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

Report of Inspection

Inspection of Embassy Kyiv, Ukraine

Report Number ISP-I-07-17A, March 2007

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KEY JUDGMENTS

- A newly arrived Ambassador has taken charge of the embassy in a remarkably effective and positive way. He is ably supported by a capable deputy chief of mission (DCM); together, they make a formidable team at a mission that has a complex set of goals and representation by nine U.S. government agencies.
- Embassy Kyiv has a keen understanding of the complicated and rapidly evolving political and economic situation in the Ukraine and has good working relations across the political spectrum. The embassy's commentary on such issues as the evolving state of Ukraine's relations with the European Union, North Atlantic Treaty Organization (NATO), and Russia is extensive, timely, and well appreciated by Washington end-users.
- The management section has met some of the daunting challenges it faces in dealing with a mission that is scattered in six locations in an environment of worsening traffic and limited availability of housing. The section is working to improve customer service satisfaction by expanding its housing stock and the hours of its motor pool.
- A new embassy compound (NEC) is scheduled to be constructed on land purchased during the inspection visit. Except for the consular position mentioned below, American staffing is adequate. Staffing levels should be examined, as all units plan to collocate into the NEC. Some staffing reductions should be feasible.
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- The new consular section chief has introduced a number of efficiencies, allowing the section better to meet growing demand for all of its services and reduce dramatically the waiting period for nonimmigrant visa (NIV) interviews. A full-time fraud prevention manager (FPM) is needed to meet a rising rate of increasingly sophisticated fraud.

The inspection took place in Washington, DC, between September 13 and 31, 2006, and in Kyiv, Ukraine, between October 20 and November 14, 2006. (b) (6)
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CONTEXT

The borders of Ukraine, the largest country wholly within Europe, were drawn only in 1954, and the country declared its independence in August 1991 following the breakup of the Soviet Union. In the 11th Century, Kievan Rus, now Ukraine, was the largest state in Europe and one of the centers of the Christian



Orthodox world. Its location on major trade routes and rich agricultural lands led Ukraine's neighbors to contest its control, and Ukrainian lands over the centuries were annexed by Poland, Lithuania, the Ottoman Empire, Russia, and finally the Soviet Union. Ukraine's population of some 47 million has been declining in recent years, due in part to low birth rates. About 78 percent of its citizens are ethnic Ukrainians; some

17 percent are ethnic Russians, and there are a significant number of Muslim Tatars, mostly in the Crimea. Ukrainian is the state language, but Russian is widely spoken, particularly in the eastern half of the country and in the national capital of Kyiv.

The United States recognized Ukraine in December 1991. Leonid Kravchuk served as Ukraine's first elected president from 1991 to 1994. Leonid Kuchma succeeded him and served two terms, until early 2005. Viktor Yushchenko succeeded him after the Ukrainian Supreme Court ordered an unprecedented third round of voting in December 2004, following a fraudulent run-off election won by his rival, Viktor Yanukovich, now Ukraine's prime minister. The re-vote was precipitated by massive public protests, part of the so-called "Orange Revolution."

The first post-Soviet Ukrainian constitution was adopted on June 28, 1996. Amendments taking effect in January 2006 shifted significant powers from the president to the prime minister and parliament. Ukraine's policies waver between a desire

to move toward the West and a perceived need to propitiate or profit from Russian interests in the Ukraine. Privatization and economic reforms have been marred by corruption and bureaucratic delays. Prime Minister Yanukovich says he is committed to closer relations with the West, including the European Union and NATO, but at a pace more suited to Ukrainian realities.

Embassy Kyiv has 657 employees, 120 of them direct-hire Americans. The mission includes representatives of nine U.S. government departments and agencies. Mission personnel work in five separate buildings in central Kyiv, including the chancery, a consular facility, a building housing the management section and public affairs section (PAS), and two other structures housing Peace Corps and U.S. Agency for International Development (USAID) offices.

