual reports for both Switzerland and Liechtenstein (trafficking in persons, human rights, narcotics, money laundering, religious freedom) is noteworthy in this regard. Given Liechtenstein's population (only 33,000 people) and its lack of problems, the OIG team questions whether preparing lengthy mandated reports covering this principality represents the best use of the section's limited resources. The OIG team made an informal recommendation that the post contact the Department to seek permission to drop Liechtenstein from mandated annual reports.

The section takes the lead in organizing embassy support for the U.S. participation in the Swiss-run WEF, an independent international grouping with a self-proclaimed commitment to "improving the state of the world." The WEF's annual meeting in Davos, an alpine resort four hours drive from Bern, is the world's largest private gathering of global leaders from government, business, media, and nongovernmental organizations. Attendees in 2009 included the heads of Germany, the United Kingdom, China, and Russia. Past U.S. delegations featured several cabinet members, including the Secretary of State, and substantial U.S. Congressional participation. The section works with WEF organizers to shape its agenda in ways to advance U.S. priorities; it also arranges numerous meetings on the margins of the WEF between senior U.S. Government officials and foreign counterparts as well as organizes a thematic U.S.-Swiss Joint Economic Forum panel meeting at the WEF. The 2009 U.S.-Swiss Joint Economic Forum theme was a discussion of the impact of the global financial crisis on world trade.

While U.S. participation in the WEF is laudable, the OIG team learned that Embassy Bern's limited personnel and financial resources are responsible for supporting the participation of U.S. Administration and Congressional participants in this event. One political-economic officer works full-time on WEF preparations for the three month run-up to the late January gathering. (See the resource management section of this report for estimated costs to all sections of Embassy Bern.) Many embassy officers and staff, including the Ambassador, move to Davos for the week of the WEF meeting. In 2009, their high-cost lodging and transportation expenses were paid largely from the limited embassy budget. OIG questions whether this is the best use of Embassy Bern's limited staff and resources, especially since this is not exclusively a Swiss event and in view of the fact that U.S. Mission in Geneva maintains a large visitors support unit with extensive experience in supporting international conferences. (For more information on the U.S. Mission in Geneva see report number ISP-I-08-51A dated September 2008.)

Recommendation 1: The Bureau of European and Eurasian Affairs should seek agreement from the Bureau of International Organization Affairs to transfer responsibility for the administrative support of U.S. Administration and Congressional participants in the multilateral World Economic Forum from Embassy Bern to the United States Mission to the United Nations and other International Organizations in Geneva. (Action: EUR, in coordination with IO)

Close embassy contact with Swiss Federal officials in the capital is not enough to advance U.S. interests throughout Swiss society. The central government is leanly staffed and relatively weak; much power continues to reside in the 26 cantons (states). Members of Parliament work in Bern only during its 12 week annual session, and there is only a small professional political class. While the Embassy has good access to key decision makers in the media, arts, business, and education, few reside in Bern, so it is hard to cultivate the robust relationships that might help deepen U.S. influence.

With political/economic officers located only in Bern, the Embassy struggles to cover a geographically and linguistically diverse country, cut by numerous mountain ranges. In addition, it represents the United States in the principality of Liechtenstein, a four and a half hour drive from Bern. Given its resource constraints, the section has difficulty in covering major cities and cantons outside Bern regularly, including the key urban and financial centers of Geneva, Zurich, and Basel. With additional resources, the section could exploit contacts in the multilateral organizations in Switzerland not covered by the U.S. Mission in Geneva. For example, the Bank for International Settlements (Basel), the International Postal Union (Bern), the International Olympic Committee (Lausanne), and others could provide a fertile field for reporting. Embassy officials visit Liechtenstein between four and six times a year; most diplomatic work with the principality is conducted through its embassy in Bern.

Although Liechtenstein is a microstate, its banks manage over \$150 billion in assets for nonresident foreign clients. Through embassy efforts including by the political/economic section, Liechtenstein is offering greater transparency to its banking system. Cooperation with U.S. authorities should improve as a result of a recent agreement with Liechtenstein on exchanging tax information.

The section holds twice-weekly staff meetings for officers and LE staff members. Coordination with the Foreign Commercial Service (FCS) section in Bern occurs through the country team meeting and section meetings with the DCM.

LAW ENFORCEMENT

A top embassy goal is improving counterterrorism cooperation through joint U.S. and Swiss law enforcement investigations, more information sharing, and greater efforts by banks to report suspicious financial behavior. Swiss and Liechtenstein banks manage more than \$5 trillion in global assets. Rising European Union pressure against terrorist organizations may cause such groups to misuse traditional Swiss and Liechtenstein bank secrecy practices to protect terrorist financing efforts. The Swiss recognize this problem, but legal restrictions and historical practice limit the information they share to that with a specific U.S. or Swiss connection. In 2006, the Swiss signed the Operative Working Agreement on Counterterrorism Cooperation, updated a year later, to allow joint investigations under limited conditions.

There is an embassy working group on terrorism, headed by the legal attaché. The economic officer is the designated terrorist finance action officer. The section cooperates on an ad hoc basis with law enforcement elements, including the Drug Enforcement Administration, the Federal Bureau of Investigation, and the Department of Homeland Security representatives assigned to Embassy Bern. The section also cooperates with regional representatives from the Internal Revenue Service, the Federal Aviation Administration, and the Secret Service, who regularly visit Embassy Bern. The Embassy holds a monthly meeting of the money laundering group. In addition, numerous ad hoc law enforcement meetings, including with the Ambassador, take place as needed.

Interagency coordination and information sharing is accomplished through scheduled meetings and informal exchanges in a collaborative atmosphere. The majority of the interagency coordination to include report coordination is conducted informally. This process appears to be successful with one agency stating that 14 percent of its reports processed in FY 2008 received formal comments from other embassy offices. Formal interagency coordination occurs at the weekly country team meetings and the frequent ad hoc meetings including the law enforcement working group, the visas viper, and emergency action committee meetings. In addition, each head of agency meets with the chargé on a biweekly or monthly basis.

COMMERCIAL ADVOCACY

The Swiss gross domestic product totaled \$478 billion in 2007, with a per capita gross domestic product of over \$63,000. Even tiny Liechtenstein has a Gross Domestic Product over \$4 billion, with a per capita Gross Domestic Product over

\$80,000. This high level of purchasing power helps fuel annual global Swiss imports of about \$190 billion. Apart from its protectionist agricultural policies, the Swiss maintain liberal trade and investment policies. Our bilateral investment relationship is among the largest in the world. Switzerland is considered among the most competitive, open, business-friendly markets for goods, services, and investment in the world. The embassy maintains an excellent relationship with the influential Swiss-American Chamber of Commerce, located in Zurich, which recently sponsored a major Invest in USA seminar.

The FCS at Embassy Bern, consisting of one American officer and four LE staff, takes the lead on nonpolicy economic advocacy and trade promotion. FCS operations in the consular agencies in Zurich, the business and financial capital of Switzerland, were closed in June 2008. The FCS office in Geneva closed in 2004. FCS staff visit Zurich and Geneva as required.

The Swiss agricultural sector is largely closed to imports, but this could change if farm markets are opened through WTO efforts or a free trade agreement. The Foreign Agricultural Service of the U.S. Department of Agriculture is represented in the U.S. delegation to the World Trade Organization in Geneva. Although these Foreign Agricultural Service officials mandated coverage of Switzerland on bilateral agricultural issues, they work almost exclusively on multilateral trade issues and visit Bern only occasionally. Thus, there is little coverage of Swiss agricultural issues, although the FCS section handles agricultural advocacy issues.

PUBLIC DIPLOMACY

The small PAS has worked hard and achieved measures of success in cultural and media outreaches, and in the support of the Fulbright exchange program. PAS consists of one officer and two LE staff. Its strength is in cultural affairs programming, exchange programs, and speakers. A lot of resources are devoted to working with the press. Even with notable successes in press relations, Switzerland remains a difficult environment for media work. The experience of other sections and agencies with PAS remains mixed. The small size of the PAS is a factor. The OIG team counseled the section regarding proactive steps needed to promote improvement. Much more can be done creatively with the Internet, notwithstanding the limitations of a small staff and the lack of an information resource center.

Staffing

The public affairs officer (PAO) arrived to take charge of a section with four LE staff including an EFM. _____ employee resigned, but the position still remains vacant. Also, in June 2008 the EFM departed and has not been replaced. This halved the support staff available to the PAO. In part because local salaries are relatively high and consume a large part of the public diplomacy budget, the PAO opted to have more money available for programming and leave those vacancies unfilled. Normal staffing levels would provide the PAS with only 11 percent of its budget for discretionary funding of programs. The staffing gaps in FY 2008 allowed 26 percent of the PAS \$403,000 budget for discretionary funding of programs. The shortage of staff in PAS contributed to the perception that the section was not as responsive as others would have preferred. Looking forward, the PAO decided to fill the vacant positions, with the intent to improve responsiveness. Nevertheless, PAS eventually worked well with consular section staff on the roll-out of the electronic system for travel authorization requirements for visa waiver countries. This included a joint PAS and consular team attending Switzerland's major travel industry convention in Montreux and working intently to distribute the message. PAS helped the consular section with media interviews, press releases, information on the embassy Web site, and the design and production of helpful information cards about the electronic system for travel authorization for distribution by all embassy offices, including the consular agencies.

