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

# Report of Inspection

## **Embassy Quito and Consulate General Guayaquil, Ecuador**

**Report Number ISP-I-09-42A, June 2009**

### **~~IMPORTANT NOTICE~~**

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## **PURPOSE, SCOPE AND METHODOLOGY OF THE INSPECTION**

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

### **PURPOSE**

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

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

- The Ambassador and the deputy chief of mission (DCM) exert strong leadership over a complex and growing mission in a challenging, unpredictable bilateral environment to meet strategic goals and support U.S. foreign policy.
- The United States and Ecuador cooperate to promote democracy, fight narcotics trafficking and crime, boost regional security, promote economic development, and support job creation. Relations were strained after Ecuador's president expelled two embassy officers for allegedly violating Ecuador's sovereignty.
- Embassy Quito successfully moved onto a 13-acre new embassy compound (NEC) which colocated the Department, 13 other agencies, and a marine security guard detachment. The Ambassador and the DCM promote staff morale and direct positive interagency cooperation.
- Embassy Quito has provided excellent reporting on a broad spectrum of political, economic, and counternarcotics issues.
- Mission Ecuador's counternarcotics program is well-coordinated by the narcotics affairs section (NAS) and draws on the expertise and capabilities of all involved agencies to deliver effective programs and activities.
- Five months after its move to the NEC, Embassy Quito's management operations are generally well run and effectively support the mission. The assignment of a human resources officer will further enhance management operations.
- Consulate General Guayaquil has high staff morale despite cramped quarters. The consul general's (CG) active interest and innovative programs contribute to this phenomenon and to the reversal of an unfavorable public image which prevailed during a 2003 inspection.
- The new consulate building planned for Guayaquil will be too small to accommodate anticipated growth of the Drug Enforcement Administration (DEA) and the Department of Homeland Security in Guayaquil.
- Mission Ecuador utilizes the newly hired officers under the Diplomatic Readiness Initiative (DRI) to support public diplomacy outreach programs.

The inspection took place in Washington, DC, between January 4 and 30, 2009; in Quito, Ecuador, between February 3 and 10, and between February 13 and 26; and in Guayaquil, Ecuador, between February 10 and 13, 2009. (b) (6)(b) (6)

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## CONTEXT

Ecuador has had 27 consecutive years of civilian rule but its democracy remains fragile. With a population of 14 million people and a literacy rate of 90.9 percent, Ecuador and the United States have enjoyed deep historic, economic, and social ties. Located south of Colombia and north of Peru, Ecuador cooperates with the United States in fostering democracy in Latin America, working to stem drug trafficking and corruption in the Andean region, and in promoting ecological conservation and job creation. The United States is Ecuador's principal trading partner with as many as two million documented and undocumented Ecuadorians living in the United States.

Although relations between the government of Ecuador and the United States have been positive on many fronts, there is a mixed record under President Rafael Correa. His anti-U.S. rhetoric is increasingly radical. Ecuador's government announced the closing of the U.S. Forward Operating Location (FOL) counternarcotics surveillance program in the city of Manta prior to the expiration of the agreement; the government alleged that the United States played a role in Colombia's incursion into Ecuador last March. While visiting Iran, President Correa criticized the United States and voiced support for Iran's nuclear program. He ordered the expulsion of two embassy officials, accusing them of violating the government of Ecuador's sovereignty; one embassy official had already departed on a scheduled rotation. Presidential and legislative elections are due in April 2009 and President Correa is a candidate.

FY 2008 foreign assistance tracked by the Department's Office of the Director of U.S. Foreign Assistance totaled approximately \$25 million; it focused on promoting democracy, managing natural resources, furthering economic development, building a positive image of the United States through public diplomacy and outreach and enhancing security and counternarcotics cooperation. Counternarcotics programs totaled \$6.9 million of the overall figure. The Department of Defense's \$2.1 million counternarcotics operations and the \$12.1 million Manta FOL operations augmented these figures.

The staff, including the Consulate General Guayaquil, total 126 direct-hire Americans, 41 U.S. local-hire staff, and 209 foreign locally employed (LE) staff. All Quito-based agencies, except the Peace Corps, moved into the new embassy in September. A newly acquired building (NAB) was purchased in 2008 for Guayaquil, which is scheduled to be renovated and occupied in FY 2011.



## EXECUTIVE DIRECTION

The Ambassador and the DCM provide effective executive direction and leadership to all agencies to support democracy and the rule of law, encourage economic growth, disrupt narcotics trafficking and crime, boost regional stability, and expand public diplomacy and outreach. These objectives coincide with U.S. national security objectives.

The Ambassador and the DCM are experienced career officers. The Ambassador arrived last August to oversee the successful and complex September move into the NEC; a major undertaking that colocated the embassy, 13 agencies, and the Marine security guard detachment onto 13 acres. The move has boosted morale, mission unity, and effectiveness.

The executive office has an open door and an inclusive management style, which fosters collaboration, positive working relations between the agencies, and team spirit. The DCM meets weekly with all section chiefs, and he and the Ambassador regularly schedule meetings with agency heads. Some agency heads and section chiefs highly commend interagency cooperation within Mission Ecuador.

The Ambassador provides sound counsel and guidance to the mission. At the time of this inspection, President Correa had increased anti-U.S. rhetoric in his weekly public addresses and expelled the Department of Homeland Security chief for allegedly violating Ecuador's sovereignty; shortly thereafter he expelled another officer. With this palpable increase in tension, the Ambassador convened special country team meetings and a town hall gathering to brief staff and families, solicit country team input, dispel rumors, and ensure mission coordination with Washington in determining how to proceed. She instructed the country team to guard details of her meetings. The DCM partnered with the Ambassador throughout this tense period, offering sound interventions, cautionary guidance, and useful analysis.

The embassy has a mixed, generally pragmatic relationship with the host nation, but officers find difficulty building rapport and scheduling meetings with counterparts, many of whom are often and unpredictably shuffled among government positions. The Ambassador met twice with the President since presenting her credentials in October, and succeeded in gaining the President's pledge to allow alternative arrangements to fill the gap when the FOL closes—an important achievement.

The DCM initiated a participatory Mission Strategic Plan (MSP) process that included the consulate; Guayaquil is the center for economic and political power brokers and plays a critical role in achieving mission goals. The mission's goal papers complemented Bureau of Western Hemisphere Affairs (WHA) and Department strategic plans.

The Ambassador understands and appropriately uses National Security Decision Directive -38 (NSDD-38) and Chief of Mission authorities; however, nine overdue NSDD-38 requests pended embassy response at the time of the inspection. The OIG made an informal recommendation concerning this matter.

The Ambassador provides leadership on the foreign assistance programs and receives regular briefings from agency heads on their activities. Under her direction, the DCM maintains and ensures coordination of foreign assistance programs to maximize their impact. With cuts in key budgets for programs such as narcotics affairs, the executive office's oversight of various pools of money enables the mission to continue engagement on counternarcotics and anticrime programs. The Ambassador remains active in the newly established United States - Ecuador Bilateral Dialogue. This initiative began in November 2008 and showcases U.S. assistance in Ecuador for government and private audiences.

The Ambassador supports the regional security office (RSO), measures to enhance personal security, and procedures to safeguard classified material. She stresses the need for all personnel to participate in scheduled radio checks and the levels of participation are better. She participates in Emergency Action Committee meetings which the DCM chairs, reminding staff to be personally vigilant in an environment where crime is worsening. They also encourage maintaining active and updated warden systems to organize and protect Americans in case of natural disasters or political unrest.

Both the Ambassador and the DCM support Equal Employment Opportunity (EEO). There are no formal EEO complaints. The DCM recognizes his responsibility for mentoring of the entry-level officer (ELO) and is developing a formal ELO program.

The Ambassador seeks to keep morale high in Embassy Quito. She hosts representational and community events, inviting all elements of the mission, including the Peace Corps. She holds town hall meetings, and responded to concerns of cafeteria crowding by suggesting staggering staff dining hours. Her manner is open and friendly. She also opens her residence's pool and grounds for use by the embassy community.

The Ambassador and the DCM guide and support mission public diplomacy programs, meeting weekly with the public diplomacy staff. They are fluent in Spanish. The Ambassador uses her superb language skills to effectively explain U.S. policies to the press, and to promote cultural outreach through personal appearances. She confidently launched the first American Corner in Quito on Abraham Lincoln's 200<sup>th</sup> birthday; her remarks at this event were welcomed by the mayor of Quito and other Ecuadorian government officials during a period of strained relations. She is an eager host of public affairs events in her residence.



## CONSULATE GUAYAQUIL OVERVIEW

Guayaquil is Ecuador's major port city, its industrial center, and the heart of political opposition to President Correa's government. The consulate issues all immigrant visas and non-immigrant visa issuance numbers surpass those of Embassy Quito. In addition, the consulate engages in active commercial advocacy, extensive public diplomacy, and produces useful political and economic reporting.

The CG has excellent relations with the embassy. His past positions include serving as acting DCM, as chargé, and he proves a valuable mission-wide resource for his extensive contacts and knowledge of Ecuador. He attends country team meetings in Quito monthly to ensure that the consulate participates actively in developing the MSP. The CG pays particular attention to morale and establishes a robust training program for ELO staff development; he holds monthly roundtables to sensitize U.S. staff to Ecuadorian culture. He participates actively in a strategic outreach program. An articulate Spanish speaker, the CG is a public diplomacy resource who is comfortable with the media and the public, and generous in offering his residence for public diplomacy events.

The consular section is well managed by a capable section chief (who is the deputy principal officer) and a deputy section chief. Staff productivity and morale are high, despite cramped workspace and waiting areas. Effective orientation, intra-section rotations, and active interest by the CG contribute to the positive morale. The consular section implements appropriate management controls, including proper attention to fraud. Its public image is good.

Consulate General Guayaquil implements programs well. Economic reporting is timely and comprehensive and gives a more nuanced understanding of Ecuador. The NAS representative is active throughout the district, maintaining good synergy between the consulate and local law enforcement entities. DEA staffs six agents and it projects additional staff. A Department of Homeland Security attaché is scheduled to arrive in April. The consulate places high priority on public diplomacy and carries out an active outreach program to target, among others, the youth and less advantaged audiences throughout its district.