EXECUTIVE DIRECTION

The Ambassador has had a remarkably positive influence on Embassy Kyiv in the four and a half months since his arrival. His scores on the Office of Inspector General (OIG) personal questionnaires are higher than the average of his peers in each category, and he scored at the top on OIG's workplace and quality of life questionnaires. American and LE staff hold him in high regard and are impressed with his willingness to support their issues in concrete ways. The inspection provided numerous examples where the Ambassador was able to precipitate a desired outcome through his personal intervention. He is ably supported by a well-organized, hands-on DCM.

Embassy Kyiv includes a large number of agencies that are scattered among five different facilities in a rapidly growing city with major traffic congestion. Initially, the Ambassador adopted the meeting schedule of his predecessor, including two country team meetings a week and a small number of additional meetings with key sections. The DCM holds a large number of regularly scheduled meetings, some with individual sections and some that are organized around major mission goals. Her depth of knowledge about this mission's issues and her ability to focus on and resolve unsettled details make these meetings very useful. Just prior to the OIG team's arrival, the Ambassador had instituted one new meeting, on law enforcement issues. He and the DCM were open to the OIG team's suggestions to reexamine the meeting structure to improve information exchange, reduce travel time for section heads, and provide more consistent interchange for units having overlapping interests, notably the political, economic, management, and security sections.

MISSION PERFORMANCE PLAN

The embassy's Mission Performance Plan (MPP) is an active management tool. All agencies participated in the drafting of the current document, which provides a clear statement of mission goals and performance indicators. The MPP was reviewed with the Department of State (Department) in a digital videoconference and is used to draw up reporting plans by the economic and political sections and in crafting officers' work requirements statements. Post management also reviews with

individual sections their progress on MPP goals during the year, and management accepted a suggestion from the OIG team that the economic and political sections prepare an integrated reporting plan and share it with Office of Ukraine, Moldova, and Belarus Affairs. The OIG team supports the creation of a position identified in the MPP, that of a consular fraud prevention officer.

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ENTRY-LEVEL OFFICERS

The DCM manages a robust mentoring program for entry-level officers and specialists. At a monthly brown-bag lunch, participants meet either with the DCM, a section chief, or an agency head so that, over the course of an assignment, each entry-level officer has the opportunity to become aware of all of the work of this complex mission. The entry-level officers also attend country team meetings on a rotating basis, undertake control-officer and reporting responsibilities for visitors, accompany the Ambassador on in-country trips that they help plan, and participate in public speaking events. The DCM also meets regularly with each of them in counseling sessions.

SECURITY

An experienced and knowledgeable regional security officer oversees the security programs at Embassy Kyiv. Overall, the security office scored high on OIG's questionnaires, indicating that the office is knowledgeable and conscientious. Issues regarding security are discussed further in the classified annex of this report.

AVIAN INFLUENZA

The embassy has an active avian influenza (AI) program that includes helping the government of Ukraine with a public awareness campaign, assistance to Ukraine in the form of equipment and laboratory supplies, and training by medical experts from the United States and elsewhere. As of October 2006, U.S. government assistance to Ukraine totaled almost \$4 million. This assistance is necessary and appropriate since Ukraine once reported a case of AI and is located on a busy bird-migration corridor. The embassy's AI group, chaired by the DCM, meets monthly and includes representatives from as many as nine sections and agencies. The group discusses embassy preparations, such as shelter-in-place plans, as well as the status of assistance to Ukraine. The consular section has distributed informational messages on AI to resident Americans and discussed AI with the American community at a town hall meeting. While the government of Ukraine is still not doing everything it could in terms of communication with the public and expansion of laboratory capacity, the embassy AI group is optimistic about further progress since Ukraine is now more forthcoming and transparent in its handling of AI issues.

POLICY AND PROGRAM IMPLEMENTATION

POLITICAL AND ECONOMIC SECTIONS

Political Section Staffing

The political section includes a counselor, deputy, five officers, office management specialist (OMS), Export Controls and Border Security (ExBS) officer, and four LE. The head of the law enforcement section also reports to the political counselor. There is steady communication between the section and the front office, and between the section and desk officers and other major parties in Washington.