The annual WEF in Davos is a major event requiring intensive involvement by the Embassy. The small PAS of Embassy Bern cannot handle alone the public diplomacy, press handling, and control officer demands of the U.S. delegation that often including several cabinet level attendees and their entourages. In addition to other Embassy Bern officers and temporary duty assistance from other posts, U.S. Mission Geneva's PAS proved very supportive in sending two or more of its staff to assist. Embassy Bern's PAS attempted to reciprocate by providing support to Geneva's PAS during large events. The two embassies organized clear lines of responsibility along a bilateral-multilateral issue divide, rather than a French-German language division. The area surrounding Geneva is a predominantly French speaking area. The Embassy Bern PAS has done programming in Geneva and at the University of Geneva, with more programming planned.

The PAS made only limited use of digital videoconference (DVC) capability but is planning to make greater use of DVCs in its future programming. The PAS tends to use DVCs more as a tool to coordinate programming with Washington and surrounding posts. Given the limited funds available for speakers, the use of DVCs is a tool to leverage the speaker program. Currently the PAS budget allows for one

speaker a year from the United States. As with other activities, staff limitations impacted the limiting of the use of DVCs. Other sections and agencies use the common DVC equipment, using their own trained and skilled staffs rather than using PAS staff as default DVC technicians. The DVC equipment is treated as an ICASS resource. Other agencies cover any telephone line charges connected with their usage.

The PAS does not include an information resource center because of staffing and the lack of public access to its suite of offices. However, PAS does perform some information resource center functions such as maintaining the embassy Internet website, book donations, and educational advising. PAS makes use of a multipurpose room for various events. The excellent support of the regional security office and the willing assistance, including after hours, of LE staff from other sections helps make events in the multipurpose room successful. PAS does only minimal outreach through the Internet making use of the Embassy's consolidated contact database. PAS rarely sends out Bureau of International Information Programs products such as article alerts or e-journals; they are an underutilized resource for Swiss Parliamentarians, academics, the media, or others within the Embassy. The filling of an advertised position for an EFM, whose basic position will include the distribution of electronic products, may help strengthen the PAS in this area, even without attempting to restructure and staff an information resource center. In addition, the PAO plans to fill the other LE staff vacancy with a part-time hire. The OIG team informally recommended that PAS make better use of its contact database with a more proactive approach to the distribution of electronic products.

Press Environment

Given their independent nature, the Swiss public stands on the opposite side of issues of importance to the United States; in recent years on issues such as the war in Iraq, Guantanamo, the environment, and banking secrecy, polls of Swiss public opinion toward the United States and U.S. policy reveal relatively low approval in comparison to other European countries. The Swiss media tends to be combative and lacking in balance. Some of the French language presses in the Geneva area even denied the September 11, 2001, terrorist attacks were of foreign origin. In this environment it was difficult for the PAS to get the print media to run opinion pieces in the editorial sections of their papers.

Another challenge involves the multilingual Swiss society. PAS staff reviews eight to 14 newspapers daily in three of the four official languages (German, French, Italian, and Romansh) and then, jointly with the political section, brief the chargé. The Embassy had, until October 2008, sent out an e-mail product to Washington

and embassy offices called The Daily Take, which distilled Swiss newspaper highlights. Another e-mailed product, The Double Take, provided direct translations from German, French, or Italian into English. However, Washington end-users do not regularly see media reports from this investment. Again, this may be another area where staff limitations result in an undesired impact. One benefit from working the media is that the Swiss press is now beginning to call the PAS and to trust the advice of the PAO. Because of trust, the PAO convinced two major Bern newspapers not to print a fraudulent story speculating that the larger renovated embassy chancery was intended for nefarious purposes.

Cultural Affairs

The Swiss take great pride in their culture. For example, the old town of Bern is on the UN world heritage list. PAS takes full advantage of opportunities to present U.S. culture and organizes various cultural events involving music, art, film series, and speakers in different venues countrywide. One project on Albert Einstein remains as a permanent exhibit in a Bern museum and is featured in tourist information. The PAO does an excellent job of utilizing the resources of Fulbright fellows in Switzerland and Germany to economically supplement its outreach program.

Grants management

The OIG team reviewed PAS grant files from FY 2008 and FY 2009. Except for one area, the grant files, including grant close-out documentation, were well maintained and documented. Although the grants supported MSP goals, a common problem was omission of explicit reference to MSP goals and objectives served by the grant as required by Grants Policy Directive 23.

Recommendation 2: Embassy Bern should implement procedures that require specific references to Mission Strategic Plan goals and objectives in grant files per Grants Policy Directive 23. (Action: Embassy Bern)

Fulbright Program

Switzerland is not a Fulbright Commission country. Nevertheless, for years the Swiss and U.S. Governments have jointly funded exchanges under the Fulbright-Hays Act of 1961 with nearly equal contributions, with the most recent renewal document involving bilateral understanding signed in May 2006. That understanding expires in May 2009, but can be extended by mutual agreement based on each party's re-

spective financial participation. In the academic year 2006-2007 Swiss Government support under the arrangement totaled \$111,500, while U.S. Government contributions, provided by the Bureau of Educational and Cultural Affairs, totaled \$110,000 plus an extra one time “boost” of \$20,000. In the 2008–2009 academic years, 13 American students were awarded Fulbright scholarships to study in Switzerland while eight Swiss students were awarded Fulbright scholarships. The Fulbright committee decided not to award the total possible scholarships for reasons other than the sufficiency of funding.

In addition to bilateral government funding, private sector contributions from interests in both countries is available. Under the Act, there is authority to solicit foreign entities. In March 2007, Embassy Bern sought and received approval from the Department for the Ambassador to solicit funds for Fulbright scholarships—specifically the U.S-Swiss Fulbright scholarship program, in conjunction with the Swiss Ambassador to the United States—with a similar plan. This approach increased the private funds available for the program. Four Fulbright scholarships were funded in the 2007-2008 academic year from \$94,000 in private donations. Unfortunately, because Switzerland is not a Fulbright Commission country, it resulted in the unintended consequence of further increasing the workload of the PAS. Now, with the global economic downturn, several donors could not contribute, so the PAO must work even harder to solicit private funds for the program. In addition, PAS regularly does other Fulbright program work such as conducting predeparture orientations, maintaining a vibrant Swiss Fulbright Alumni Association, and working with the Friends of Fulbright organization. The Friends of Fulbright is a private association founded in January 2000 to support the bilateral Fulbright program by the U.S. Ambassador and the rector of a Swiss educational institution in Zurich. Since the Swiss government is already providing funds for the Fulbright program, a Fulbright Commission would entail more overhead costs, and the current fiscal and donor environment is strained; this is not the time to press for the establishment of a full-fledged bilateral Fulbright Commission.

Internet Outreach

One of the two LE staff in PAS is the embassy webmaster. His colleague in PAS is the backup webmaster and one of the consular LE staff is also trained as a backup webmaster. The backup webmaster in the consular section puts the consular section content on the embassy Web site. The embassy Internet site is essentially an English language Web site serving a country with several official languages. However, a reader can view the consular content in German, French, or Italian. Embassy Berlin’s German translations are at the disposal of Embassy Bern and are used, at times, on the Bern Web site. Recent key translations used by Embassy Bern include President