The consulate's administrative operations are well-run. The embassy effectively provides medical, budget, human resources, information technology, and facilities



## POLICY AND PROGRAM IMPLEMENTATION

### POLITICAL AND ECONOMIC SECTIONS

#### Political Section – Quito

The political section continues to function well despite unexpectedly losing two officers and increasing difficulties in the bilateral relationship creating a heavier embassy workload, especially for the political section. The section formerly staffed by four officers, now consists of the section chief, a FS-03 officer, and a LE political specialist; one officer transferred from the post under the DRI in summer 2007 and a FS-03 resigned in September 2008. Washington will provide a temporary duty officer to fill in from the end of March until the arrival of an FS-O3 officer in September. Embassy Quito requested restoration of the position transferred during DRI. Meanwhile, the embassy redirected some work, such as MSP preparation, away from the section. In addition, the section's LE staffer assists by capably researching and drafting required reports, notably the annual Human Rights report. Despite the understaffing, the political section produces quality reporting and analysis, which Washington agencies give consistently high marks despite shifts in Ecuadorian officials and their portfolios, and anti-U.S. government sentiments that dampen the will of Ecuadorian interlocutors to engage embassy officers.

In the end, however, the two-officer political section is constrained to cut back plans for analytical, think-piece reporting, and to shelve good plans for outreach projects. It now spends too much time in reactive mode, and overtime has been excessive.

The section maintains written reporting, travel, and representational plans. In the run-up to the U.S. elections, the political section organized outreach events in cooperation with the public affairs section (PAS). Electronic files are logical and segregated by year. Paper chronological files for cables provide a good overview of the section's work. The section holds regular counseling sessions and completes required counseling certifications.

During the inspection, the political section capably executed most of the rapid-fire reporting and other drafting necessitated by President Correa's expulsion of two

embassy officers. Moreover, the political section produced solid analytical pieces on the Correa government, the run-up to the September 2008 constitutional referendum, and the drafting of the new constitution. Washington agencies welcomed the reporting that the section coauthored with the economics section on President Correa's visit to Iran.

The political section contributes to good interagency cooperation and helped organize the Northern Border Working Group (NBWG) with the U.S. Military Group, which provides an excellent framework for interagency policy and programmatic development. Political officers played a critical role in formulating a smooth U.S. interagency response to the Ecuadorian government's decision not to renew the ten-year lease of the FOL at Manta.

The fraying bilateral relationship led to a reassessment of other long-standing bilateral arrangements, including the Letter of Agreement (LOA) for Narcotics Affairs Section assistance and the 1997 exchange of diplomatic notes, which served as a Status of Forces Agreement. In 2007, the government of Ecuador asked for renegotiation of important pieces of the LOA and the diplomatic note's Status of Forces Agreement language. The political section and other agencies coordinated their response, and, after some delicate work, the government of Ecuador agreed to an updated LOA. A political officer with Chinese language skills coordinated cooperation with the Chinese embassy to counter Ecuador's decision to allow Chinese tourists to enter Ecuador without visas—a policy that would have made Ecuador a conduit for illegal Chinese immigrants to the United States.

## **Economic Section – Quito**

The economic section consists of the section chief, an FS-O3 deputy, who is on her second overseas tour, and an ELO. A fourth officer, who curtailed for medical reasons, held the Environment, Science, Technology and Health (ESTH) portfolio. The chief focuses on macroeconomic developments and overall policy developments; the deputy, on investment disputes and trade issues, energy, intellectual property and standard reports; and the ELO, originally intended to cover outreach and countering corruption, now focuses on the technical, demarche-heavy ESTH portfolio. In spring 2009, a LE staffer will replace an eligible family member (EFM) economic specialist who resigned in January 2009.

Washington consumers unanimously praised the section's work. Several noted that the economics chief has a comprehensive command of the economic issues, including a nuanced knowledge of technical policy issues which benefits mission reporting.

The economic section has good ideas for reporting, travel and representation, but no written plans exist. The OIG team made an informal recommendation to develop such plans. Electronic and paper files were logical to the users. However, all officers in the economic section will transfer this summer. Outgoing officers should ensure that the files are usable to incoming officers. There were counseling sessions, but counseling certifications were incomplete. The OIG team made informal recommendations concerning these matters.

The staffing shortage in the economic section is less severe than in the political section. Nonetheless, the economic section does not have enough time to pursue a full agenda of outreach and anticorruption initiatives, or to write analytical think pieces. The ELO planned and participated in a number of well designed outreach events, prior to taking on the demanding ESTH portfolio, but afterwards could not continue these activities at the same level. The constant work pace could lead to less creative work.

The economic section reported on major investment disputes and trade policy. During vacancies in the Foreign Commercial Service officer position, the economic officers supervised the Service's LE staff and met with U.S. companies that were adversely affected by major trade regime changes. The economic section's reporting has kept readers abreast of the status of the disputes and the issues in play. Additionally, it offers context to public statements made by Ecuadorian government officials concerning U.S. businesses and reminds Washington readers that despite in-temperate statements, Ecuador has complied so far with decisions of formal dispute resolution bodies.

Another section achievement was its organization of the first formal U.S.-Ecuadorian government bilateral discussions in November 2008. The discussions laid the framework for a regular review of issues of importance with the government of Ecuador and thereby provided an important mechanism to help arrest a decline in the bilateral relationship stemming from difficult political issues.

## **Political and Economic Section – Guayaquil**

The CG is an economic officer who capably advocates for American businesses. The political and economic reporting position is an ELO yearly rotational position. Under the guidance of the CG, the ELO submitted timely political and economic reports. The OIG team informally recommended that the incoming CG continue to closely monitor the ELO reporting function and to ensure that political and economic contacts are managed correctly during the yearly officer transitions.

## FOREIGN ASSISTANCE

The U.S. foreign assistance priorities reflect shared interests in economic growth, small business development, increased trade, poverty alleviation, effective law enforcement, and counternarcotics programs. In FY 2008, foreign assistance coordinated by the Office of the Director of U.S. Foreign Assistance totaled approximately \$25.2 million. The largest part (\$17.8 million) funds U.S. Agency for International Development (USAID) programs, including \$9.8 million to develop new jobs and incomes for small farmers on the northern border as alternatives to the drug trade.

Of the \$25.2 million, Bureau of International Narcotics and Law Enforcement (INL)-administered funds under the Andean Counterdrug Program for FY 2008 totaling \$ 6.9 million. International Military Education and Training programs and foreign military funding equipment programs completed the \$25.2 million package.

In addition, there are separate Department of Defense programs not coordinated by the Office of the Director of U.S. Foreign Assistance. These Department of Defense programs added \$2.1 million in counterdrug programs for training and equipment to the military and police, approximately \$1.9 million in humanitarian civic action and assistance programs, and \$400,000 in public information programs. The Department of Defense also provided approximately \$12 million in FY 2008 to fund Manta FOL regional air-counterdrug surveillance.

The Peace Corps program includes about 150 volunteers and is one of the most well-established programs in Latin America.

Following the Ambassador's directive, the mission built the groundwork for a renewed focus on U.S.-assisted humanitarian demining on Ecuador's southern border with Peru in future assistance cycles.

The OIG team's review of assistance programs finds the overall mix and the mission's oversight appropriate and interagency planning cooperation good. The NBWG is an effective cooperation mechanism, particularly in its focus on the border area between Colombia and Ecuador, a poverty stricken area with poor infrastructure known as a transit corridor for narcotics trafficking. The NBWG is divided into three subgroups: (1) Intelligence and Operations; (2) Humanitarian Operations and Developmental Assistance; and (3) Information Programs and Public Diplomacy. The NBWG subgroups discuss U.S. government policy options and program design, funding and implementation. The three subgroups meet as required, generally once every two or three weeks.

The DCM resolves any questions that cannot be decided within the NBWG. The Ambassador and DCM monitor NBWG's work and receive periodic briefings on the working group's activities. In addition, the DCM holds weekly meetings with individual agency and section heads. NBWG discusses how to refine policy, design and fine-tune programs, and promote information-sharing on assistance in the border region and elsewhere in the country.

For overall country assistance planning, the assistance coordination takes place within the context of the drafting of required annual reports (the MSP, the operational plan, and the performance report). The collocation of U.S. agencies following their move to the NEC results in a substantially better flow of information among agencies involved in coordinating foreign assistance.

## **NARCOTICS AFFAIRS**

Ecuador is a transit country for illicit drugs produced in Colombia and Peru and chemical precursors for drug production. Neither poppy nor coca is grown in significant quantities, but Ecuador's northern border with Colombia is vulnerable to illicit trafficking.

The NAS in Quito administers the FY 2008 \$6.9 million INL-funded counter-narcotics programs and coordinates other U.S. government agency counternarcotics assistance programs. NAS is headed by an experienced Foreign Service officer with U.S. government auditing experience. His deputy is an administrative cone officer, who helps regularize INL procurement matters. There are seven LE staffers. The NAS officer in Guayaquil is an experienced Department of Homeland Security Customs and Border Patrol agent with fluent Spanish. He supervises one LE staff.

The FY 2008 \$6.9 million budget supported police operations (\$2.69 million); upgraded police bases in remote border areas (\$1.6 million); provided police and judicial training (\$770 thousand); funded antimoney laundering training (\$90,000); supported border and coastal control operations (\$950,000); promoted demand reduction (\$40,000) and provided other program development and support (\$800,000).

NAS works effectively to coordinate INL programmatic work and the work of other U.S. offices and agencies involved in the mission's counternarcotics programs. These agencies identify effective and dedicated counterparts in the government of Ecuador as well as work to encourage these counterparts to establish effective cooperation mechanisms.

As summarized in 2008 Quito 1065, the U.S. programs in FY 2008 improved the effectiveness of the Ecuadorian military and police in the northern border area. Cooperation in the judicial sector continues, but changes in the judiciary under the new September 2008 constitution have created some uncertainties. The United States continues to train prosecutors and police on financial crimes and money laundering.

Guayaquil's NAS officer travels extensively to verify the end use of U.S. government-provided equipment and training. His technical background and language skills enable him to conduct impromptu one-on-one training with border and counternarcotics officials. He coordinates his activities with NAS in Quito by e-mail, telephone conversations, and frequent in-person meetings.

NAS and INL are responsible for the purchase, delivery, and end-use monitoring of equipment for INL and DEA programs. The Embassy mitigates delays in procurement, to some extent, by expanding its reliance on the Regional Procurement Support Office (RPSO) facility in Fort Lauderdale wherever possible. With the INL in Washington responsible for some major equipment purchases, the DEA experienced delays of several months in computer and other routine equipment.