The office is adequately staffed. Assuming that Washington's interest in the country remains high and the pace of political life picks up again, there may be staffing problems in the future if some of the positions become vacant. The lull in political developments should make possible fuller coverage of the nation's regions and other domestic issues than was possible in recent years. The section's office space, a single large room with partitions, allows for little privacy. This situation sometimes interferes with supervisory and counseling responsibilities but can be corrected only with the move to a new chancery building.

The deputy section chief supervises two officers and the OMS and covers domestic policy and political-military issues, including NATO, while the section chief covers external relations and nonproliferation issues. At one time, the deputy was responsible for political-military and nonproliferation matters, which were considered the leading issues by Washington. The Orange Revolution pushed domestic policy temporarily to the fore, and responsibility for it passed to the deputy. Of the section's four other officers, three have never worked in a political section before, although one has had experience as a Ukrainian analyst.

Four LE staff work in a building on the chancery compound. They have frequent telephone and e-mail contact with the American officers, but face-to-face meetings are less frequent. The LE staff have excellent access to Ukrainian officials

and other people of importance. They are competent and trusted to the point where they produce two news summaries a day for Washington's consumption that are not cleared by an American supervisor. All of these employees feel they are very much a part of the political section and that what they do is important for the United States and Ukraine.

Political Section Reporting

Washington consumers generally praised the embassy's political reporting. Some noted that the volume of reporting had fallen off when the political turbulence of the last year and a half subsided, and some consumers expressed concerns that information they needed was being reported by e-mail messages to which they had only intermittent access. Recent human rights reports are objective and unsparing; a sample of cables written in recent months was succinct, informative, and illustrated with telling detail where appropriate.

Biographies of prominent figures worldwide are now available on Intellipedia, and the political section takes the lead in ensuring that the entries on Ukrainian leaders are up to date. Hard-copy files on once-prominent local figures are also kept. The section also maintains an electronic biographic file of prominent Ukrainians that is available only within the mission and is used principally for unclassified attachments to the Ambassador's briefing papers and talking points.

Refugee and Migration Affairs

The officer responsible for the annual reports on human rights and religious freedom is also responsible for refugee and migration affairs. Ukraine has received some 4,500 applications for asylum that are being adjudicated or appealed. Legal procedures governing the determination of status are imperfect, and some individuals have been returned involuntarily to their home countries without reference to their status. Of particular concern to the U.S. government is the fate of 13 Uzbek families who fled Uzbekistan after the Andijon demonstrations in May 2005. Ukraine returned 11 asylum seekers to Uzbekistan in February 2006. The human rights officer works closely with the local office of the United Nations High Commissioner for Refugees.

Economic Section Staffing

The economic-commercial section handles a number of portfolios, including trade and policy negotiations, intellectual property rights, foreign direct investment issues, and U.S. trade controls and sanctions. Most of the portfolios are complex, requiring detailed knowledge of the issues. The country has experienced four governments in the last two years, and the governments were characterized by internal rivalries, poorly framed laws, corruption, and a lack of transparency and regulations or codes.

The economic section includes a counselor, deputy, three reporting officers, OMS, two eligible family members (EFM), and five LE staff. Both the counselor and his deputy are experienced economic officers, but all of the other officers are new to economic section work. Although new to economic reporting, these officers have tackled their responsibilities competently and enthusiastically. Their lack of experience nevertheless places an extra burden on the deputy, as he is responsible for administering the section and mentoring and supervising its new charges in addition to his own reporting portfolio. The deputy also takes the lead in trying to help American companies resolve local business disputes, a time-consuming endeavor. The EFMs and LE staff each have specialized responsibilities but also fill in for one another.

The section head is also the mission assistance coordinator and plays a key role in conveying U.S. government policy aims and coordinating the assistance efforts of various sections and agencies. His frequent meetings are interactive and purposeful. He also participates in or chairs the periodic meetings that the section has with the front office and other mission elements, including representatives of the Departments of Energy and Agriculture and the Foreign Commercial Service.