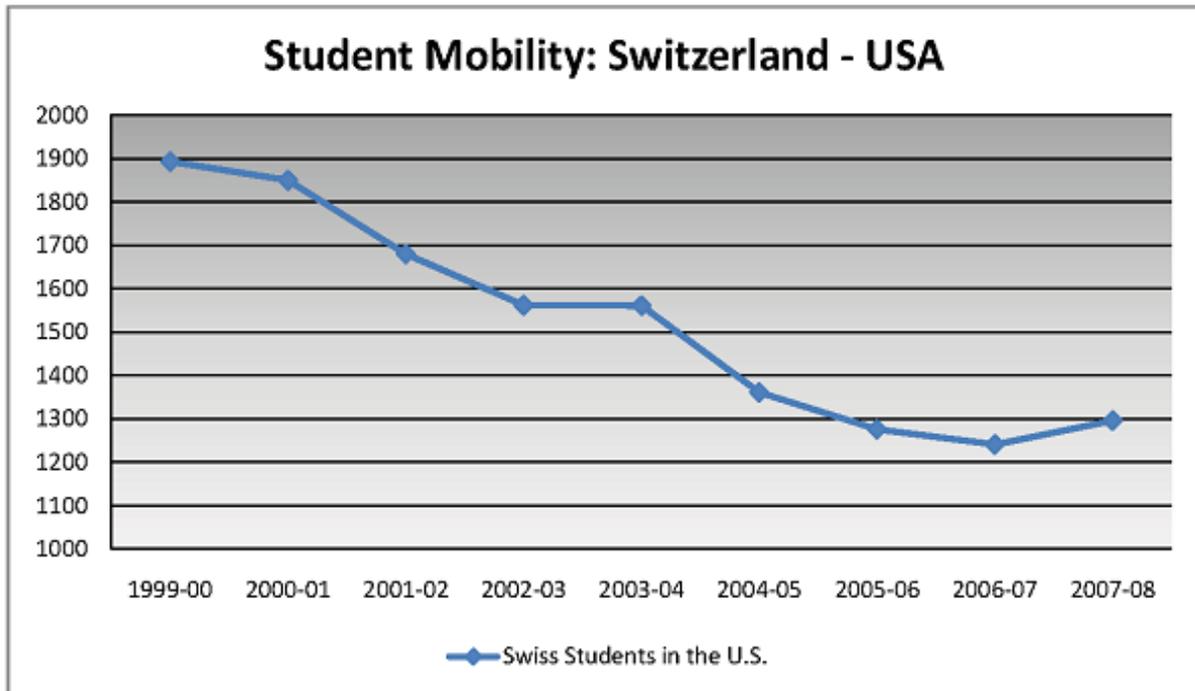
Obama's inaugural address and Secretary Clinton's international women's day opinion piece. Because the webmaster position is not devoted full-time to maintaining the Web site, the PAO and PAS LE staff is reticent with innovative suggestions for the embassy Internet Web site as upkeep demands may be unmanageable. Both PAS staff and others in the embassy suggested establishing a Virtual Presence Post for the Principality of Liechtenstein, but limited resources and personnel are unavailable to carry out this suggestion at this time.

Embassy Bern is a content management system (CMS) post. CMS is a Web site template system developed by IIP. One IIP office supports CMS. The OIG team consulted with that office and learned that the best CMS architecture for Embassy Bern to expand its outreach, given its limited staff resources, would be a primary English language site, such as it has now, with partial language sites in German, French, and Italian. Partial language sites are most effective in reaching out to bilingual audiences where English may be a strong second language. IIP defines bilingual as readers who understand multiple languages, with proficiency in one. IIP defines multilingual as readers with the ability to speak multiple languages with proficiency. Some debate in the Swiss parliament exists on a proposal to make English the country's fifth official language. In addition to the use of partial language sites as a work saving device for the Principality of Liechtenstein, IIP is prepared to do much of the work to initially set up these partial language sites; they also plan to set up a shell with base content to be expanded later to a Web page for Liechtenstein. U.S. Embassies launched 21 new Virtual Presence Posts in 2008. Embassy Bern will decide how much work is necessary for maintaining the partial language sites and a Liechtenstein page regarding content upkeep. However, IIP routinely translates key documents into French, which are available at its America.gov Web site. In addition, IIP advised that Embassy Bern's webmaster further minimize the maintenance work on partial language sites in German, French, and Italian by creating portal links to documents on the Web sites to Embassies Berlin, Paris, and Rome; these links will allow viewing of certain translated documents or Presidential speeches on each respective country's Web pages. Many opportunities for outreach expansion in Switzerland exist.

Recommendation 3: Embassy Bern, in coordination with the Bureau of International Information Programs, should expand its Internet presence to include information in German, French, and Italian. (Action: Embassy Bern, in coordination with IIP)

Performance Measurement

The OIG team reviewed the public diplomacy goal paper in the FY 2010 MSP, and highlighted that the performance indicators tended to be activities rather than intended outcomes. The Embassy was counseled to work on improving those indicators by referring to the work done by Embassy Madrid in developing indicators to measure the change in newspaper articles and editorial opinion page pieces. The OIG team noted that PAS had a story to tell in terms of outcomes. One example is the positive trend of the media calling the Wmbassy as a result of PAS outreach. Another example is the first increase since 2000 in Swiss students going to the United States, as a result of an increased effort in student advising and school outreach (see chart below). In 2008, the PAS LE staff person tasked with student advising and school outreach visited and presented at 12 schools and colleges, in addition to over 14 other visits to schools and colleges to maintain contacts. The OIG team informally recommended that the embassy review and revise its public diplomacy indicators in the MSP to make them more outcome oriented.



Source: Embassy Bern

CONSULAR OPERATIONS

Consular operations in Bern feature a busy American services workload and visa waiting times well within CA guidelines. The renovated facility has serious flaws, many of which are inherent in the design. The new section chief initiated compliance with CA's internal controls policies, but needs more support from the management section.

An FS-02 officer leads Bern's consular operation. The team includes three other officer positions, two of which were filled at the time of the inspection, and 16 LE staff. Two of the officer positions are entry-level positions. Consular agents in Geneva and Zurich each employ a part-time LE staff member. The consular section's highest priority is to serve the large U.S. citizen community in Switzerland, providing passport and nationality services as well as emergency assistance.

Staffing

When fully staffed, Bern's complement of four officers and 16 LE staff is adequate for its workload. However, in recent years, long officer staffing gaps plague the section. At the time of the inspection, one officer position remained vacant for nine months.

The consular agencies account for approximately half of the passport and consular Report of Birth workload. While they are not authorized to issue passports, they accept applications and fees. Most prisoners in Switzerland are in Zurich and Geneva and the consular agents visit them regularly. They also handle a significant number of special consular and notarial services.

Consular Management

The CA sent a Consular Management Assistance Team (CMAT) to Bern in September 2008, at a time when the outgoing and incoming section chiefs were both present. The CMAT made a number of recommendations about management, visa operations, and fraud prevention. Consular managers report that they have implemented most of these recommendations. For example, the section submitted its semiannual fraud summary, updated its duty officer instructions, conducted online training for accountable officers, and revised its intake procedures. The OIG team informally recommended that the consular chief report the specifics of the post's compliance with CMAT recommendations to CA.

The section uses legacy furniture and furnishings not entirely suitable for a modern consular section. The section would benefit from better workflow design to help reduce duplicative steps and identify appropriate furniture and furnishing needs. The OIG team made an informal recommendation to this effect.

Consular Agencies

Consular agents provide services to sizeable American communities in Switzerland's two largest cities, Zurich and Geneva. The supervisory consular officer made one visit to each post since his arrival in August 2008. CA requires annual visits with a trip report to be submitted to CA/EX. The OIG team informally suggested that the supervisory consular officer and other consular officers visit each post more frequently using their visits as an opportunity for representation and outreach to the American community in both cities.

Consular Agent Compensation

Consular agents worldwide are compensated at the same pay grade. They are paid a percentage of that grade's salary to correspond with their workload, with no opportunities for promotion to a higher grade. The only way for a consular agent to receive an increase in compensation is through a step increase. CA may authorize step increases at an accelerated level based on prevailing wage rates and inflation in the host country. Based on these factors, in 2007 the consular agents in Switzerland received two step increases instead of one. The supervisory consular officer sought two step increases for them again at the end of the 2008 rating period by e-mail to CA. The CA officer who received this e-mail asked that the requests not be formally transmitted, as CA was not prepared to support them.

Compensation for consular agents is governed by 3 FAM 8914. The FAM states that there is a 104-week waiting period for step increases from Step 10 through 14. In a later paragraph, the FAM provides for posts to recommend adjustments to the regional bureau and CA in rare circumstances. It is not clear if it means that under certain circumstances the 104-week waiting period may be waived.

CA did not communicate the reason for its lack of support for the exceptional increases, so the Embassy does not know whether it rests on lack of a compelling case, FAM interpretation, or budget constraints. Until the Embassy makes a formal request and receives a response either approving or denying the increases, the supervisory consular officer cannot explain the decision to the consular agents. This situation negatively affects their morale.

Recommendation 5: Embassy Bern should formally submit justification for a step increase for its consular agents effective at the end of the 2008 rating period, and the Bureau of Consular Affairs should either approve the request or explain the reasons for denial. (Action: Embassy Bern, in coordination with CA)

Geneva Facility

The consular agency occupies 165 square meters of space in central Geneva. After an initial 5-year lease period beginning October 1, 2000, the lease automatically reverted to a year-to-year basis. The landlord recently proposed a renegotiation of the lease. While the facility is slightly larger than needed, it would be costly to rebuild appropriate space elsewhere. The embassy must negotiate the best price possible to remain in the current space, and the OIG team made an informal recommendation to this effect.

Zurich Facility

The consular agency occupies 297 square meters of space in central Zurich. The lease dates from October 1, 2002, with an original term of 5 years and four 1-year options. The landlord notified the Embassy in February 2008 of his intent to terminate the lease on September 30, 2011. In 2006, the Embassy upgraded the physical security at the Zurich consular agency at a cost of \$80,000. The Embassy understands from conversations with the landlord that the decision to terminate the lease involved other tenants' unhappiness with sharing a building with the consular agency. The consular agent believes this perception may have altered. In order to protect the U.S. Government's investment in the security upgrade, the Embassy will need guidance from OBO real estate attorney staff on how to respond to the landlord's notification of termination of the lease.