The local general services office (GSO) procurement staff is responsible for much of NAS procurement. This places a large burden on the GSO staff—in 2008 alone, NAS submitted 380 procurement requests to the GSO. Collocation in the NEC makes it easier to clarify and resolve procurement matters through informal meetings, but continued NAS and GSO vigilance is necessary to identify any systemic problems or staffing insufficiencies, as well as ensure ICASS consistently meet standards. An INL management team visited post and issued a report in June 2008. NAS resolved the majority of outstanding items, which were technical, and is on track to resolve the remaining issues in a few months.

Special Ecuadorian law enforcement units, with staffs vetted according to established procedures, are crucial to the successes of the bilateral counternarcotics program. In the wake of incidents described above, however, the U.S. government is constrained to withdraw support from two of these units.

Traffickers continue to diversify shipping methods to evade interdiction, to which NAS and U.S. agencies react promptly. For example, in 2008, traffickers increased use of fast and small fishing boats, capable of carrying smaller loads and hugging the coastline. In response, DEA is focusing resources increasingly on maritime matters. In addition, NAS has stressed the importance of additional port inspections and stringent customs enforcement.

## **PUBLIC DIPLOMACY**

The PAS has active programs that address MSP goals with various program formats and activities. PAS Quito and Guayaquil have action strategies to direct their resources consistently to MSP goals.

The mission has well-staffed, active, public affairs sections. In Quito a senior public diplomacy-coned public affairs officer (PAO) with strong management skills heads the PAS and controls the mission-wide PAS budget and much of the program activities. PAS Quito's three additional officers include an information officer, a cultural affairs officer, and a dedicated outreach officer. These staffers and PAS Guayaquil's PAO, who lead a more modest office, serve out-of-cone public diplomacy assignments. They learn quickly and are well-respected among supervisors, colleagues, and contacts.

PAS sections are heavily engaged in outreach. The mission uses officers assigned under the DRI to PAS Guayaquil as PAO and to PAS Quito as the foundation of its outreach efforts. The mission maintains these officers' focus on outreach, and both carry out extensive programs fulfilling their intended function. Public outreach is part of each political, economic, and ELO's job description. The DRI PAS officers dedicated to outreach have heightened the mission's public posture and reached youth, ethnically diverse, and other MSP target audiences.

### **PAS Quito**

PAS Quito's PAO manages the mission-wide budget for PAS Guayaquil and PAS Quito. PAS Quito also carries out much of the program management of PAS Ecuador's wide variety of student exchange, cultural presentations, U.S. speaker, and other programs. The posts cooperate well.

PAS Quito's information section is strong. The information officer and PAO work cooperatively and have the mission's confidence. The LE staff has extensive media contacts. The section provides excellent media coverage to the mission and proactively works with counterparts at Embassy Quito and in Washington to develop a media posture during times of crisis—as the OIG team observed during the inspection. The information section ensures that the media covers the activities of Mission Ecuador's foreign assistance agencies thus earning high marks for their media placements.

PAS Quito produces two radio programs and downloads Voice of America (VOA) programs, which it distributes to radio stations countrywide, magnifying VOA's impact and providing insight into the United States. In addition, PAS downloads VOA radio news clips by computer for distribution by telephone line to radio stations.

PAS Quito's information section developed a modern computerized TV and radio monitoring system that allows the section to capture the U.S. image in Ecuador's media. With this capacity, the PAS Quito information section provides daily media summaries to the embassy, delivered in a sophisticated, user-friendly, multimedia email product. The summary shows the most prominent TV and radio clips and allows the viewer to select and forward clips to other viewers.

### **Best Practice: Multimedia Media Summary**

**Issue:** Mission Ecuador officers need a full understanding of U.S. issues as discussed in Ecuador's media formats.

**Response:** PAS Quito produces a daily media summary sent to subscribed users via email, which provides a daily TV clip of the most important TV report, and a menu to choose other TV clips. It has a similar choice of radio clips and press clips. Users can also send clips to other users for discussion, etc.

**Result:** The PAS Quito Media Summary keeps mission officers very well apprised of the media. In addition, access to TV video clips provides officers with texts of public statements from Ecuadorian officials that are more accurate than any found in the written media.

**Note:** Missions should review 5 FAM 494 and local laws to ensure use of materials follow "fair use" principles.

## **Grants Management**

PAS Quito manages public diplomacy grants according to Department standards. The OIG team discussed some procedures in need of improvement and PAS has begun to implement the suggestions.

## **Contact Management**

PAS Quito has broad contacts but has not developed a single contact database to integrate its contacts. Now that PAS information resource center (IRC) library

operations are collocated with other PAS offices in the NEC, integrating all of the section's databases would be easier and more useful. The OIG team made an informal recommendation that PAS Quito develop a computerized database to integrate its contacts.

## **Coordination Calendar**

There is no formal mechanism outside the country team meeting to keep PAS informed of other agencies upcoming events for which PAS may be called upon to provide media resources. PAS keeps a computerized calendar of its section events only. Expanding the calendar to include activities of other mission agencies would help coordination of mission events, enhance PAS efficiency and planning of its resource uses, and provide a mechanism for management review of mission program activities.

**Recommendation 1:** Embassy Quito should develop a unified mission calendar of public diplomacy activities. (Action: Embassy Quito)

## **PAS Guayaquil**

PAS Guayaquil consists of one officer assigned under the DRI and three LE staff. Even by limiting activities to focus on outreach projects, PAS programs total about 30 program events per month. Often these events target the broader public to ensure Ecuadorians remember the longstanding bilateral relations the consulate represents; the programs are organized by themes relevant to the mission goals. Because of the frequent turnover of busy consulate officers who participate in PAS's speaker outreach programs, establishing written standard operating procedures (SOP) for PAS programming will enhance cooperation on these programs. The OIG team made an informal recommendation on this issue.

## **Cooperation with Local Institutions**

PAS Quito and PAS Guayaquil have excellent cooperation with strong local institutions, which was established in the past by the United States and continues to enhance U.S. presence. These institutions are program partners and magnify mission outreach.

The Fulbright Commission in Quito is a major resource to Mission Ecuador's public diplomacy program. Department funding is \$750,000. Besides carrying out

the Fulbright, Humphrey, and Fulbright Senior Specialist programs, it offers additional Bureau of Educational and Cultural Affairs (ECA)-sponsored U.S. education programs that target less privileged groups. It also offers an ECA-supported educational advising program and an English-teaching program, that some consider the country's best. The program annually supports Fulbright Commission operating expenses and several Fulbright scholarships. Since 2006, the Ecuadorian government has provided \$500,000 every year in support, averaging around 17 science and technology scholarships a year. This has been the government of Ecuador's first such contribution, and although budget issues may reduce it this year, such support indicates Ecuador's high regard for the program. The Commission is establishing an Educational Advising Center in Guayaquil with ECA help. The Commission carries out annual audits and submits required reports to the Department.

PAS Quito has acquired a significant new local partner and expanded its information services and outreach with the February opening of its first American Corner in the youth reading room of Quito's Municipal Library. The library is located in the City Cultural Center in the middle of its historic district, giving an estimated 3,000 daily visitors access to a collection of U.S. material. The establishment of an American Corner in such a location is great progress, and the OIG team discussed with PAS the value of significant enhancements to the materials and utilization of the space and audience.

PAS Guayaquil works closely with the Ecuadorian-U.S. Center, a binational center, which the United States established in cooperation with local institutions in 1954. The U.S. Center is now independent, but the partnership offers excellent program venues, and cooperation on PAS programs of English-teaching for less advantaged groups and others. Its English-teaching program supports a substantial library containing Ecuadorian and U.S. materials.

## **The Information Resource Center**

Now that PAS Quito is installed in the new compound, it is in the process of redirecting its IRC to the youth audiences represented in the high schools surrounding the NEC buildings. It uses outreach programs to maintain its former, more mature audiences. The Bureau of International Information Program's regional information resource officer provides excellent advice. Because there is no IRC at PAS Guayaquil, the PAS Quito IRC must project its library development and information programs into PAS Guayaquil's district. The OIG team underlined the value of information sharing and coordination to allow smooth IRC Quito programming to enhance PAS Guayaquil contacts and programs.

## **Cooperation with Military Information Support Team**

Since October 2008, the Military Information Support Team (MIST) in Ecuador rotates every six months. There are four members in Quito and two in the northern border region. One of the team's major projects is training the Ecuadorian military in public communications in the northern border region. The team also plans to reestablish a free drug hotline and projects to carry out some medical and civil affairs projects are slated. The MIST FY 2008 budget totaled \$400,000, and its projected FY 2009 budget totals \$780,000.

PAS receives little program cooperation from the MIST, although PAS does clear MIST products for policy and substance. MIST develops programs to fulfill U.S. Special Operations Command goals, and then seeks NBWG review and approval. MIST reports that this forum provides excellent insight, advice and cooperation, citing the DEA's useful guidance on reestablishing the toll-free drug hotline.

## **CONSULAR AFFAIRS**

### **Countrywide Overview**

Consular operations at Embassy Quito and Consulate General Guayaquil are significant and are adequately recognized in the MSP as contributing to better border security, protecting American citizens, and facilitating legitimate travel by Ecuadorians and other visa seekers. Both consular sections provide services to American citizens in Ecuador in an appropriate manner. Increased media and electronic outreach identified significantly more Americans resident in Ecuador—an estimated 11,000 in Quito's consular district and 8,000 in Guayaquil's district—than the estimated 10,000 total in 2002. The consular sections can contact private Americans through extensive and frequently updated group email lists or through wardens to relay urgent information, send quarterly newsletters that describe voting and tax filing procedures, outreach events, and other issues of general interest.

Both consular sections coordinate well with the mission and the Department to ensure that safety and security messages are disseminated in accordance with “no double standard” procedures. Although in-country travel for consular outreach has been hindered by an overall lack of funding, consular managers intend to meet MSP goals of quarterly visits to remote locations, and periodic warden conferences, pending funds availability.

Mission Ecuador devotes the bulk of consular staffing and other resources to visa functions. Embassy Quito and Consulate General Guayaquil each processed nearly 55,000 nonimmigrant visa (NIV) applications in FY 2008; Guayaquil handles all immigrant visa applications and processed over 13,000 applications last year. Tenuous economic circumstances for many Ecuadorians and a decades-long history of emigration to the United States motivate a strong desire to relocate in search of greater opportunities.

Ecuador is a human-smuggling transit point and source for illegal immigration to the United States. The consular sections work collaboratively with the mission and with local authorities to combat these activities. The level of fraud perpetuated to claim eligibility for NIVs and immigrant visas is consequently high—40 percent for NIVs and 30 percent for immigrant visas countrywide. This high fraud environment requires lengthier personal interviews and intense scrutiny of supporting documents. A seasoned mid-level officer in Guayaquil and part-time ELO in Quito oversee fraud prevention units which train new employees and foster effective contacts with local immigration, civil registry, and airline officials. In 2008, with the help of new visa processing software, consular sections identified a sophisticated ring used to smuggle minor children to the United States.