At first glance, the section might seem overstaffed. However, Ukraine's Euro-Atlantic integration depends on the successful functioning of its economy, and good economic reporting requires considerable research and analysis, as well as mastery of such topics as World Trade Organization accession and energy independence. The burden on the deputy section chief could be relieved by having an experienced mid-level officer replace one of the more junior officers or by having the section chief assume more of the mentoring responsibilities. One of the reporting officer positions was originally designated as a mid-level officer position but was ceded to the entry-level division because of the need to shift positions to Iraq. This position is expected to revert to a mid-level position in 2008, but will not be advertised until

2007, meaning that an officer who already has appropriate language credentials will have to be found. The section chief and his deputy work well together, and the section chief also plays a significant mentoring role.

Economic Section Reporting

Washington consumers, including those from other U.S. government agencies interested in Ukrainian economic issues, praised the quality of the section's economic reporting. A review of cables written over the six months prior to the inspection showed the reporting to be concise and pertinent. The section was very fortunate to have been assigned three officers who, although new to reporting, all had language skills; in two cases, they also had the experience of living and working in the former Soviet Union.

The section is in frequent communication with Department desk officers and representatives of other U.S. government agencies. Many of these exchanges are conducted by e-mail. As a result, there is a tendency sometimes to report substantive information by e-mail when the section should probably report it by using a front-channel cable. At the OIG team's suggestion, the section began disseminating a weekly newsletter on World Trade Organization accession via cable, rather than by e-mail, and will re-think its use of e-mails in general. Members of the economic and political sections noted that copies of front-channel cables are often sent by e-mail because of distribution problems in the Department.

LAW ENFORCEMENT SECTION

The law enforcement section consists of one American officer and five LE staff and has its offices in the management section annex. The section head reports to the head of the political section but has significant autonomy. He coordinates with the European Union and other bodies on common approaches to specific issues and on funding projects and is in frequent contact with Department elements.

The section has contacts throughout the Ukrainian law enforcement community, and its budget covers training programs and occasional equipment transfers. These programs aim to strengthen the Ukrainian law enforcement and justice systems, bring these systems into accordance with European Union and NATO norms and standards, assist in securing Ukraine's border, and support U.S. policies of combating corruption.

The law enforcement section officer works closely with the ExBS officer, a retired U.S. Customs officer. The ExBS program provides Ukraine training and equipment on a transfer basis under a number of Department contracts. The ExBS officer is responsible for monitoring the implementation of the contracts. Both these sections are located in the annex that houses the management section and PAS and is about a 20-minute walk from the chancery.

CONSULAR OPERATIONS

Embassy Kyiv's consular section faces many challenges, including increased workloads in every unit and growing fraud concerns. The newly arrived consular section chief has made a fast start by introducing efficiency measures and planning the implementation of more best practices. The section is solidly supported by the front office, which provides appropriate oversight. The DCM meets weekly with the section chief, and once a month all consular staff are invited to attend. The embassy's visa referral system requires all mission officers to take a referral class before participating in the program. As a result, the dozen or so referrals that are made each week almost always meet the criteria, and there is no undue pressure on visa officers. When a consular issue warrants the attention of high-level Ukrainian officials, the front office is willing to help. The DCM has been particularly helpful on children's issues. For example, by contacting a Ministry of Justice prosecutor, the DCM was instrumental in moving forward an adoption case that had bogged down at the regional level. The section works well with the other embassy elements it shares issues with, such as USAID (on adoptions) and the law enforcement section (on trafficking in persons). The section is well led, efficient, and focused on short- and long-term goals.

Staffing and Facilities

The section has nine officers, 30 LE staff and four EFMs, but has asked for and received several months of temporary-duty (TDY) assistance in each of the past several years to cover staffing gaps. The consular section chief's biggest task now is determining the section's immediate staffing needs and projecting the future staffing requirements for when the section relocates to the NEC. In the last two MPPs, the section requested several new officer and LE staff positions. Some of the positions were to be added only when the section assumed the Ukrainian Diversity Visa workload from Embassy Warsaw, but other positions were requested to meet rising visa demand.