Recommendation 6: Embassy Bern should refer the issue of the termination of the lease of the Zurich consular agency to the Bureau of Overseas Buildings Operations for guidance on the proper response to the landlord. (Action: Embassy Bern)

If the consular agency is obliged to move at the end of the existing lease in 2011, the U.S. Government will be faced with the need to invest substantial sums in the leasing and security upgrades of a new facility in Zurich. Travel between Zurich and Bern can be accomplished on regular high-speed trains taking approximately one

hour. Following the 2008 departure of the FCS staff from the consular agency's offices, the Department assumed the full cost of operating this facility. This would be an appropriate time to examine the cost effectiveness of the consular agency and the feasibility of consolidating the consular workload with the consular section in Bern.

Recommendation 7: The Bureau of Consular Affairs, in coordination with Embassy Bern, should determine the most cost effective way to handle the consular workload for Zurich and establish a plan to implement any necessary changes. (Action: CA, in coordination with Embassy Bern)

The FCS was formerly colocated with the consular agency. Their vacated space could be used appropriately for outreach and other activities that the Embassy conducts in Switzerland's largest city. The OIG team left an informal recommendation addressing this.

Visas

An FS-02 officer serves as visa chief. He is assisted by an ELO. Both officers conduct nonimmigrant visa interviews 4 to 5 hours per day. The majority of the applicants are third country nationals. Many have strong ties to Switzerland through marriage or employment, but the variety of nationalities makes adjudication complex. At the time of the inspection, wait times for nonimmigrant visa services averaged 4 working days. The immigrant visa workload is small and manageable.

The ELO serves as fraud prevention manager, a role he expects to continue when he rotates to the ACS unit upon the arrival of a second ELO in the spring. He is scheduled to attend fraud prevention manager training at the FSI in April. He completed one semiannual fraud report and, working with the visa chief, identified several groups with high fraud indicators. The CMAT suggested that the post develop a written fraud prevention plan and written criteria for fraud referrals. The OIG team agreed.

Recommendation 8: Embassy Bern should develop a written fraud prevention plan and written criteria for referring cases for investigation. (Action: Embassy Bern)

The visa chief serves as executive secretary of the Visas Viper committee, which meets once a month following a country team meeting. Law enforcement agencies were aware of their responsibilities to contribute information, and participated actively in the session the OIG team attended.

Visa Referral System

The Embassy has an up-to-date visa referral policy that conforms to CA guidelines. The OIG team reviewed a sample of referrals from the last 6 months. All cases included properly scanned documents, and the DCM had properly approved the referrals made by other embassy officers. The current consular chief found no record of whether any referring officers attended a briefing as the policy requires. The policy also calls for the consular chief to adjudicate referrals but in some cases, the adjudicating officer served as the visa chief. Two categories of referrals exist, and there is an important distinction between the two categories, as personal appearance may be waived in one category. The Embassy incorrectly entered some cases into the system under this category, with no indication that personal appearance was waived. The system automatically defaults to the higher category, thus clerical errors are frequent.

Recommendation 9: Embassy Bern should conduct a briefing for all approved referring officers and maintain records of their certification. (Action: Embassy Bern)

Recommendation 10: Embassy Bern should give the visa chief the authority to adjudicate visa referral cases in the absence of the consular section chief, and amend its visa referral policy to make this clear. (Action: Embassy Bern)

RESOURCE MANAGEMENT

Embassy Bern Resource Chart as of March 6, 2009

Agency	U.S. Direct-Hire	EFM	LE Staff	Total Staff	Total Funding	Notes
State-Program	21	1	20	42	\$3,674,400	1), 2)
State-ICASS	2	3	24	29	\$8,452,300	1), 2), 3)
State-Public Diplomacy	1	0	4	5	\$439,000	1), 2)
State-Representation	0	0	0	0	\$44,400	4)
State-Diplomatic Security	1	1	0	2	\$1,115,600	4)
State-OBO	0	0	0	0	\$1,463,400	4)
State-Marine Security Guard Support (MSG)	6	0	0	6	\$74,941	
State-MRV	0	1	3	4	\$329,900	
Commerce-U.S. Foreign Commercial Service	1	0	4	5	\$472,464	4)
Justice-Drug Enforcement Agency	3	0	0	3	\$53,100	5)
Justice-FBI-LEGATT	3	0	0	3	\$221,000	5)
DHS-ICE	2	0	1	3	\$380,200	5)
Department of Defense	7	0	2	9	\$277,170	
Totals	47	6	58	111	\$16,997,875	

Notes:

- 1) Mid-Year Targets as provided by EUR-IO in Feb 2009, including American allowances where applicable
- 2) Does not include salaries for direct-hire U.S. officers
- 3) Includes ICASS LGP and ICASS OBO
- 4) Submitted budget (final approval not yet received)
- 5) Non-serviced numbers provided by agencies

MANAGEMENT SECTION

Embassy Bern's management team, despite its small size, provides a consistently high level of customer service and is focused on continual improvement, seeking innovative ways to reduce costs, improve quality, and increase effective service delivery. However, additional attention to management controls is needed.

The management officer serves as financial management officer and human resources officer. A general services officer (GSO), facilities manager, information management officer (IMO), and an information management specialist (IMS) complete the American staffing of the management section. The management section provides support to the consular agencies in Geneva and Zurich and some human resources advice (for example, on Swiss labor law) to the U.S. Mission in Geneva.

Representation and the Fourth of July Celebration

For last year's July 4 celebrations, the Embassy aggressively sought sponsors and donations to defray the expenses. Although the management officer (also the designated gifts acceptance official) provided the July 4 instruction cable (08 STATE 020981) for the celebration to the Ambassador and his lead assistant, unfortunately they did not follow all the requirements. Further, they did not provide the solicitation letter and the list of potential donors in advance to the management officer. The OIG team learned that the Ambassador approached donors in the United States whose eligibility may have been questionable, but found no evidence that the Embassy accepted any ineligible donations. Although the Ambassador spoke with the Department's ethics office on some of these issues by telephone, there were no written records of the context of these calls to create a record for inspection.

The OIG team left an informal recommendation that Embassy Bern prepare a detailed briefing book for the incoming ambassador detailing the proper procedures for such issues as: gifts, in-kind donations, representation, official residence expenses, use of government vehicles, and travel, including guidance for ambassador's spouse and family members, with copies of the appropriate Department guidance and special attention to any unique circumstances in Bern.

World Economic Forum Support

The management section of Embassy Bern devotes an extraordinary amount of resources and staff time to the annual WEF in Davos. Overall, the Embassy expended less than \$700 of post funds on the 2008 WEF, since most expenses were allocated back to the official participants. But for the 2009 WEF, over \$30,000 of post funds were expended due to decreased official participation because of the presidential inauguration. For 2008, Embassy Bern processed \$700,000 in payments for other agencies' activities connected with the WEF, whereas for 2009 the amount totaled less than \$100,000. An estimate prepared by Embassy Bern indicates that in excess of 900 hours of staff time focused on WEF planning, execution, and follow-up for the 2009 event. The Embassy estimated expenditures two to three times that level of staff time in 2008.

Embassy Bern developed an excellent mechanism to distribute WEF support costs by devising a shared logistical center (SLC)/control room, to which all participants who wanted support for Davos were required to subscribe and furnish fiscal data. The SLC offered computer services, office support, lodging support, local transportation, and cellular phones. In addition, control officer services and airport arrival/departure services were made available. This SLC mechanism greatly improved Embassy Bern's ability to charge other agencies for support costs.

A management control problem arose in connection with a reception during the 2008 WEF involving fundraising by the Ambassador, which did not comply with regulations (see the Management Controls section of this report for details).

Travel

The travel section, which reports to the management officer, comprises one Foreign Service National who makes some travel arrangements and assists in the preparation of travel authorizations and travel vouchers. A branch of Carlson Wagonlit in Winterthur is used for ticketing. Embassy Bern recorded only one instance in the last year of premium class travel. That occurrence involved the final departure from post of the Ambassador, for which business class was authorized by his orders from Washington. A proper form DS-4087 to authorize the business class travel was prepared and filed.

For in-country travel, the Embassy found it efficient to utilize and track blanket travel authorizations; these complied with regulations. Post consistently uses contract fares for travel where available and follows the Fly America Act.

FINANCIAL MANAGEMENT

The experienced and very professional financial management team of four does an excellent job of processing and managing the finances of the Embassy. They represent collectively 76 years of practical U.S. Government service to the Embassy. They are properly using the most advanced financial applications, serving as the first nonpilot-test users in Europe of the new Coast Certification program for processing cashier transactions. The senior LE staff member has certifying authority, which is an obvious benefit to post, but which places restrictions on his ability to perform any other functions.