## **Visa Referral System**

The country-wide Mission Visa Referral policy follows current Department guidelines and was circulated shortly after the Ambassador's arrival. Mission Ecuador's Intranet websites feature links to the policy as well as instructions for proper use and completion of the referral forms. Consular managers reported that after requiring a brief training module for new visa referrers, they encountered only occasional problems.

## **Counterterrorism Efforts – Visas Viper**

Embassy Quito and Consulate General Guayaquil adhere to Visas Viper guidelines in identifying and submitting names of suspected terrorists to the Department for inclusion in all appropriate databases. The DCM in Quito and the CG in Guayaquil chair separate monthly meetings with active guidance by the respective consular managers. Representatives from all appropriate offices with law enforcement concerns attend. Beginning in late 2008, names identified by the consulate are forwarded to Embassy Quito for additional consideration by its Visas Viper committee. Mission Ecuador submitted four names for inclusion into the lookout system in 2008.

## Embassy Quito

Embassy Quito's consular section enjoys adequate workspace and sufficient interview windows. However, improvements need to be made to protect the public from Quito's high altitude tropical as well as periodic wind and rain storms. In addition, the public entrance requires informational and directional signage to facilitate the movement of consular visitors through security screening and to the consular waiting areas. Mission management is aware of the importance of developing and installing consular signage adapted to local needs and is seeking funding. The OIG team endorses Embassy Quito's initiatives and made an informal recommendation concerning this matter.

A Bureau of Consular Affairs (CA) initiative to relocate positions to countries with increasing workloads will give the Quito consular section two new ELO positions in mid- to late 2009. This will permit the section to staff full-time American services and fraud prevention officers for those expanding workloads. Embassy Quito prepared its approvals for these positions for the Ambassador's consent under the NSDD-38 process during the course of the inspection. The consular section lacks an LE office manager to answer telephones, greet visitors, handle filing and manage correspondence, causing unanswered calls and an excess burden for mid-level LE staff. The consular section in its 2008 consular package requested that such a position be created and funded. The OIG team endorses the addition of an office management specialist.

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## Consulate General Guayaquil

The office space in Consulate General Guayaquil's consular section is cramped and will not change until the consulate moves to the NAB in 2011. Meanwhile, section and post management successfully redesigned the flow of clientele to reduce large crowds and counter the previously negative public image of the section, as well as improve ventilation and other aspects of the workspace and waiting areas. During the inspection, the OIG team reviewed preliminary plans for the consular section's NAB layout with consular and post management, and urged them to remain active

with CA, OBO, and WHA to ensure that the design process gives full consideration to consular operational concerns. Despite the challenges of physical workspace and the pervasive presence of fraud, staff morale and productivity are high. The principal officer and consular managers rightly deserve credit for this phenomenon.

## **Galapagos Consular Agency**

The consular manager in Guayaquil also supervises the activities of a consular agent located in the Galapagos Islands. The agency provides emergency services to American tourists. The incumbent is hired on a part-time basis and does not perform passport, visa, notaries, or other fee services. The scope of the current inspection precluded an OIG team visit to the consular agency, and no significant issues were identified in the survey phase.

## **Regional Support**

Consular sections in Quito and Guayaquil reported excellent coordination and support from the Department of Homeland Security Immigration and Customs Enforcement office in Embassy Quito. A second Immigration and Customs Enforcement office was being set up at the consulate during the OIG inspection. The Panama-based Department of Homeland Security Citizenship and Immigration Services (CIS) office is charged with regional support to Quito and Guayaquil, but has not visited in the recent past. The Washington-based regional consular officer (RCO) oversees the consular section in Quito, but not the larger section in Guayaquil. The RCO last visited Quito in January 2009.

## RESOURCE MANAGEMENT

Agency	U.S. Direct-Hire Staff	U.S. Local-Hire Staff	Foreign National Staff	Total Staff	Total Funding FY 2008
State – D&CP	46	13	32	91	\$2,764,724
State – ICASS	9	20	94	123	5,544,300
State – Public Diplomacy	5	2	17	24	1,158,144
State – Diplomatic Security	2		3	5	901,980
State - INL (NAS)	3	3	5	11	794,915
State – Marine Security	6			6	162,700
State – Representation					31,300
State – OBO			1	1	2,720,025
USAID	5		27	32	1,751,000
Foreign Commercial Service			4	4	318,300
Defense Attaché Office	10	1	2	13	191,507
Corps of Engineers			2	2	427,500
Foreign Agricultural Service – APHIS			1	1	6,000
Foreign Agricultural Service – FAS			2	2	306,956
Drug Enforcement Administration	16	1	6	23	1,500,000
Department of Homeland Security	1		2	3	286,034
Peace Corps	2		2	4	2,601,800
Force Protection Detachment	2	1		3	275,000
Tactical Analysis Team	3			3	10,400
MILGROUP	16		9	25	1,345,620
<b>Totals</b>	<b>126</b>	<b>41</b>	<b>209</b>	<b>376</b>	<b>\$23,098,205</b>

Source: Embassy Quito

## Overview

Embassy Quito is well-run and receives satisfactory regional support. The embassy successfully moved into a NEC; decommissioned two properties, the former government-owned chancery building and the Marine Security Guard Quarters (MSGQ); and terminated eight commercially leased properties. The State-USAID Joint Overseas Administrative Support Platform (JOASAP) is nearly in place. Consulate General Guayaquil is scheduled to occupy a new building in 2011. It will be too small to accommodate the growth of DEA and the Department of Homeland Security due to regional conditions that had not been anticipated in the last rightsizing reports. Solutions include retrofitting an additional building on the newly purchased office compound. Quito's meager ICASS and program budgets continue to minimize travel, training, and outreach. Residual human resource issues regarding the LE staff's withdrawal from the local social security system and entry into the Foreign Service National Defined Contributions Plan remain unresolved.

## Management Operations

Embassy Quito's management operations are generally well-run and effectively support the mission. The management section achieved a great deal in the past few years yet other challenges remain in a climate of shrinking budgets. The management section has provided outstanding support to the consulate. Human resources and procurement activities were problematic. For example, the motor pool has too few drivers. A new community liaison office (CLO) coordinator position designated as the transfer liaison coordinator (TLC), assists newcomers with the living quarter allowance (LQA) process. The OIG inspection team made several suggestions to further improve the process.

Respondents to OIG questionnaires scored financial management, information resource management, the community liaison office, the health unit, and the commissary above the overall average scores of prior inspected posts. The management, general services, and human resources offices scored below these averages. The 2008 ICASS customer services survey results placed Quito's score for overall ICASS services and American personal services below the WHA and worldwide scores. The score for procurement ranked higher than the WHA and worldwide score.

## Management Section – Embassy Quito

A strong management counselor heads the section. With some exceptions, he provides sound administrative and management guidance and successfully presided

over the move to the NEC, the decommissioning of two properties, and the termination of eight commercial leases. He also led the Department/USAID administrative services consolidation efforts. He supported Consulate General Guayaquil through increased staff visits after the curtailment of its management officer. He poorly managed the NSDD-38 process, leaving unanswered nine overdue NSDD-38 requests dating from fall 2008. The officer was preparing response cables as the on-site inspection concluded.

## **Management Section – Consulate General Guayaquil**

Consulate General Guayaquil's management operations are well-run. A general services officer position transferred from Quito to Guayaquil, and assists the management officer. Embassy Quito provides medical, budget, human resources, information technology, and facilities management services to the consulate. The Florida Regional Center provides regional human resources support, and Embassy Lima provides medical and psychiatric services. The consulate's LE staff, although small in number, is effective and could benefit from additional training. The consulate's purchase of eight residential units means that the facilities maintenance work force may now be understaffed. The OIG inspection team informally recommended that Embassy Quito determine if additional facilities maintenance positions are needed. Service subscribers rated ICASS services high and the management section's scores on OIG questionnaires were also high.

The inspection team found only minor faults with administrative operations in its procurement section and the medical unit. The procurement section was the weakest of the administrative sections. A team review revealed that several purchase orders lacked specificity in describing required services. Several blanket purchase agreement (BPAs) lacked an English-language version. The team made an informal recommendation to improve procurement. A 32-hour per week contract nurse heads the medical unit and is working to improve its performance. The unit is now submitting required reports to the Office of Medical Services that had not been sent for months. Embassy Quito's Foreign Service Health Practitioner provides advice and monitors unit operations.

## **State-USAID Administrative Services Consolidation**

In the State-USAID administrative services consolidation plan, Embassy Quito is a "Tier 2 Post." Under this designation, with Embassy Quito's move to the NEC in FY 2008, the mission's Department and USAID offices are required to consolidate

their management services in FY 2009. The consolidation actually took place prior to the move to the NEC; however, required paperwork, including the consolidation plan, remains incomplete.

USAID criticized the process and the treatment of its employees. Nevertheless, the Department and USAID have agreed in principle on the services that the Department will provide to USAID and the USAID employees who will transfer to the Department /ICASS. USAID will receive general services to include procurement, motor pool, residential maintenance, nonresidential maintenance, shipping and customs, non-expendable property management/warehousing, and administrative supplies. It will also receive mail and messenger services. USAID will retain its human resources and financial management functions. The USAID Controller's office at Embassy Lima performs the latter functions. Four USAID employees moved to the Department as a result of the consolidation.

The Department and USAID are working to complete all of the prescribed requirements and then sign the consolidation plan, now in draft. The OIG inspection team made an informal recommendation that the management section work to complete the process expeditiously and formally create the JOASAP.

## **Rightsizing – Embassy Quito**

The Office of Management Policy, Rightsizing and Innovation (M/PRI) completed its rightsizing review of Embassy Quito in July 16, 2007. M/PRI projected personnel increases to support heavier consular workloads; advance Ecuadorian democracy, trade, and investment opportunities; and stem the flow of drugs from or through Ecuador. Some events overshadowed these projections; however, the embassy is addressing rightsizing.

M/PRI projected the move to the NEC and the consolidation of the Department and USAID administrative services will result in a net gain of only one LE staff position. As part of the rightsizing exercise, M/PRI projected that as many as ten USAID positions would migrate to the ICASS under the consolidation. In actuality, only four USAID positions move to the ICASS. Five employees retired and one remained at USAID. The net effect is an absolute decrease of five to six positions in the projected JOASAP.