Upon arrival, the section chief, knowing that the section needed to operate at maximum efficiency before requesting new positions, immediately closely scrutinized NIV operations and quickly introduced measures to increase the number of applicants handled daily. He showed the interviewing officers how to conduct more focused interviews, and he adjusted the appointment numbers to account for the predictable number of no-shows. These measures resulted in a precipitous drop in the NIV appointment wait time from nine weeks to about two weeks. He also began negotiations with the company that operates public inquiry call centers, under the Bureau of Consular Affairs' umbrella, that are used to schedule visa appointments. That move will further reduce LE staff workloads. The section found that mandatory use of the electronic visa application form (EVAF) saved processing time.

After taking these steps, the section chief now has a better basis for accurately identifying the section's true staffing needs. His focus now is on obtaining a full-time FPM, which would allow the officer currently performing these duties on a part-time basis to help another unit, most likely the immigrant visa unit.

The consular section is located in a building about a mile from the chancery and is largely a spacious, well-organized facility. The waiting rooms are too small, however, and the desks of LE staff doing NIVs are on a floor above the interview areas, giving the officers no line-of-sight supervision of the LE staff for much of the day. To overcome this vulnerability, officers frequently walk through the area, and the visa chief carefully reviews the visa activity reports. With a NEC in the works, no major renovations are warranted, although information and directional signs are needed. OIG made an informal recommendation to improve signage.

Consular Management

The section has about 60 locally prepared standard operating procedures, a model new officer orientation program, and a detailed long-term training plan. Consular officers rotate throughout the section units every five months, and their morale is high. The section chief plans to hold regularly scheduled leadership sessions with the officers and accepted the OIG team's suggestion that supervision of LE staff should be one of the first topics discussed.

The section introduced offsite fee collection and courier return of passports in 2005. Negotiations with a company to handle the bulk of the public inquiries are underway. The public liaison unit now receives about 15,000 inquiries each month, in addition to around 60 letters from Congress, mostly on visa cases. By using a call center, perhaps as soon as February 2007, the section could reassign some public liaison staff to other projects, such as web page maintenance.

Nonimmigrant Visas

The NIV unit has seen a dramatic rise in applicants over the past several years, from 34,000 applications in FY 2003 to 53,000 in FY 2006. Student and exchange visa applications went up 45 percent in FY 2006 alone. By introducing efficiencies each year, including those discussed above, the section has kept ahead of the pace. The section has procedures to expedite visas for businessmen and others who warrant quick visa processing. As a result of a vigorous public information campaign, few problems arose when mandatory use of the EVAF took effect on November 1, 2006, during the inspection. In the first week of November 2006 only about one percent of the applicants arrived without the EVAF.

Of the eight officers in the section, only two speak any Ukrainian. The section chief told the OIG team that each new generation of Ukrainians is less and less likely to speak Russian, especially people from Western Ukraine, who even now prefer to speak only Ukrainian. While the use of interpreters for visa interviews is minimal now, it is possible that in the future the section will need to have some officer positions designated as Ukrainian-language required.

Immigrant Visas

With the exception of Diversity Lottery visas, the section went to full immigrant visa (IV) services in May 2005. Without having two full years of data to compare, it is hard to measure the exact growth in IV demand. Section figures, however, do indicate that only the sharp decline in adoptions (800 in previous years, 200 in 2006) prevented the IV unit from experiencing the increased workload of other of the section's units. If the current adoption issue is resolved, the unit may need additional officers to handle this workload.