Two of the most compelling financial challenges facing the Embassy are a consequence of selling the old chancery and annex, and moving in June 2008 to a renovated short-term leased embassy building. The first is the enormous increase in the ICASS bills for rent. The second is the loss of the temporary duty quarters located in the former annex; this necessitates paying hefty amounts for temporary quarters subsistence allowance while newly arrived staff searches for permanent housing within their living quarters allowance (LQA). In this very high cost location, the expenses accumulate rapidly. The management office provides each new arrival with advance information about LQA limitations, along with possible housing options available upon arrival. Also, the post enforces a strict temporary quarters subsistence allowance policy requiring receipts for every expense, and limits the duration of the allowance to encourage employees to settle quickly on a LQA residence.

The OIG team reviewed recent status of funds reports in detail and found them to be in order. Embassy Bern pays its LE staff by electronic funds transfer (EFT) and pays most of its vendors the same way. The use of purchase cards is limited because many local vendors will not accept them.

The voucher examiner and accountant coordinate closely on their respective functions. The OIG team reviewed the voucher processing and accounting procedures and found them appropriate and in compliance with regulations.

Embassy Bern's long-serving cashier runs an exemplary and efficient operation. The OIG inspectors observed the cash count; the only problem involved several unprocessed (in transit) items which arose due to glitches with the new Coast Certification system. The cashier is working with Charleston to prevent a recurrence. Prior cash count reports were examined and were in order: they did not have significant delays in transit items. While copies of reconciliations by the five subcashiers were current and in order, the OIG inspectors informally recommended that the accountable consular officer (ACO) provide evidence of unannounced cash counts

of subcashiers to the Class B cashier per 4 FAH-3 H-397.2-3a. Since the consular agents in Geneva and Zurich serve concurrently as ACO and consular subcashier, it is important that unannounced cash counts be performed during the periodic visits by the supervisory consular officer, and the OIG team made an informal recommendation about this as well.

Embassy employees are sometimes required to transport per diem advances to the U.S. Administration and congressional participants in the WEF in Davos. They properly signed receipts for these advances, but the OIG inspectors informally suggested that the cashier ensure that each person obtain an occasional money holder designation to protect them and the embassy.

GSO employees frequently come to the cashier for reimbursement of small cash purchases. Since processing each transaction represents a cost and absorbs time from the cashier, the OIG team informally recommended that the management officer establish a GSO subcashier to consolidate these transactions and reduce demands on the cashier.

Embassy Bern gets regular support visits from the Frankfurt Regional Support Center. These visits prove very helpful to ensure good financial operations and to assist in solving the problems that occasionally arise.

LE staff pays their individual social security payments directly to the Swiss Government. The embassy reimburses them for a percentage of this expense, provided they show a receipt indicating that they made the payment.

INTERNATIONAL COOPERATIVE ADMINISTRATIVE SUPPORT SERVICES

The Department is the single ICASS service provider at Embassy Bern. Seven ICASS subscribers participate on the ICASS council, whose chair is the Defense attaché office operations coordinator. The management officer coordinates closely with the ICASS Council and provides them with good documentation. In September 2007, he convinced the council to move from their own ICASS service standards to utilization of the Uniform Performance Service standards as proposed (and now required) by the Collaborative Management Initiative. Thus the Embassy is well-positioned for compliance. The OIG team reviewed the minutes of the previous year's ICASS council Meetings, finding the notes to be indicative of a well-functioning council.

The scores and comments on the ICASS customer services survey reflect management operations that are almost universally regarded highly. In the most recent survey, Bern scored higher than the European post average and the worldwide results in all but one or two categories; the majority of cases improved notably over the prior years' scores. These results are borne out by the favorable comments about management operations noted in the personal questionnaires.

As noted earlier, the significant increase in ICASS bills caused by the move from an owned to a short-term leased chancery proved difficult on the ICASS members even though they were well informed of these impacts in advance. Rent, increased utilities, and the cleaning contract for the chancery substantially bolstered their bills.

Official Residence Expenses

The chief of mission residence has five authorized employees and the DCM has two. When the Ambassador departed in December 2008, the five employees signed their bridge contracts through June 2009 and were then instructed to report to the chargé. The chief of mission residence is extensively and appropriately utilized by embassy sections for representation events.

The OIG team examined the official residence expenses (ORE) vouchers and found them to be in order. The salaries for the ORE employees are advanced by a voucher to the Ambassador (based on hours worked) who then pays the employees by EFT. The OIG team informally recommended that to complete the process, either a copy of the EFT's to the employees or a receipt of salary received by each employee be included in the next month's voucher.

Representation

Embassy Bern has a well-crafted representation policy published on its website. The OIG team reviewed the previous year's representation vouchers and found the post to be doing an excellent job of tracking and analyzing the expenditures. For example, the finance section on the front page of the voucher shows which rate applies (lunch at restaurant, dinner at restaurant, etc.) and extends the calculation for the number of participants, ensuring the event remains within the limits.

coordinator position via a job-sharing arrangement. Other expansions of the EFM program, if justified, would contribute to morale among EFMs at post, keeping in mind that the positions would best be structured to take into account the high level of education and experience that EFMs currently possess.

GENERAL SERVICES

While there are some issues with the newly renovated short-term lease chancery building, the embassy staff praised the move as well planned and coordinated. The overall management of general service operations scored high on the ICASS 2008 customer services survey and the section received much praise for excellent customer service. However, some weaknesses in procurement and property management persist.

Housing

Embassy Bern is a LQA post and there are many out-of-pocket expenses that embassy employees are required to pay without reimbursement. Rental property in Switzerland normally is barren of permanent light fixtures, closets, and window treatments. Apartments and houses available for rental generally have exposed electrical wiring and it is the tenant's responsibility to provide fixed lighting.

Embassy Bern received conflicting guidance from the Office of Allowances in administering the initial repair allowances for embassy staff. Department of State Standardized Regulations Chapter 137 provides guidance on the types of allowances authorized. The regulation authorizes an initial repair allowance to reimburse employees for housing related expenses such as improvements in plumbing, heating, or lighting fixtures and equipment.

Recommendation 11: Embassy Bern should request the Bureau of Administration to specifically include reimbursement of staff members for the purchase of lighting fixtures for housing covered by living quarters allowances in the initial repair allowance. (Action: Embassy Bern, in coordination with A)

The Swiss require stringent cleaning standards when the leased homes are vacated. Embassy members have been required to pay upwards of \$2,300 to hire a Swiss cleaning company to clean their homes before vacating the property, or have been forced to take several days of leave to do the cleaning themselves. The cleaning standards are very rigorous and strictly enforced. Several other agencies at the embassy

Recommendation 13: Embassy Bern should establish standard operating procedures for issuing, receiving, inspecting, and updating nonexpendable property in prescribed time frames, in compliance with Department regulations. (Action: Embassy Bern)

Since there is only one employee in the property management section, it is challenging to separate duties in accordance with 14 FAM 411.2(d).

There is lack of communication between the NEPA clerk and the receiving clerk, who on occasion, is unavailable due to requirements of his primary job. The embassy community has expressed concerns that there are not enough jobs for EFMs. The OIG team considers that an EFM position in the property management section could be of great value to general services and the embassy community. Staffing another position in property management will allow the LE staff member to perform his full-time duties in the facilities section and improve internal controls.

Recommendation 14: Embassy Bern should request the International Cooperative Administrative Support Services council to review and request funding for staffing a position in the property management section. (Action: Embassy Bern)

Motor pool

Embassy Bern's motor pool consists of one ICASS-funded driver, eight ICASS-funded vehicles, two program vehicles, and two vehicles assigned to the Marines. The Embassy is downsizing the motor pool from 12 to ten vehicles. The Embassy plans to sell two of the ICASS vehicles and purchase a hybrid with the funds from the sale, consistent with the Department's buy green initiative. The OIG team conducted a physical inventory of all Department vehicles and compared the count to the Embassy's Inventory of On Hand Vehicles Report; all vehicles were accounted for in the inventory database.

Mission-wide Vehicle Use Policy

Several agencies operate their own motor pools. Except for the Defense attaché office, the general services section does not have copies of the other agencies' vehicle-use policies. Therefore, the section cannot monitor other agencies' use of U.S. Government-owned vehicles and cannot verify that other agencies' staff is charged for their other authorized use of these vehicles. According to 14 FAM 432.5, the chief of mission, in consultation with other agencies' officers, must prescribe countrywide policies for business and other authorized use of vehicles. The FAM also states that policies must be documented in a vehicle policy memorandum that must be reviewed, at least annually, and reissued to incorporate updates to the Department's control policy.

Recommendation 15: Embassy Bern should require all agencies to provide a vehicle policy memorandum for the chargé d'affaires' review. (Action: Embassy Bern)

Recommendation 16: Embassy Bern should develop and disseminate a mission-wide vehicle policy. (Action: Embassy Bern)

Facility Maintenance

Six months after the move to a new chancery, the Embassy experienced major systems problems including inadequate heating, ventilation, and air conditioning in the controlled access work areas. The facilities manager and his staff resolved the ventilation issues. During the OIG's visit, the problems with the heating and cooling system persisted. The OIG team observed problems with the leaking fan coils in the heating and cooling system.