As part of the rightsizing exercise, the financial management office requested two additional LE staff positions. M/PRI supported the addition of one. To date, neither position has been added. GSO requested four driver positions, which M/PRI supported, but GSO has received two and continues to press for the other two.

GSO requested three other LE staff positions, and M/PRI also supported the additions. Facilities maintenance requested one LE staff position, which M/PRI supported, and has gained six positions—four electricians, one electrical engineer, and one mechanical engineer.

Since the rightsizing review, Embassy Quito has lost its assistant general services officer position (A/GSO) but gained a human resources officer position. M/PRI opposed the creation of the human resources officer position but supported the move of the A/GSO position to Guayaquil. In its 2011 MSP, Embassy Quito requested an A/GSO, an assistant regional security officer, and an information security officer (ISO).

## **Rightsizing - Consulate General Guayaquil**

M/PRI supported the move of the A/GSO position to Consulate General Guayaquil. It supported the addition of two LE staff positions in GSO and one in facilities management to reflect the needs of the new office building. To date, these positions remain unfilled.

Guayaquil's 2007 rightsizing review is dated and needs to be updated especially considering recent events in the hemisphere, the upcoming closing of the Manta FOL, NSDD-38 requests, a planned new consulate building, and the eight newly purchased residences. The rightsizing report projected an increase of two positions in GSO and one in facilities maintenance with consideration to convert the U.S. direct-hire general services officer position to an LE staff position. Embassy Quito disagrees with the latter move. Management offices now appear appropriately staffed but are under increasing stress to keep up with the expanding ICASS customer base. As noted above, the four-person maintenance section is stressed due to its increased portfolio. Position increases are anticipated. An LE staff facilities maintenance position was proposed for the new chancery building.

Embassy Quito is preparing an implementation action plan that will capture changes in Quito and Guayaquil since July 2007. Based on that information, it will add positions as required when funding permits. The OIG inspection team supports this effort.

## **Living Quarters Allowance**

Embassy Quito provides housing to its employees through a LQA, which requires employees to locate their residence, negotiate with the landlord and sign a lease. Many mission employees disliked the LQA program, finding the process

time-consuming. On average, it takes nearly seven weeks for an employee to move to a permanent residence. In the interim, employees are housed in an upscale hotel. The space, safety, cost, and security standards that apply to government-owned or government-leased properties also apply to LQA properties. Embassy Quito now appropriately adheres to these standards and the inspection team found that all mission elements involved in the process, including the regional security office, the facilities maintenance section, and the interagency housing board work to expedite the process.

Newcomers receive a list of real estate agents and a list of vacated LQA properties. Approximately 50 percent of newcomers lease previously leased LQA properties. To provide further assistance to help newcomers find housing, a second CLO coordinator position was created to achieve this goal. The GSO provides standard English and Spanish leases. Leases are signed in front of the LE housing coordinator to ensure the landlords understand expectations. After a review of the LQA program, the inspection team determined that more could be done to assist newcomers: new arrivals driving around with real estate agents for several hours a day until they find a suitable location; CLO familiarization tours concentrating on showing incoming staff RSO-approved housing areas; and CLOs showing incoming staff where their coworkers live. The OIG inspection team also determined that the housing coordinator could do more to assist in the process. Newcomers subsequently lease approximately 40 percent of vacated LQA properties. The housing coordinator does not take pictures of the properties and share them with officers and their families before they come to post to help facilitate the process. The consulate does this for its short-term leased properties and will do so for its government-owned properties. The OIG inspection team made an informal recommendation to address this issue.

## **Importation of Vehicles**

Some employees are disadvantaged when deciding whether or not to import a vehicle into Ecuador because the amount of the total duty is unclear. Several employees paid hefty duties that they were not prepared for, because the prior TMTThree cable understated the duty. The duty only applies to vehicles that exceed the maximum allowable value determined by diplomatic title or rank. The current TMTThree “Welcome to Post” cable does not provide enough information to incoming employees to make an informed decision of whether or not to import a vehicle. It simply discourages employees from importing vehicles if they exceed the maximum limit. The duty is approximately 90 percent of the dollar value above the maximum allowable value. The OIG inspection team made an informal recommendation that the TMTThree cable note the upper limit of this duty.

## **HUMAN RESOURCES**

The human resources section received lower than average scores on ICASS and OIG surveys. Complaints about mistakes, customer service, and hiring decisions occurred. While there was merit to some of the complaints, the section follows 3 FAM and 3 FAH regulations. Realizing that human resources is a weak area, the mission, with the assistance of the Bureau of Western Hemisphere Affairs' executive office, successfully obtained a human resources position to be filled in August 2009. This mid-level position should relieve the management officer who spends about 50 percent of his time on human resources issues. It will also narrow the management officer's span of control allowing him to give more attention to other areas. Local staff will receive closer supervision resulting in improved customer service. Until this position is filled, the regional human resources officer based in Fort Lauderdale will continue to provide human resources services.

### **Local Social Security System**

After unsuccessful negotiations that started in 2001, the Department and the Ecuadorian Ministry of Foreign Affairs are in a stalemate over the legal right of a diplomatic mission to withdraw from the Ecuadorian Social Security System. The government of Ecuador's constitution requires that all of its citizens pay into their social security system, whereas international law states that diplomatic missions may not be compelled to participate in host country government social security systems. The Department also states that Article 33 of the Vienna Convention on Diplomatic Relations grants an implied exemption from participation by the mission and complies customary international law.

To date, the legal complications of the embassy's decision to withdraw from the local social security system include a judgment claim that the embassy owes the \$577,140 in unpaid social security contributions for the period 2001 - 2003. Eight U.S. Embassy Quito bank accounts totaling \$10,000 were frozen. Other than these complications, the government of Ecuador has taken no other adverse actions against the local staff or mission related to this issue.

### **Retirement Plan**

On January 16, 2001, the Department authorized the mission to withdraw from the local social security system and enroll local staff in a temporary retirement plan. In March 2002, the local employees officially enrolled in the temporary retirement plan. Seven years later, local employees are still enrolled in this plan and are wait-

ing to enroll into the Department's Foreign Service National Defined Contributions Plan. During the pre-inspection survey, the OIG team could not determine the reason for the delay in enrolling local staff into the defined contributions plan. In the post survey, the OIG team learned that although the mission answered questions about severance payments, not all analysts responsible for enrolling local staff into the defined pension plan received this information. Recently, the Office of Overseas Employment received all information necessary and is in the process of converting local staff to the Foreign Service National Defined Contributions Plan.

**Recommendation 2:** The Bureau of Human Resources should determine whether current end of service benefits need to be revised and/or grandfathered so that enrollment in the Foreign Service National Defined Contributions Plan can proceed. (Action: HR)

**Recommendation 3:** The Bureau of Resource Management, in coordination with the Bureau of Human Resources and the Bureau of Western Hemisphere Affairs, should provide Embassy Quito with an anticipated enrollment date of its local staff into the Department's Foreign Service National Defined Contributions Plan. (Action: RM, in coordination with HR and WHA)

## Employer's Retirement Fund

Another unresolved issued related to the retirement plan is whether local staff are entitled to benefit from the Employers' Retirement Fund (Jubilacion Patronal). Ecuadorian labor law establishes that an employee with at least 25 years of service in the same institution, regardless of break in service, is entitled to receive this benefit. This issue needs to be clarified because it has already erupted into a legal dispute and the embassy could be liable for unpaid amounts.

In 2005, a former employee sued the embassy for this unpaid benefit totaling \$29,826. Although the Supreme Court of Ecuador ruled that the employee was entitled to this benefit, the embassy was not given sufficient notice, did not appear in court, and did not pay this sum. If the mission was compelled to pay the benefit, there are 60 retirees who could claim it, totaling over \$900,000 cumulatively.

**Recommendation 4:** The Bureau of Human Resources, in coordination with the Office of Legal Adviser, Embassy Quito, and the Bureau of Western Hemisphere Affairs, should provide Embassy Quito with guidance on whether local staff is entitled to the Employers' Retirement Fund retirement benefit. (Action: HR, in coordination with L, Embassy Quito, and WHA)

## Severance Pay

Normally, employees who are terminated receive severance pay. Retirees are not usually entitled to this benefit. However, in Ecuador severance pay is used to entice long-term employees to retire. Under local labor there is no mandatory retirement age and it is difficult to terminate unproductive employees. Severance payments can exceed \$100,000 for long-serving LE staff in the higher grades. The Office of Overseas Employment stated that Embassy Quito could not legally enforce a mandatory retirement age. Funding these payments resulted in a negative impact on post funds.

## Eligible Family Member Employment

Despite complaints about the lack of job opportunities for family members, the mission has established a good record for hiring spouses. Ninety percent of EFMs desiring work found employment. The mission employs 26 EFMs, 12 have found employment on the economy, and four are looking for work. This means that 42 percent, close to half of a total 85 EFMs, are employed. Over a three year period the mission has more than doubled the employment opportunities for EFMs.

Although there are good opportunities for EFM employment, the hiring process needs to be clearer. In one instance, an EFM was told not to show up for an interview on the day of the interview. This anomaly caused low morale for the applicant and the spouse. Management resolved this issue, but the applicant and spouse still feel slighted. This is the kind of issue that becomes common knowledge and can lower mission morale and create gossip.

Allegations of favoritism and applicant steering stem from rumor, perception, and at times inconsistent adherence to mission policies. This includes the language proficiency requirement which the post revised because of complaints. This issue is difficult because many EFMs are native Spanish speakers and meet the language qualification. Non-Spanish speakers believe that the language qualification is set at a high level to make them ineligible. The OIG inspection team found no merit to this complaint.

The post employment committee and the human resources section do not agree on their respective roles. This conflict creates stress and wastes time for all involved. Departmental guidance proved unhelpful. This issue requires immediate clarification and resolution.

**Recommendation 5:** Embassy Quito should create a standard operating procedure for recruiting and hiring local staff and eligible family members. (Action: Embassy Quito)

**Recommendation 6:** Embassy Quito should create a standard operating procedure that defines the role and duties of the post employment committee. (Action: Embassy Quito)

## Other Locally Employed Staff Issues

The OIG team met with representatives from the local staff associations in Quito and Guayaquil. Quito association members are primarily concerned about their retirement benefits. The report addresses concerns about the local social security system, retirement system and the Jubilacion Patronal. The mission also hosted a financial planning open house, where five local financial institutions showcased their services.