Embassy Warsaw still handles the approximately 3,000 Ukrainian Diversity Visa cases and employs five LE staff and one officer to do so. Since additional staff and space would be required for Embassy Kyiv to assume that workload, the OIG team agrees with the section chief that this change should wait until the NEC is completed. In the meantime, the section chief can carefully consider what staff he will need and design the consular section appropriately. If the section is successful in obtaining a full-time FPM position, the part-time FPM could spend that time on IV processing. The section chief and the new IV officer are reviewing the IV interview process to determine whether it can be made more efficient, as was done earlier with NIV operations.

Consular Public Diplomacy

The consular public outreach effort is active and comprehensive. All officers engage in public speaking in Kyiv and when they travel to other parts of Ukraine. They have used local media to inform the public about procedural changes, such as the mandatory use of EVAF, and to provide warnings about visa scams. The new section chief has had television sets installed in the public waiting rooms that will show a videotape containing consular instructions and other messages for the public. He also plans to improve the section's web page, which is part of the mission's Internet site, and assign an LE staff member as consular web page coordinator.

Fraud Prevention

Embassy Kyiv is a high fraud post, for both NIVs and IVs, and the volume and sophistication of the fraud are increasing. In 2006 there was a 280-percent increase in field investigation requests from Embassy Warsaw for Diversity Visa cases. Given the large foreign-marriage industry and high degree of relationship fraud in Ukraine, the IV unit requires frequent assistance from the fraud prevention unit, often on time-consuming interviews and investigations. Suspected cases of work visa and summer/work travel exchange visa fraud have doubled in the past year. Both types of cases require investigation, due to the many fraudulent companies involved and the visa fixers' connections to human trafficking. Ukrainian passports can be obtained illegally with relative ease.

Because of these factors and the significant presence of organized crime, the work of the fraud prevention unit is an essential part of all consular operations. Currently the unit has only a part-time FPM, an assistant regional security officer-investigator (ARSO-I), and three LE staff. The FPM, who conducts NIV interviews all morning, has not been able to provide sufficient oversight and guidance. Nor has he been able to spend sufficient time on trust-building with contacts, reporting, or conducting field investigations. The ARSO-I has been a valuable member of the unit, but does not perform the same type of work as the FPM. (For further discussion of the ARSO-I position, see the classified annex to this report.) The unit needs a full-time supervisor to coordinate the LE staff and ARSO-I activities. The volume and importance of fraud/border security work warrant a full-time manager, and the OIG team supports Embassy Kyiv's request for a full-time, mid-level FPM position.

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PUBLIC DIPLOMACY

PAS merits credit for successfully implementing a strong traditional public diplomacy program and for initiatives that have positively affected thousands of Ukrainians. In spite of a few rigid institutions and individuals, PAS has found enthusiastic Ukrainians with which to partner at most levels of society and government. PAS programs directly target the goal of free access to information and training, and programs that provide models for the media and civil society. Its programs in English-language enrichment reach teachers and students, both of whom sometimes make extraordinary efforts to participate in PAS-sponsored events. There is a similar high level of public interest in American culture and society.

PAS programs follow the MPP's democracy goals, and the public diplomacy dimension is effectively interwoven into mission activities. Mission leadership adopted the public affairs officer's suggestion that public outreach be included in the work requirements statements of all American employees. During the inspection, the OIG team observed a PAS-supported seminar on American literature that involved professors from Lviv and Yalta taking overnight train trips to Kyiv to discuss the works of Mark Twain. The team also attended the showing of a documentary on trafficking in persons (a significant problem in Ukraine). Afterwards, several professors asked that the documentary be repeated, as a consciousness-raising lesson for their university students. Finally, the team met with librarians who, after a short discussion of the federal depository system in the United States, discussed the importance of government transparency and making government publications available to all citizens. The inspectors also attended a well-attended American film night that was hosted by an embassy officer. All of these events were effective examples of how PAS continuously links mission goals and section programs.