Part of the joint venture contracting company that conducted the renovation on the chancery filed for a bankruptcy/partnership split. Embassy Bern asked OBO's office of facility management to resolve the problems with the heating and cooling system that is currently under warranty by the bankrupt construction company. During the inspection, OBO's office of building acquisitions and sales sent the management officer an e-mail directing the Embassy to contact the Bureau of Administration's Logistics Management contracting officer responsible for the embassy controlled access area work.

The OIG team made an informal recommendation that the management officer and the facilities manager immediately contact the contracting officer of the renovation project to avoid missing the expiration date on the warranty.

Safety, Health, and Environmental Management

The facilities manager is responsible for the safety, health, and environmental program. He maintains the chancery in excellent condition despite the heating and cooling system malfunctions, and eliminates obstacles and risks to life safety. The OIG team noted that the facilities manager has complied with about 60 percent of the recommendations of OBO's September 2008 Technical Field Support Branch synergy visit. The remaining work is hampered by lack of funding.

Embassy Bern employs a trained Smith System Driver Instructor. The OIG team noticed Embassy Bern's driving training program does not include embassy staff members who are authorized to "self-drive". The OIG team left an informal recommendation to include embassy staff who "self-drive" in the driving training program.

INFORMATION MANAGEMENT

The OIG team found the information management (IM) section to be well-managed and technically strong. The section did a particularly good job in planning for and executing the move of the systems into the new chancery in June 2008. The OIG team was impressed with the clearly written operational instructions and standard operating procedures for the information programs center. However, the team found several areas for improvement, including adding IM representation to the emergency action committee, adding and updating contingency plans, changing radio check intervals, and implementing help desk tracking software.

The American IM staff consists of an IMO and a recently arrived IMS. Before the arrival of a fulltime IMS, the Regional Information Management Center provided a short-term temporary duty IMS. The section employs six LE staff, two who support the unclassified systems, two in the mailroom, and two part-time switchboard operators.

The section is responsible for managing the operation and security of the unclassified network with 128 workstations and seven servers, a classified network of

15 workstations and five servers, both unclassified and classified pouches, a radio program, a dedicated Internet network, and a telephone switchboard. The Embassy owns 13 encrypted laptops that are used primarily as standalone computers.

Recommendation 17:



Recommendation 18:



Radio Check Program

The Embassy conducts monthly radio and emergency evacuation network checks, rather than twice monthly as required. Less frequent testing of radio equipment could potentially reduce the operational readiness of the equipment and user competency in an emergency. Absent a chief of mission waiver, 5 FAH-2 H-732.4 mandates that radio checks are done twice monthly.

Recommendation 19: Embassy Bern should establish and implement a schedule to conduct radio checks twice monthly. (Action: Embassy Bern)

Help Desk

Embassy Bern lacks an automated system to manage computer help desk calls. Users of both the unclassified (OpenNet+) and the classified systems must e-mail a description of their problem or question to an IM help desk distribution mailing list. If the user cannot access a computer to e-mail the IM help desk, he/she may telephone for assistance. When access is restored, the help desk asks the user to e-mail a description of the problem for its records. The OIG team found that the

help desk responded to requests; nevertheless, an automated help desk system could reduce staff time by allowing the IM staff to better determine the status of requests, identify patterns, determine the average length of time it takes to resolve issues, and provide workload statistics that post management and the ICASS council could use to evaluate the IM section's effectiveness. The OIG team made an informal recommendation that Embassy Bern establish an automated IM help desk tracking application.

QUALITY OF LIFE

COMMUNITY LIAISON OFFICE

Embassy Bern has one part-time CLO coordinator appointed in 2008. The incumbent works 20 hours a week and promotes morale through organizing social activities designed to bring the embassy community together. The CLO also edits the monthly embassy newsletter. Embassy staff described the CLO operation favorably. Although post morale was described as good, life in Bern is very expensive. While there are few employment opportunities at post, the CLO advises interested spouses about job opportunities in the local economy although this can be a challenge since applicants must usually speak a local language.

During the inspection, the CLO began training for her responsibilities as training could not be completed at the time of her appointment. As noted above in the HR section, the OIG team suggested that the post investigate hiring a second CLO.

EQUAL EMPLOYMENT OPPORTUNITY

Embassy Bern has a trained EEO counselor and there is a Federal Women's Programs manager, both of whom are on the post designations list. EEO information and designees are available on the embassy SharePoint site. During the inspection, an LE staff EEO liaison was designated, but has received no training. The OIG team informally recommended that the EEO counselor provide training to the newly appointed LE EEO liaison.

In the year prior to the inspection, the Embassy had two allegations of sexual harassment, both of which involved the same individual. Post management properly handled the situation, which occurred during the hiatus between trained EEO counselors, with assistance of a virtual EEO counselor from another U.S. Embassy. Specifically, the Embassy received assistance from Embassy London's HR officer without an actual visit. The alternative dispute resolution process and the early departure of a person from the Embassy effectively closed these related cases. The Embassy has posted a sexual harassment policy notice on its SharePoint site and sexual harassment training has been provided to supervisors.

HEALTH UNIT

The embassy has a well appointed and spacious health unit with a waiting room, exam room, treatment room, and office for the LE nurse. The nurse has office hours three days a week. Health concerns, such as the prevalence of tic borne encephalitis, are posted on a Department website and are described in an excellent reference booklet produced by the unit. In general, Bern and Switzerland are healthy places to live. Only one medical evacuation occurred in the past year. The nurse provides periodic instruction in first aid and cardio pulmonary resuscitation (CPR) at the embassy and at the two schools used by embassy dependents. The nurse has also trained embassy staff in the use of the available portable automatic external defibrillator that is mounted in an easily accessible common area. The nurse has vetted the local hospitals and clinics, and has identified reliable medical laboratories that provide timely results. These steps proved valuable when the embassy had an incident involving a suspicious white powder. The health unit is equipped to respond to the immediate treatment needs arising from biological and other hazards.

SCHOOLS

The regional education officer (REO) visited Bern in November 2008. His visit included consultations with parents of eligible dependents of U.S. direct-hire and contract employees, relevant embassy officers, and visits to the (b)(2)(b)(6) (b)(2)(b)(6) and to the (b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6) (b)(2)(b)(6)(b)(2)(b)(6). One family opted to elect the away from school allowance and switch their child to a boarding school in the United States. (b)(2)(b)(6) (b)(2)(b)(6) provides instruction through grade four only. After the fourth grade, is the only available approved and accredited school. The embassy has a long history of assistance to (b)(2)(b)(6)(b)(2)(b)(6). Currently, receives a grant of \$35,000 to support salaries of U.S. citizen, U.S.-trained, U.S.-certified teachers; in-service training; the purchase of U.S. educational materials; and other activities. Although (b)(2)(b)(6) (b)(2)(b)(6) is accredited by the New England Association of Schools and Colleges and by the Council of International Schools, embassy parents expressed misgivings over some academic and internal control issues with to the REO and to the OIG team. The REO broached these issues with the principals and director of (b)(2)(b)(6) (b)(2)(b)(6) suggesting remedies in some instances. Although Swiss students use public transportation to get to school, (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)

AMERICAN EMBASSY ASSOCIATION

Embassy Bern's American Embassy Association (AEA) provides services that are not so readily or inexpensively available in Bern. These services are invaluable for American and local staff. Embassy Bern sold the annex formerly used as temporary quarters for embassy staff and temporary duty personnel. The AEA managed the annex and rented the rooms out to incoming and outgoing assigned staff. The sale of the annex decreased the association's income substantially. However, careful planning and use of resources led to a 50 percent increase in AEA merchandise sales. This allowed the achievement of a net profit, enabling the association to support the CLO activities and other embassy community events.

LE STAFF MORALE

The OIG team met with four members of the Embassy's local staff association during the inspection. They noted that they meet with the chargé and the management officer three or four times per year. They emphasized that the chargé is open and communicative and makes a point to walk around the chancery and talk to employees, giving them opportunities to ask questions. Aside from one question the association raised about the level of heat in the building, their major concern was to try to organize social events and embassy functions to complement those planned by the CLO. They believed morale was quite good and that in general, the LE staff was quite happy to be working at the embassy. The management questionnaires submitted by the LE staff reflected a high level of satisfaction with embassy services. Of the 31 questionnaires submitted, only five had any low ratings (1 or 2), mostly for one or two items. The majority of ratings were high (4 and 5). This reflects a high level of LE staff morale at post.

MANAGEMENT CONTROLS

The chargé submitted the Embassy's FY 2008 chief of mission certification of management controls with no vulnerabilities identified on the risk assessments. The management officer is the embassy's management controls coordinator. The Embassy recently issued an updated list of its designations for specific responsibilities which appeared complete.

The OIG team reviewed internal controls throughout the mission and found the issues discussed below.