Other concerns include the “Three Days Break-in-Service Rule” and issues with their health insurance company. The “Three Days Break-In-Service Rule” is a Department-wide policy applicable to all posts and is not easily changed. The human resources section is working to improve the service of the health insurance company. Guayaquil association members had no issues. Quito association members meet with the Ambassador and DCM on a regular basis.

## Equal Employment Opportunity and Civil Rights

Embassy Quito and Consulate General Guayaquil did not register any EEO complaints in two years. In 2008, the regional human resources officer conducted two EEO training sessions in English and Spanish. EEO procedures are included in the local staff handbook. EEO procedures are also posted in the embassy’s cafete-

ria, and in the consulate's consular and management sections. The OIG team informally advised the embassy and consulate general to publicize information on EEO procedures in other areas such as the warehouse.

The Guayaquil EEO counselor is the only officer with required training. In Quito, the regional human resources officer is a certified EEO counselor and is designated as the point of contact for any EEO case. To avoid conflicts of interest this designation could create, the regional human resources officer does not provide EEO counseling, but refers cases to the Office of Overseas Employment. The OIG team advised post management to select and train another U.S. direct-hire to serve as EEO counselor in Quito. In the interim, the EEO counselor in Guayaquil agreed to serve as EEO counselor for both posts. An EEO local staff liaison was appointed and trained. The OIG team made informal recommendations to correct these problems.

## **FINANCIAL MANAGEMENT**

The financial management section functions well. Unusual and beneficial to the section, the financial management officer position is filled with an experienced officer serving in a down stretch position. Historically, this position was filled with inexperienced officers. In less than six months, the financial management officer reorganized the section into two functional areas, which improved response times and communication. The position of local-hire financial specialist position was reclassified under the Computer Aided Job Evaluation process. The financial management office also issued SOPs including funds control policy and cashiering during the inspection. Commercial banks provide banking services to mission personnel and collect machine readable visa fees. For 2008, ICASS survey scores showed that users were satisfied with customer service.

The local-hire financial specialist cleaned up numerous prior year's unliquidated obligations and unprocessed transactions, but outstanding advances remain. The financial management office stated that the LE staff spends about 20 to 30 hours of overtime each week cumulatively clearing advances. The OIG team made informal recommendations on the issue.

### **Consulate General Guayaquil**

Embassy Quito handles financial management for the consulate. The management officer is responsible for certifying petty cash vouchers and conducting unan-

nounced cash counts. The OIG team made an informal recommendation that the management officer perform cash reconciliations randomly instead of always at the end of the month.

## **International Cooperative Administrative Support Services**

ICASS functions adequately. The ICASS council met monthly before the move to the NEC. Meetings now occur on an ad hoc basis about once every two months. Working groups were formed to facilitate the move to the NEC. All agencies elect a representative on the council. Relationships among representatives are cordial and professional.

The 2008 ICASS survey shows that users are satisfied with most administrative services. Areas that need improvement include procurement and human resources. In FY 2010, the embassy plans to adopt the Department's uniform ICASS standards. As an ISO-9001 quality management participant, the mission has flowcharted many of its processes.

The move to the NEC in 2008 was not the impetus for consolidation. Once colocated, many administrative services were combined. Consolidation of other services is limited by different agency computer systems. Many of the Department's electronic applications require access to OpenNet, which is not functional on other agencies' workstations.

The ICASS council is not involved in NSDD-38 requests. Also, it is unaware of its role and responsibility in the NSDD-38 process. The OIG inspectors provided the ICASS council with the NSDD-38 guidance. Also, the ICASS council does not take meeting minutes. The OIG inspectors also made informal recommendations on this subject.

## **REAL PROPERTY**

The NEC is a success story. It sits on an attractive 13-acre site, houses all U.S. agencies except the Peace Corps, and includes the MSGQ, GSO annex and warehouse. The punch list is down to 17 items. The former chancery and MSGQ have been decommissioned and sold. Eight commercial leases faced termination.

Representatives from the consular section and the health unit, however, complained about aspects of their work areas and others about the small cafeteria. Expansion is planned. There is a plan to convert an unused garage area into a physical fitness center with OBO's approval.

## **Consulate General Guayaquil**

OBO purchased an office compound with several buildings and awarded a capital renovation contract to outfit one building. It is scheduled to replace the current consulate building in 2011. Consulate General Guayaquil's new building will cost an estimated \$30 million, take about two years to complete, and provide space for 87 desks. There are 10 NSDD-38 requests for space in the building for which there will be no room. The unofficial estimate for outfitting another building on the new compound is \$2 million.

The new consulate building does not have the office space to accommodate an expected increase in law enforcement officials. A possible solution to the shortage of space would be to locate the law enforcement agency offices in another dedicated building on the compound. This would enhance essential communication and cooperation among the agencies. OBO discussed this option with several of the agencies. These agencies will need to take the initiative to seek funding.

With OBO's funding, the consulate recently purchased eight residential units. The four-person facilities maintenance section was not augmented to handle the additional responsibilities. With the move to the new consulate building, this section will need more positions. The rightsizing report projected only one additional facilities position. The OIG inspection team informally recommended that Embassy Quito determine what additional facilities positions are needed in the facilities maintenance section.

## **Facilities Maintenance**

The facilities maintenance section effectively tends to all government-owned properties and the DCM's leased residence, the USAID director's residence, and the detachment commander's residence. The facilities maintenance manager successfully filled in when the project director for the NEC left post in October, five months early. During this time, he prodded the general contractor to complete items on the extensive punch list. The list is reduced to 17 items, including generator sequencing problems. The 17-person staff includes an electrical engineer, one mechanical engineer, and four electricians who work on the NEC. The section is responsive and had 25 pending work orders.

Prior to the arrival of the facilities maintenance manager, the section incorrectly measured LQA properties, resulting in over-housing. During the previous transfer cycle accurate measurements of existing LQA properties disqualified employees of the same rank and family size from qualifying for the properties. This caused confusion and frustration. The embassy continues to work through this process as LQA properties are vacated. Appendix 3 of the Housing Handbook now accurately sites 15 FAM 238 measuring procedures. The inspection team expressed satisfaction that the facilities maintenance section and the interagency housing board are earnest in ensuring that space standards are appropriately applied.

To date, the facilities maintenance manager did not convene an occupational safety and health committee meeting. The OIG inspection team made an informal recommendation that the committee meet at least semiannually.

## GENERAL SERVICES

The GSO, with the exception of procurement, provides effective services. The GSO is heavily dependent on the cooperation of the Ecuadorian government for many of its activities, especially customs and shipping. Staffing is appropriate except in the motor pool, procurement, and customs and shipping. The general services officer is effectively managing the office's extensive functions despite the loss of an A/GSO position one year into her tour. The LE staff is enthusiastic about their work and would benefit from training, when funding becomes available.

### Procurement

The procurement section is overwhelmed by the volume and complexity of its requests. Additional positions will be needed there if its current workload continues and other purchase card holders are not added. Lack of access by service subscribers to WEBPASS and OPENNET complicates the process. The section received poor marks for customer service and inability to provide the status of purchases.

The largest and most critical customer is NAS. As a matter of policy, the order of preference for handling the acquisition of INL/NAS-financed supplies, services, and construction with a value of \$25,000 or more is as follows: INL Procurement section, the Office of Acquisitions Management, RPSO, GSO contracting officer. According to INL procurement policies and procedures, "The least preferred method of arranging for an acquisition is for the GSO at post to handle it." Over-reliance on the GSO, particularly at large posts, places undue strain on embassy internal

controls. Embassy Quito needs to limit requirements for GSO action to those items or services needing local procurement. All requirements for procurement of commodities from U.S. sources, including procurements from federal supply schedule contractors, should be routed to the INL procurement section. The OIG inspection team found numerous FY 2008 procurements of commodities from U.S. sources locally procured for NAS.

**Recommendation 7:** Embassy Quito, in coordination with International Narcotics and Law Enforcement Affairs, should reach agreement on the level of procurement support that the general services office provides to the embassy's narcotics affairs section. (Action: Embassy Quito, in coordination with INL)

Only the procurement section has purchase cards. The OIG inspection team made an informal recommendation that the GSO expand the number of Department purchase card holders to other sections.

**Recommendation 8:** Embassy Quito should determine if additional positions are needed in the procurement section and evaluate the workload reductions achieved by expanding the number of purchase card holders. (Action: Embassy Quito)

A review of selected contracts, purchase orders, BPA, and purchase card transactions revealed a few deficiencies. The procurement section failed to prepare BPAs for purchases of gasoline for chancery pumps and for vehicle maintenance for motor pool vehicles. The OIG inspection team made an informal recommendation to address this issue. The OIG inspection team also noted that the procurement section recently entered into a BPA to provide fuel for maritime operations supported by NAS and the U.S. Military Group, which successfully eliminated routine use of emergency cash payments for fuel purchases.

The procurement section in Guayaquil was the weakest administrative section. A review of selected procurement actions revealed that several purchase orders lacked sufficient specificity in describing required services. Several BPAs lacked an English language version. The OIG team made an informal recommendation addressing procurement shortcomings.

## **Motor Pool**

Motor pool services are delivered effectively. Controls over vehicles and fuel are in place. The Department's inventory of vehicle matched that of the motor pool. Vehicles are maintained commercially. The comprehensive motor vehicle usage policy needs revisions to take into consideration operational changes brought on by the NEC. The motor pool staffs 13 drivers; four are dedicated to the Marine Security guards, two to the Ambassador, two to the DCM, and five to general use. The dispatcher and supervisor drive on occasion. The OIG inspection team supports the Embassy Quito's assessment that it needs two additional motor pool drivers.

## **Property**

The property section operates effectively. The warehouse is spacious and well equipped. The OIG team spot checked counts of property records and confirmed their accuracy. However, the OIG inspection team found that a required Property Disposal Authorization and Survey Report was not made to report the \$14,927 shortage found in nonexpendable property and reported on the 2007 Property Management Report. The OIG team counseled the staff.

## **Customs and Shipping**

The two-person customs and shipping section effectively delivers customs and shipping services. This occurred during the construction of the NEC when approximately 600 sea containers and 500 air shipments had to be cleared. During this period the host government was very cooperative. Customs clearance can take as many as two months but on average it takes three to four weeks.

Two American direct-hires still need to pay the importation duties on their vehicles. Nonpayment of the duty could adversely affect the sale or exportation of these vehicles at the end of a tour.

The customs and shipping section may be wasting thousands of dollars by requiring all sea shipments to post to be directed to the U.S. Despatch Agency in Miami for onward passage. The practice was conceived to avoid increased host government paperwork requirements for sea shipments coming from posts outside the continental United States. The practice may be practical for shipments coming from Europe or Africa but not from Asia, the Middle East, and the South Pacific. The OIG inspection team did not make an extensive review of the practice nor calculate the potential excessive costs.