Staffing and Coordination

The public diplomacy effort is led by an experienced public affairs officer who has strong leadership skills, an information officer and deputy, a cultural affairs officer and deputy, and a competent local staff. The section is busy and productive, but the volume of the work – combined with changes in the number and composition of the staff – has led to a certain sense of territoriality over individual programs and thus occasionally to less-than-ideal coordination. One example of this is the lack of one of the most basic public diplomacy tools, a comprehensive database having information on section contacts and the alumni of exchange programs. At present there are at least four databases in PAS having such information, and access to them

in some cases is limited to the persons who created the databases. Although a start has been made to consolidate these databases, considerable effort and training are needed to produce a unified list of all of the section contacts, which number, by one estimate, over 13,000.

Recommendation 1: Embassy Kyiv should establish a unified, comprehensive database for all public affairs section contacts and program alumni. (Action: Embassy Kyiv)

Although the staff clearly cooperates well and will pitch in when any employee needs assistance, there are few if any formal arrangements to ensure that programs can continue in the absence of any employee. The OIG team informally recommended formalizing backup responsibilities among staff members.

Information, Media, and the Information Resource Center

Since the 2004 Orange Revolution, Ukraine has had a vibrant media environment, with many broadcast and print media options at the national and local levels. Although media must register with the government, there is no evidence of government control of information or restraint on the entry of new information outlets. Neither, however, are there generally recognized “newspapers of record.” Instead, most of the roughly 20 national daily and weekly newspapers are owned by wealthy business interests and political parties and can be counted on to represent, if indirectly, those business and political views through their topics and reporting. Many Ukrainian oblast (regions or states) also have, as a legacy from the Soviet era, their own newspapers, and PAS grants are helping maintain these publications as privatized local papers. National television service reaches all sections of the country, although many of the television and radio channels are also owned by business interests. Ukrainian media are generally cooperative when the U.S. mission has events to cover and are always anxious to interview the Ambassador and high-level visitors to the mission. Personnel in the information office are also responsible for the mission’s public web site, which is in Ukrainian and English and features (when available from Department sources) news about mission programs and activities and Russian translations of major reports, consular information, and U.S. political developments and policy.

The information office was recently given responsibility for the section's information resource center, which provides outreach to contacts throughout Ukrainian society. The center has a modest reference collection, including online databases, that it uses to answer phoned, online, and faxed reference questions about U.S. law and society, questions coming from government officials, librarians, scholars, and mission personnel. The center also maintains ties with librarians throughout the country, including a group of English-speaking librarians that meets biweekly in Kyiv and is a valuable source of support for any activity aiming to broaden the amount of information available to Ukraine.

The Library Electronic Access Program

Information resource center personnel were also instrumental in establishing and supporting the over 100 free Library Electronic Access Program (LEAP) centers that now exist in libraries across Ukraine. This unique program continues to do as much as any other mission effort to provide Ukrainians across the country with a free flow of information.

The LEAP program began in 2001 with the realization that, due to their revenue streams, libraries would possibly never have the means to acquire a computer, much less finance and maintain Internet connectivity. Using Freedom Support Act funds, the section began a pilot program with a handful of libraries, providing grants for hardware, software, connectivity, and the services of a systems administrator for two years. The service, it was hoped, would prove so valuable that the libraries themselves could sustain the effort through increased local government funding, and that is what happened. The LEAP centers have become points of pride for local officials and have provided library personnel and patrons with Internet training.

During the Orange Revolution, when there was an attempt to censor the news, the LEAP centers often provided the only access – through international news sites – to unbiased reporting on the events in Kyiv. PAS officers heard that some individuals printed out these accounts and read them to waiting crowds. LEAP centers are an innovative and valuable tool in broadening mission contacts throughout the country and are equally effective in promoting the mission's effort to deepen democratic roots in Ukraine.

English Language Instruction

Some of the most enthusiastic partners for PAS include the teachers and students of English throughout Ukraine. English is taught from elementary school on, and interest in the language – as a tool for personal and professional advancement – is high. Few institutions, however, have the resources to acquire up-to-date teaching materials, and there are few opportunities within the Ukrainian educational system to expose teachers to new teaching methods.