WORLD ECONOMIC FORUM DONATION SOLICITATION

The WEF, a nongovernmental organization headquartered in Geneva, hosts a large international meeting each year in Davos. (See discussion in the political-economic, public diplomacy, and resource management sections of this report). The OIG team discovered that at least once in FY 2008, the Embassy solicited a donation from a Swiss firm for a representational event at the WEF which did not conform to 2 FAM 962. No one at the Embassy could explain how the Swiss firm came to donate the funds or how much was donated, though it appeared to be in excess of \$10,000. Embassy officials said they knew only that the former ambassador told them this firm donated the funds. There was no evidence of a review to ensure that there was no conflict of interest or that the donor was considered to be an eligible source. After the fact, embassy officers prepared notes of their recollection of how the donation came to be accepted and these notes indicated that it was a public diplomacy event. The inspectors' review, however, determined that the event was a straightforward reception for participants in the WEF with no actual public diplomacy component.

While the FAM does give a chief of mission certain leeway to accept donations for representational events, the circumstances under which donations may be accepted are quite limited, and the screening process designed to avoid a conflict of interest or the appearance of a conflict of interest are clearly described in the FAM. As such, it is very difficult for a subordinate to dictate to a chief of mission, especially when informed about a donation after the fact. The OIG inspectors recommended that the Embassy err on the side of obtaining approval from Washington for any dona-

tions which do not clearly fall within the category of donations that the FAM authorizes the Embassy to accept without reference to Washington.

Recommendation 20: Embassy Bern should develop and enforce an internal control policy to ensure compliance with Foreign Affairs Manual rules on acceptance of gifts. (Action: Embassy Bern)

ANNUAL CERTIFICATION OF COMPLIANCE WITH MANAGEMENT CONTROLS

OIG inspectors found that some agencies reimbursed their staff members for the cost of cleaning residences before returning housing to the landlord. This is inappropriate under Department of State Standardized Regulations Chapter 131.2.

Recommendation 21: Embassy Bern should require each head of agency to provide the Ambassador with an annual written certification that all U.S. direct-hire staff working in Switzerland are in full compliance with the management controls related to the housing program, in particular the prohibition against reimbursement for the cost of cleaning leased residences. (Action: Embassy Bern)

CONSULAR FEE COLLECTION

All three consular officers currently at post, including an untenured officer, are correctly designated as ACOs and all have completed the required training. According to 7 FAH-1 733.1b, the duties of ACO should not normally be given to an untenured officer but entrusted, where possible, to an experienced consular officer. The OIG team believes that an exception to the FAM is warranted in this case, given the size of the post. However, the OIG team advised the Embassy that there is no need to designate the fourth officer, an untenured ELO whose arrival is imminent.

The Embassy keeps designations on file for a primary and two back-up subcashiers. The consular agents in Geneva and Zurich are also designated as subcashiers. The designations do not follow the form required in 7 FAH 1 734.1 a. to include evidence that the cashier has satisfactorily completed FSI's distance learning course, PC 419 Collecting Consular Fees: Training for the Consular Cashier.

Recommendation 22: Embassy Bern should designate its consular subcashiers, including consular agents, using the required form and include evidence of meeting training requirements. (Action: Embassy Bern)

The cashier booth is located behind a closed door. There is no potential for line-of-sight supervision per 7 FAH-1 H-734.5.

Recommendation 23: Embassy Bern should reconfigure the door of the consular subcashier's booth to allow for line-of-sight supervision. (Action: Embassy Bern)

The principal consular subcashier's advance is [redacted] and [redacted] Swiss francs. The average collections per day are well under that amount, and many collections are made by credit card. Per 7 FAH-1 H-734.6, the advance is for the purpose of making change.

Recommendation 24: Embassy Bern should reduce each consular subcashier's advance to [redacted] (Action: Embassy Bern)

The exchange rate for consular fees in Switzerland was 1.30 Swiss francs to the dollar at the time of the inspection. The rate was set on December 1, 2008. In accordance with 7 FAH-1 H-724.2, the ACO and the financial management officer are required to jointly set the "consular rate," which may be slightly higher (but not lower) than the rate used by the U.S. disbursing officer and avoid the appearance of profiting from an unreasonably high rate of exchange. The current market exchange rate is 1.17 Swiss francs to the dollar. Since the Embassy established the consular exchange rate, the market rate has fluctuated between 1.06 and 1.21, with an average rate of 1.15 Swiss francs to the dollar. Resetting the exchange rate on a more regular schedule would ensure that the embassy avoids the appearance of profiting from an unreasonably high exchange rate.

Recommendation 25: Embassy Bern should establish and implement a schedule to review the consular exchange rate monthly and reset it to more closely approximate the market rate. (Action: Embassy Bern)

The Swiss Direktion Zahlungsverkehr PTT Bank collects machine readable visa fees for the Embassy. The only documentation of this arrangement is a letter dated December 5, 1995, from a U.S. Treasury Department official to a bank official. In

accordance with 7 FAH-1 H-752, operational details of the offsite collection process must be documented in a Memorandum of Understanding with the bank. CA and the Bureau of Resources Management must approve the collection arrangement prior to conclusion of the agreement. On its Web site, CA provides a draft Memorandum of Understanding for offsite fee collection. The Embassy should update its arrangement with the financial institution using this model.

Recommendation 26: Embassy Bern should establish a formal agreement with the financial institution collecting its machine readable visa fees based on the model memorandum of understanding on the Bureau of Consular Affairs' website at <http://intranet.ca.state.gov/management/practices/offsite/5782.aspx> and submit it to the Bureau of Consular Affairs for approval. (Action: Embassy Bern, in coordination with CA)

LIST OF RECOMMENDATIONS

- Recommendation 1:** The Bureau of European and Eurasian Affairs should seek agreement from the Bureau of International Organization Affairs to transfer responsibility for the administrative support of U.S. Administration and Congressional participants in the multilateral World Economic Forum from Embassy Bern to the United States Mission to the United Nations and other International Organizations in Geneva. (Action: EUR, in coordination with IO)
- Recommendation 2:** Embassy Bern should implement procedures that require specific references to Mission Strategic Plan goals and objectives in grant files per Grants Policy Directive 23. (Action: Embassy Bern)
- Recommendation 3:** Embassy Bern, in coordination with the Bureau of International Information Programs, should expand its Internet presence to include information in German, French, and Italian. (Action: Embassy Bern, in coordination with IIP)
- Recommendation 4:** The Bureau of Overseas Buildings Operations should change the height of five of the six seated-level interview windows to accommodate standing applicants, and install an additional two interview windows on the visa side of the consular section. (Action: OBO)
- Recommendation 5:** Embassy Bern should formally submit justification for a step increase for its consular agents effective at the end of the 2008 rating period, and the Bureau of Consular Affairs should either approve the request or explain the reasons for denial. (Action: Embassy Bern, in coordination with CA)
- Recommendation 6:** Embassy Bern should refer the issue of the termination of the lease of the Zurich consular agency to the Bureau of Overseas Buildings Operations for guidance on the proper response to the landlord. (Action: Embassy Bern)
- Recommendation 7:** The Bureau of Consular Affairs, in coordination with Embassy Bern, should determine the most cost-effective way to handle the consular workload for Zurich and establish a plan to implement any necessary changes. (Action: CA, in coordination with Embassy Bern)

- Recommendation 8:** Embassy Bern should develop a written fraud prevention plan and written criteria for referring cases for investigation. (Action: Embassy Bern)
- Recommendation 9:** Embassy Bern should conduct a briefing for all approved referring officers and maintain records of their certification. (Action: Embassy Bern)
- Recommendation 10:** Embassy Bern should give the visa chief the authority to adjudicate visa referral cases in the absence of the consular section chief, and amend its visa referral policy to make this clear. (Action: Embassy Bern)
- Recommendation 11:** Embassy Bern should request the Bureau of Administration to specifically include reimbursement of staff members for the purchase of lighting fixtures for housing covered by living quarters allowances in the initial repair allowance. (Action: Embassy Bern, in coordination with A)
- Recommendation 12:** Embassy Bern should revise the embassy housing handbook to define all costs for which U.S. direct-hire staff may be reimbursed using U.S. government funds under the Living Quarters Allowance program, and should redistribute the revised housing handbook to all staff under Chief of Mission authority. (Action: Embassy Bern)
- Recommendation 13:** Embassy Bern should establish standard operating procedures for issuing, receiving, inspecting, and updating nonexpendable property in prescribed time frames, in compliance with Department regulations. (Action: Embassy Bern)
- Recommendation 14:** Embassy Bern should request the International Cooperative Administrative Support Services council to review and request funding for staffing a position in the property management section. (Action: Embassy Bern)
- Recommendation 15:** Embassy Bern should require all agencies to provide a vehicle policy memorandum for the chargé d'affaires' review. (Action: Embassy Bern)
- Recommendation 16:** Embassy Bern should develop and disseminate a mission-wide vehicle policy. (Action: Embassy Bern)
- Recommendation 17:** Embassy Bern should create a contingency plan for the classified system. (Action: Embassy Bern)