**Recommendation 9:** Embassy Quito should determine the costs involved in requiring all sea shipments to transit the U.S. Despatch Agency in Miami and revise its shipping procedures based on the findings. (Action: Embassy Quito)

## **INFORMATION MANAGEMENT AND INFORMATION SECURITY**

Embassy Quito operates a well-run information management (IM) program. The program oversees classified and unclassified information systems, radios, telephones, local mail and diplomatic pouch services for the embassy and the consulate. The embassy and consulate have adequate information management and security postures, adhering for the most part to the Department's IM guidelines and common industry practices. The OIG questionnaires and 2008 ICASS customer satisfaction survey results from mission users reported excellent marks for IM services. However, there are areas that require management attention in unclassified information systems and radio operations. The OIG team also counseled Embassy Quito and the Consulate General Guayaquil on issues such as documentation, access control, physical security of IM spaces, audit and accountability, and IM best practices. The mission addressed almost all concerns expeditiously to the satisfaction of the OIG team. Mitigation activities are in progress.

Embassy Quito staffs an information program officer, two American information management specialists, five EFMs and ten LE staff supporting the information management program. Embassy Quito does not have an information systems officer (ISO) at present. Consulate General Guayaquil staffs an information program officer who is supported by one American information management specialist and five LE staff.

As part of the move to the NEC in September 2008, Embassy Quito's IM section successfully moved and collocated servers and communication equipment from the Department and four other agencies to a joint computer room. The IM staff accomplished a virtually seamless move without exceeding the projected down time of six days. In fact, the unclassified information system regained full operation after two days and the classified system after three days. Furthermore, as part of the move to the NEC, a new computerized Nortel 1000E Digital Switch phone system was installed. The staff familiarized themselves with the new system and provided efficient support to the mission and the newly collocated 13 agencies. Overall, the IM section supports 260 users, 220 workstations and 16 servers.

## Information Security

Embassy Quito's information security functions are performed by the information systems security officer (ISSO) and the alternate ISSO, as well as a part-time EFM information systems security assistant (ISSA). Embassy Quito created this part-time EFM ISSA position to ensure that ISSO duties are performed adequately and routinely as mandated by the Department and the Federal Information Security Management Act of 2002. Prior to the designation of the ISSA position in October 2008, information security duties were performed by the ISSO and the alternate ISSO only as workload permitted. The OIG team commends Embassy Quito's IM management for recognizing the importance of IT security by creating the ISSA position to fully comply with information security requirements.

The ISSA performs the rudimentary and time-consuming components of the ISSO duties for the embassy and the consulate. Tasks include the review of audit and security logs; searches for inappropriate material in user folders, workstations, and email exchange servers; and cyber security awareness training tracking. Since the inception of the ISSA position, Embassy Quito made significant improvement relative to information security. For example, the embassy's information security risk score improved from "C" to "A" as measured by iPost, a Department tool for monitoring the status and performance of IT infrastructure components. Also, the embassy's iPost site health score improved from low 90s to a current 99.1 percent

Recently, the IM section learned that the part-time ISSA position will not be readvertised when vacated in July 2009 due to competing fiscal requirements. Without an ISSA, the bulk of ISSO duties would not get completed on a regular basis as mandated by Department and Federal guidelines. Meanwhile, the IM workload significantly increased due to the consolidation of nine additional agencies with the move to the NEC. This is compounded by the embassy's lack of an ISO position, which places a heavy burden on Information Programs Center staff to oversee Information Systems Center activities. Based on a well-justified formal request, Embassy Quito received approval for an ISO position from WHA. However, the ISO position lacks funding and defined job assigning. It is critical that post maintain the ISSA position to serve as a bridge until the ISO position is funded and filled. Embassy Quito will dissolve the ISSA position when an ISO is assigned and present at post.

**Recommendation 10:** Embassy Quito should extend and fund the information systems security assistant position until the Bureau of Western Hemisphere Affairs funds and fills the information systems officer position. (Action: Embassy Quito)

## Network Diagram

Consulate General Guayaquil does not have a network diagram for the unclassified system. Post has not created a network diagram, as it expects to leverage a network diagram created by the regional computer security officer in 2007. Guayaquil had not received the diagram as of the date of the inspection. Network diagrams are necessary for the IM staff to identify IT resources for effective system administration and contingency planning. Furthermore, the Federal Information Security Management Act of 2002 requires that components of federal information systems be identified and documented in order to define security boundaries of systems.

**Recommendation 11:** Embassy Quito should create a network diagram for Consulate General Guayaquil's unclassified system. (Action: Embassy Quito)

## Helpdesk Operations

Consulate General Guayaquil's IM staff does not currently use a help desk application to track and resolve trouble tickets for systems support. As a result, management lacks the ability to identify systemic issues, allocate staff appropriately, and gauge the level of customer service received by users. Furthermore, IM management lacks the ability to document operations for ICASS reporting purposes. The OIG team discussed successful practices employed at other posts and alternative applications which were effective at neighboring WHA posts. IM management fully supports implementing a help desk application at post, and began preliminary work towards implementation. The OIG team made an informal recommendation to implement a help desk tracking application to help manage and prioritize help desk operations.



## QUALITY OF LIFE

### **American Employees Recreation Association**

The American Employees Recreation Association of Quito is open to all direct-hire American staff and their dependents. The association staffs three employees. Its principal activity is the sale of duty-free groceries, liquor, wine, and other personal use items. The association also offers several additional fee-based services such as gasoline sales, tax and bill paying services, dry cleaning, and cellular phone services.

The association is in compliance with all Department reporting requirements. For the past five years, the association has realized a small profit. The 2007 Independent Auditors' Reports stated that financial statements give a true and fair view of the association's financial position and results of operation. This report disclosed no internal control weaknesses. Cash reconciliations, inventory spot checks, and unannounced cash counts are performed routinely.

### **Quito Health Unit**

The health unit provides good medical services. A Foreign Service Health Practitioner manages the section. He is supported by a full-time nurse, a part-time nurse, and a secretary. He oversees the health unit in Guayaquil through monthly visits. The mission community praises the health unit. Like other offices, the health unit lacks sufficient funding and must make hard choices. The FY 2009 budget is 20 percent less than the FY 2008 budget. Three additional childhood vaccines have been recommended, which cost \$5,800 and represent 22 percent of the health unit's budget.

The health unit is spacious and well-planned. However, the medical staff found cabinet shelving in the exam room and pharmacy to be too high and the vaccine refrigerator too small.

### **Guayaquil Health Unit**

The health unit, headed by a contract nurse, who works 32 hours a week, is working to improve its administrative performance. The unit now submits monthly reports to the Office of Medical Services after a lapse of months.



(b)(2)(b)(6) has good relations with Embassy Quito. The Ambassador participates in (b)(2)(b)(6) activities. The Ambassador recently appointed an experienced officer who volunteered as her non-voting representative to the 9-member board of trustees. Another embassy parent is a voting member of the board. They report that the board meetings are well-organized. The CLO and TLC aid embassy employee dependents' placement into the school. The RSO actively provides security advice and support, including Department-funded security upgrades to (b)(2)(b)(6) and to two other Quito schools, (b)(2)(b)(6) and (b)(2)(b)(6). (b)(2)(b)(6) The Office of Overseas School's regional education officer visits Ecuador twice yearly and actively provides guidance and grants to support (b)(2)(b)(6) educational program. Department grant funds are used for their designated purposes.

### **Guayaquil School - (b)(2)(b)(6)**

(b)(2)(b)(6)(b)(2)(b)(6) is the Office of Overseas Schools-assisted school in Guayaquil. (b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6) (b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6) It is accredited by the Southern Association of Schools and offers an International Baccalaureate diploma. The school has limited athletic and laboratory facilities. (b)(2)(b)(6) (b)(2)(b)(6)(b)(2)(b)(6) Relations between the school and the consulate are good. Embassy Quito has also provided security advice to (b)(2)(b)(6) (b)(2)(b)(6) Grant funds provided in 2007 are used for their intended purposes.



## **MANAGEMENT CONTROLS**

The chief of mission's certification of management controls for Embassy Quito dated August 8, 2008, reported no material weakness. The OIG team found no management control weaknesses during its inspection.



## LIST OF RECOMMENDATIONS

**Recommendation 1:** Embassy Quito should develop a unified mission calendar of public diplomacy activities. (Action: Embassy Quito)

**Recommendation 2:** The Bureau of Human Resources should determine whether current end of service benefits need to be revised and/or grandfathered so that enrollment in the Foreign Service National Defined Contributions Plan can proceed. (Action: HR)

**Recommendation 3:** The Bureau of Resource Management, in coordination with the Bureau of Human Resources and the Bureau of Western Hemisphere Affairs, should provide Embassy Quito with an anticipated enrollment date of its local staff into the Department's Foreign Service National Defined Contributions Plan. (Action: RM, in coordination with HR and WHA)

**Recommendation 4:** The Bureau of Human Resources; in coordination with the Office of Legal Adviser, Embassy Quito, and the Bureau of Western Hemisphere Affairs, should provide Embassy Quito with guidance on whether local staff is entitled to the Employers' Retirement Fund retirement benefit. (Action: HR, in coordination with L, Embassy Quito, and WHA)

**Recommendation 5:** Embassy Quito should create a standard operating procedure for recruiting and hiring local staff and eligible family members. (Action: Embassy Quito)

**Recommendation 6:** Embassy Quito should create a standard operating procedure that defines the role and duties of the post employment committee. (Action: Embassy Quito)

**Recommendation 7:** Embassy Quito, in coordination with International Narcotics and Law Enforcement Affairs, should reach agreement on the level of procurement support that the general services office provides to the embassy's narcotics affairs section. (Action: Embassy Quito, in coordination with INL)

**Recommendation 8:** Embassy Quito should determine if additional positions are needed in the procurement section and evaluate the workload reductions achieved by expanding the number of purchase card holders. (Action: Embassy Quito)

**Recommendation 9:** Embassy Quito should determine the costs involved in requiring all sea shipments to transit the U.S. Despatch Agency in Miami and revise its shipping procedures based on the findings. (Action: Embassy Quito)

**Recommendation 10:** Embassy Quito should extend and fund the information systems security assistant position until the Bureau of Western Hemisphere Affairs funds and fills the information systems officer position. (Action: Embassy Quito)

**Recommendation 11:** Embassy Quito should create a network diagram for Consulate General Guayaquil's unclassified system. (Action: Embassy Quito)

## 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.

### EXECUTIVE DIRECTION

There are ten NSDD-38 requests to Embassy Quito which remain unanswered. Nine are overdue. Embassy Quito lacks a system to track NSDD-38 requests and post actions and responses to ensure that requests are processed and cleared appropriately with all relevant offices, including ICASS and RSO, to enable the Ambassador to respond timely.

**Informal Recommendation 1:** Embassy Quito should establish immediately a system to track all NSDD-38 requests and post action and responses.

### POLITICAL AND ECONOMIC SECTIONS

Embassy Quito's economic section does not have travel, reporting, and representational plans.

**Informal Recommendation 2:** Embassy Quito should establish written travel, reporting, and representational plans. Embassy Quito's economic section has files that are usable to the current staff, but all officers will transfer in summer 2009. Even though the current office management specialist will remain until September 2009, the new officers and office management specialist might find difficulty identifying and retrieving the documents needed. TAGS-based organization of the folders is advisable, but not mandatory.

**Informal Recommendation 3:** Embassy Quito should establish in the economic section a consistent organization system, such as TAGS, for electronic folders covering each calendar year, interoperable by all officers and the OMS in the section.

The one-person political and economic reporting section in Consular General Guayaquil is filled by an ELO on a one-year rotation. This is a good opportunity for an ELO reporting officer, but the responsibilities are unusually broad for an ELO. Thus, it is important that the incoming CG continue current practice and ensure that the ELO has sufficient guidance.

**Informal Recommendation 4:** Embassy Quito should closely monitor the ELO reporting officer at Consulate General Guayaquil to ensure that the consulate's reporting meets Washington's needs and that the consulate's contacts are managed well in the yearly transitions between ELO reporting officers.

## PUBLIC DIPLOMACY SECTION

PAS Quito lacks a single contact management database into which separate databases can be integrated. Instead, individual PAS elements possess their own contact lists and databases.

**Informal Recommendation 5:** Embassy Quito should integrate all the PAS hard-copy contact lists and contact databases into a single computerized database.

PAS Guayaquil carries out an outreach program of nearly 30 outreach events each month. The

PAS section LE staff provides programs support to the ELOs, most with little outreach experience. There are no written SOPs establishing the level and nature of the LE staff support for these events.

**Informal Recommendation 6:** Embassy Quito should establish a set of standard operating procedures for the outreach programs at Consulate General Guayaquil to establish the level and nature of LE staff support.

## CONSULAR SECTION

The public entrance for Embassy Quito's consular section lacks adequate signage to inform visitors of consular services and hours, advise of security clearance procedures, and direct clientele to proper waiting areas, thus reducing efficiency and public image.

**Informal Recommendation 7:** Embassy Quito should design and order effective public informational and directional signage from local sources as soon as funding is available.

## **MANAGEMENT**

Required paperwork for the completed State-USAID consolidation of administrative services, including the consolidation plan, has not been finalized.

The consulate's purchase of eight residential units means that the facilities maintenance work force may now be understaffed. The OIG inspection team informally recommended that Embassy Quito determine if additional facilities maintenance positions are needed.

The Department and USAID are working to complete all of the prescribed requirements and then sign the consolidation plan, now in draft. The inspection team made an informal recommendation that the management section work to complete the process expeditiously and formally create the JOASAP.

**Informal Recommendation 8:** Embassy Quito should complete all required consolidation paperwork and obtain signatures as necessary.

The housing coordinator does not provide pictures of LQA properties to help families in locating a residence before they come to post.

**Informal Recommendation 9:** Embassy Quito should take pictures of available LQA properties and provide them to families before they come to Post.

The current TMThree "Welcome to Post" cable does not adequately describe the dollar consequences of importing a vehicle that exceeds one's maximum allowed dollar level based on title and rank.

**Informal Recommendation 10:** Embassy Quito should revise its TMthree "Welcome to Post" cable to provide sufficient information for employees to make an informed decision regarding the importation of their vehicles into Ecuador.

A number of work requirements statements lacked full preparation or discussion at the beginning of the rating period in accordance with 3 FAH-1 H-2815.1.

**Informal Recommendation 11:** Embassy Quito should ensure that mission supervisors develop and discuss work requirements with employees at the beginning of the rating period.

The regional human resources officer is a certified EEO Counselor and is designated as the point of contact for any EEO case. This could create a conflict of interest.

**Informal Recommendation 12:** Embassy Quito should select and train another U.S. direct-hire to fulfill the role of the EEO counselor.

The mission designated but has not publicized the designation of a Federal Women's Program coordinator in accordance with 3 FAM 1514.2(b).

**Informal Recommendation 13:** Embassy Quito should publicize the designation of a Federal Women's Program coordinator.

EEO bulletins are placed only in the consular and management sections at the Consulate General Guayaquil.

**Informal Recommendation 14:** Embassy Quito should display Equal Employment Opportunity information at the warehouse and at other office buildings and on the mission Intranet.

Embassy Quito has a large number of old outstanding advances in the open advance report.

**Informal Recommendation 15:** Embassy Quito should research and close all outstanding advances found in the open advance report.

According to 4 FAM 033.1-3 a. and 4 FAH-3 H-397.1-2, cash verifications should be conducted in an unpredictable pattern. The CG Guayaquil conducts cash verifications in a predictable pattern, usually at the end of each month.

**Informal Recommendation 16:** Embassy Quito should conduct cash verifications using an unpredictable pattern at varying times of the month.

Embassy Quito staff do not always submit travel vouchers within five working days after completion of authorized travel as required by 4 FAH-3 H-465.1-1.

**Informal Recommendation 17:** Embassy Quito should develop procedures to ensure that employees submit vouchers for reimbursement of travel expenses within five workdays after completion of authorized travel.

The ICASS council does not understand its role and responsibility for advising the Chief of Mission on cost implications of NSDD-38 requests and making recommendations on ICASS staffing levels per Department's guidance, "Action Request and Guidance for Chief of Mission NSDD-38 Requests."

**Informal Recommendation 18:** Embassy Quito should distribute NSDD-38 guidance and train ICASS council members on developing cost impacts for NSDD-38 requests.

The facilities maintenance manager has not convened an occupational safety and health committee meeting. Committee meetings are required to be held at least semi-annually.

**Informal Recommendation 19:** Embassy Quito should convene occupational safety and health committee meetings at least semiannually.

Consulate General Guayaquil added eight government-owned residential properties to its housing pool. Its four-person maintenance section did not add any positions in response to its increased workload. The Department estimates that in 2011 Consulate General Guayaquil will move into a sophisticated new consulate building, which will require skilled maintenance positions.

**Informal Recommendation 20:** Embassy Quito should determine what additional facilities maintenance positions are now needed at Consulate General Guayaquil.

Embassy Quito's procurement section failed to prepare BPAs for the purchase of gasoline and vehicle maintenance procured through this method of procurement.

**Informal Recommendation 21:** Embassy Quito should prepare blanket purchase agreements where needed.

Embassy Quito could make better use of purchase cards. Only the procurement section has three card holders who have purchase cards. Adding trained card holders in other offices such as the health unit and the public affairs section would expedite the procurement process and relieve the procurement section.

**Informal Recommendation 22:** Embassy Quito should expand the number of purchase card holders into additional offices.

Consulate General Guayaquil's procurement section failed to provide specificity in describing required services in several purchase orders. It also failed to provide an English language version of BPAs to go along with the Spanish language versions.

**Informal Recommendation 23:** Embassy Quito should provide sufficient and accurate descriptions of services to be procured in its purchase orders and prepare an English language version of its blanket purchase agreements.

The consulate's IM staff does not currently use a help desk application to track and resolve trouble tickets for systems support.

**Informal Recommendation 24:** Embassy Quito should implement a help desk tracking application to help manage and prioritize help desk operations in Guayaquil.

## PRINCIPAL OFFICIALS

	<b>Name</b>	<b>Arrival Date</b>
Ambassador	Heather M. Hodges	08/08
Deputy Chief of Mission	Andrew G. Chritton	09/08

### Chiefs of Sections:

Management	Michael St. Clair	08/05
Consular	Elizabeth J. Jordan	08/06
Political	Nan Fife	07/07
Economic	David B. Edwards	08/06
Narcotics Affairs Section	John D. Haynes	08/06
Public Affairs	Michael N. Greenwald	08/06
Regional Security	Fernando J. Matus	07/08

Consulate General Guayaquil		
Consul General	Douglas M. Griffiths	08/06

### Other Agencies:

Department of Defense		
Defense Attaché Office	Col. Michael Schodowski	07/07
MLGRP	Col. Frank Wagdalt	06/07
Foreign Commercial Service	Vacant	
U.S. Agency for International Development	Panehal	07/05
Peace Corps	Kathleen Siber	01/09
Drug Enforcement Administration	Bruce E. Goldberg	12/05
Department of Homeland Security	Bernardo Pilott (Acting)	01/07



## ABBREVIATIONS

A/GSO	Assistant general services officer
BPA	Blanket purchase agreement
CA	Bureau of Consular Affairs
CEN	U.S. Center
CG	Consul General
CLO	Community liaison office
DCM	Deputy chief of mission
DEA	Drug Enforcement Administration
Department	Department of State
DRI	Diplomatic readiness initiative
ECA	Bureau of Educational and Cultural Affairs
EEO	Equal Employment Opportunity
EFM	Eligible family member
ELO	Entry-level officer
FOL	Forward operating location
GSO	General services office
ICASS	International Cooperative Administrative Support Services
IM	Information management
INL	Bureau of International Narcotics and Law Enforcement Affairs
IRC	Information resource center
ISO	Information systems officer
ISSA	Information systems security assistant
ISSO	Information systems security officer
IT	Information Technology`
JOASAP	Joint Overseas Administrative Support Platform

LE	Locally employed
MIST	Military Information Support Teams
LQA	Living quarters allowance
M/PRI	Office of Management Policy, Rightsizing, and Innovation
MSGQ	Marine security guard quarters
MSP	Mission strategic plan
NAB	Newly acquired building
NAS	Narcotics affairs section
NBWG	Northern Border Working Group
NEC	New embassy compound
NIV	Nonimmigrant visa
NSDD-38	National Security Decision Directive - 38
OBO	Office of Overseas Buildings Operations
OIG	Office of Inspector General
PAO	Public affairs officer
PAS	Public affairs section
RSO	Regional security office
SOP	Standard operating procedures
TLC	Transfer liaison coordinator
USAID	U.S. Agency for International Development
WHA	Bureau of Western Hemisphere Affairs

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