- Recommendation 18:** Embassy Bern should update the contingency plan for the unclassified system. (Action: Embassy Bern)
- Recommendation 19:** Embassy Bern should establish and implement a schedule to conduct radio checks twice monthly. (Action: Embassy Bern)
- Recommendation 20:** Embassy Bern should develop and enforce an internal control policy to ensure compliance with Foreign Affairs Manual rules on acceptance of gifts. (Action: Embassy Bern)
- Recommendation 21:** Embassy Bern should require each head of agency to provide the Ambassador with an annual written certification that all U.S. direct-hire staff working in Switzerland are in full compliance with the management controls related to the housing program, in particular the prohibition against reimbursement for the cost of cleaning leased residences. (Action: Embassy Bern)
- Recommendation 22:** Embassy Bern should designate its consular subcashiers, including consular agents, using the required form and include evidence of meeting training requirements. (Action: Embassy Bern)
- Recommendation 23:** Embassy Bern should reconfigure the door of the consular subcashier's booth to allow for line-of-sight supervision. (Action: Embassy Bern)
- Recommendation 24:** Embassy Bern should reduce each consular subcashier's advance to (b) (2)(b) (2)(b) (2)(b) (2)(b) (2) (Action: Embassy Bern)
- Recommendation 25:** Embassy Bern should establish and implement a schedule to review the consular exchange rate monthly and reset it to more closely approximate the market rate. (Action: Embassy Bern)
- Recommendation 26:** Embassy Bern should establish a formal agreement with the financial institution collecting its machine readable visa fees based on the model memorandum of understanding on the Bureau of Consular Affairs' website at <http://intranet.ca.state.gov/management/practices/offsite/5782.aspx> and submit it to the Bureau of Consular Affairs for approval. (Action: Embassy Bern, in coordination with CA)

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.

The Embassy produces several mandated annual reports on trafficking in persons, human rights, narcotics, money laundering, and religious freedom on Liechtenstein, a tiny state with few problems in these areas. Writing these reports strain an already small political-economic staff and do not represent the best use of scarce post resources.

Informal Recommendation 1: Embassy Bern should seek the Department's permission to drop Liechtenstein from mandated annual reports.

PAS does only minimal outreach through the Internet even though the embassy uses a consolidated contact database including the e-mail addresses of its contacts.

Informal Recommendation 2: Embassy Bern should devise and implement a plan for greater electronic outreach to persons in its contact database.

Public diplomacy indicators in the MSP tended to focus on activities or the number of times PAS conducted an activity, rather than on the desired outcomes of those activities, such as more favorable editorials or articles following an outreach event or indications of changed opinions after participation in a program.

Informal Recommendation 3: Embassy Bern should review and revise its public diplomacy performance indicators in the next Mission Strategic Plan to make them more outcome oriented.

A Consular Management Assistance Team sent post a number of recommendations for improving management practices in November 2008. The embassy has not yet reported specifics of how its consular managers have implemented these recommendations.

Informal Recommendation 4: Embassy Bern should report the specifics of its compliance with the CMAT recommendations to CA.

Standard operating procedures in the consular section are out of date, and the section has not yet drafted its portions of the emergency action plan.

Informal Recommendation 5:

Furniture and furnishings in the consular section impede efficiency and effectiveness.

Informal Recommendation 6: Embassy Bern should request furniture and furnishings based on a workflow process design.

There is untapped potential for representation and outreach activities at the consular agencies in Geneva and Zurich.

Informal Recommendation 7: Embassy Bern officers visiting the consular agencies should use their visits as an opportunity for outreach and representation.

The landlord of the consular agency facility in Geneva wishes to renegotiate the lease.

Informal Recommendation 8: Embassy Bern should negotiate the best price possible to remain in the current facility.

Available space at the Zurich consular agency could be better utilized for outreach activities and bilateral contact work.

Informal Recommendation 9: Embassy Bern should make frequent use of the Zurich consular agency facility for outreach activities and bilateral contact work.

Embassy Bern did not follow all requirements for receipt of donations from companies.

Informal Recommendation 10: Embassy Bern should prepare a detailed briefing book for the incoming ambassador which explains the proper procedures for such issues as gifts, in-kind donations, representation, official residence expenses, use of government vehicles, and travel, including guidance for the ambassador's spouse and family members, with copies of the appropriate Department guidance and special attention to any unique circumstances in Bern.

OIG inspectors found incomplete, sporadic historical records of regular cash counts of the subcashiers at the Consular Agencies in Geneva and Zurich.

Informal Recommendation 11: Embassy Bern should request the accountable consular officer to provide evidence of unannounced cash counts of subcashiers to the Class B cashier per 4 FAH-3 H-397.2-3a.

Unannounced cash counts need to be performed for the subcashiers at the consular agencies in Zurich and Geneva.

Informal Recommendation 12: Embassy Bern should request the supervisory consular officer to perform unannounced cash counts during periodic visits to the consular agencies, since the consular agents serve concurrently as ACO and consular subcashier.

Embassy employees are sometimes required to transport per diem advances to the U.S. Administration and congressional participants in the WEF in Davos.

Informal Recommendation 13: Embassy Bern should designate each person assigned responsibility for transporting advances during the annual WEF in Davos as an occasional money holder.

The OIG inspectors learned that GSO employees frequently come to the cashier for reimbursement of small cash purchases.

Informal Recommendation 14: Embassy Bern should evaluate the benefits of establishing a GSO subcashier to consolidate these transactions and reduce demands on the cashier.

Salaries for the ORE employees are “advanced” by a voucher to the Ambassador (based on hours worked) who then pays the employees by EFT.

Informal Recommendation 15: Embassy Bern should ensure that, to complete the loop on the payment process for ORE employees, either a copy of the EFT’s to the employees or a receipt of salary received by each employee be included in the next month’s voucher.

The inspectors learned that for Embassy Bern LE staff awards may not be the motivating factor that they are at other posts.

Informal Recommendation 16: Embassy Bern should have the management officer look into this and solicit employee views on how to structure or revise the awards program.

Informal Recommendation 17:

The procurement section has failed to maintain complete documentation for required purchase and delivery order files.

Informal Recommendation 18: Embassy Bern should review the procurement incomplete files and complete the documentation.

The management officer and the FM were directed by OBO's Office of Building Acquisitions and Sales to get in contact with the Bureau of Administration's Logistics Management (A/LM) contracting officer to resolve heating and cooling malfunctions.

Informal Recommendation 19: Embassy Bern should contact the contracting officer of the renovation project immediately to avoid missing the expiration date on the warranty.

The driving training program does not include embassy staff members who are authorized to "self-drive."

Informal Recommendation 20: Embassy Bern should include embassy staff who "self drive" in the driving training program.

Embassy Bern lacks an automated system to enter and manage computer help desk calls.

Informal Recommendation 21: Embassy Bern should establish an automated IM help desk tracking application to improve its management of help desk calls.

Embassy Bern has designated, but has not trained an LE staff EEO liaison.

Informal Recommendation 22: Embassy Bern should have the Equal Employment Opportunity counselor provide at post training to the designated locally employed staff Equal Employment Opportunity liaison.

PRINCIPAL OFFICIALS

	Name	Arrival Date
Ambassador	vacant	
Deputy Chief of Mission/ Chargé d'affaires a.i.	Leigh G. Carter	06/07
Chiefs of Sections:		
Consular	Edward P. Birsner	08/08
Political-Economic Management	Richard A. Rorvig	08/08
Public Affairs	Jonathan A. Schools	08/07
Regional Security	Lisbeth Keefe	08/07
	Brian C. Murphy	10/07
Other Agencies:		
Department of Defense	COL Dorothea Cypher-Erickson, USA	08/04
Department of Homeland Security	Patrick M. McCool	04/08
Foreign Commercial Service	Donald Businger	07/08

ABBREVIATIONS

ACO	accountable consular officer
ACS	American citizens services
AEA	American Embassy Association
BBG	Broadcasting Board of Governors
CA	Bureau of Consular Affairs
CAJE	computer-assisted job evaluation
CLO	community liaison officer
CMAT	Consular Management Assistance Team
CMS	content management system
DCM	deputy chief of mission
Department	Department of State
DVC	digital video conference
EEO	Equal Employment Opportunity
EFM	eligible family member
EFT	electronic funds transfer
ELO	entry-level officer
FCS	Foreign Commercial Service
FSI	Foreign Service Institute
GSO	general services officer
HR	human resources
ICASS	International Cooperative Administrative Support Services
IM	information management
IMO	information management officer
IMS	information management specialist
ISB	International School of Bern

LE	locally employed
LQA	living quarters allowance
MSP	Mission Strategic Plan
NEPA	nonexpendable property application
OBO	Bureau of Overseas Buildings Operations
OIG	Office of Inspector General
ORE	official residence expenses
PAO	public affairs officer
PAS	public affairs section
REO	regional education officer
SLC	shared logistical center
WEF	World Economic Forum

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

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