PAS addresses these concerns in multiple ways. Embassy Kyiv hosts a regional English language officer who covers seven countries but spends approximately half time in Ukraine. A good proportion of that time is spent providing classes on methodology to English teachers throughout the country. PAS has donated, and continues to add to, a major collection of English-language instructional materials, which are housed at the Kyiv Mohyla University in a facility used by an American English Language Fellow and by teachers, scholars, and students. PAS also maintains smaller instructional collections at a number of sites around Ukraine. The Mohyla University site is used by a biweekly conversational English language group. At the end of the OIG inspection, PAS hosted a group of students from Kharkiv, all of whom were willing to travel overnight from eastern Ukraine to be able to speak with native English speakers. Just as American textbooks inevitably provide a glimpse of national values and society, U.S.-produced English-language instructional materials further understanding about the United States, even as students acquire language skills. Money spent in Ukraine on English language instruction thus provides multiple dividends.

Grants

Thanks to substantial Freedom Support Act funding, PAS has a large program of grants for media development and encouraging civic action and involvement. The program staff includes a supervisory EFM and three LE staff who have wide contacts throughout the country. Although the Act's funding has varied over the years, with spikes after the Orange Revolution, it has averaged around \$1 million per year. The unit receives proposals for grants in response to calls and on a rolling basis throughout the year. After eliminating incomplete or inappropriate proposals, a preliminary selection is made by the Democracy Commission, which is composed of representatives from various mission units and agencies. Decisions are then reviewed by the Ambassador, and final approval and funding comes from the Department. Most grants are in the \$15,000 range, and at any one time the unit administers some 150 grants. The media development grants support only the independent media, and

emphasize general issues, such as journalist training and internships, as well as more specialized facets of the media picture, such as the effort to transform oblast-level government newspapers into private, solvent publications. Democracy grants cover youth projects, antidrug and alcohol education programs, and an effort to encourage female candidates in local and national elections. The LE staff member responsible for PAS alumni relations also shepherds a small grant program that former exchange participants can use to apply to Ukraine the concepts they learned in their exchanges. Although grants records are located, somewhat atypically, in several different offices, not in one file, careful and full records on each grant are kept, as required.

Educational and Cultural Exchanges

PAS manages effectively its several major exchange programs, which have brought thousands of Ukrainians to the United States and have brought American scholars, experts, and artists to Ukraine. Although the number of slots in the programs has declined over past years, some 80 Ukrainians annually participate in the International Visitor Leadership Program of three-week thematic exchanges, and hundreds more participate in youth and civic exchanges. The section hosts a large number of American speakers per year, involving speakers always chosen with reference to mission priorities. It also hosts a smaller number of cultural ambassadors, including recently a hip-hop group whose appearances were particularly appreciated by young Ukrainians. In all cases every effort is made to reach out to all regions of Ukraine, in terms of those selected for exchange programs and in the locations chosen for appearances by experts and cultural ambassadors.

RESOURCE MANAGEMENT

Agency	U.S. Direct-Hire Staff	U.S. Local-Hire Staff	Foreign National Staff	Total Staff	Total Funding FY 2006
State – Diplomatic and Consular Programs	42	8	54	104	\$3,108,100
State – International Cooperative Administrative Support Services	12	5	171	188	6,251,800
State – Public Diplomacy	6	1	24	31	1,008,700
State – Diplomatic Security	3	1	102	106	1,056,141
State – Marine Security Guards	6			6	136,748
State – Representation					59,700
State – Overseas Buildings Operations	1			1	2,357,843
State – Law Enforcement Section	1		5	6	430,000
State – Export Control and Related Border Security Assistance	1		2	3	392,600
Foreign Commercial Service	1		12	13	419,380
Defense Attaché Office	20		19	39	1,660,901
Foreign Agricultural Service	1		3	4	123,719
Federal Bureau of Investigation	3		1	4	n/a
Department of Energy	1		2	3	33,730
Department of Justice	1		1	2	111,852
Peace Corps	4 *	1	3	8	4,347,267
USAID	17	5	111	133	50,964,741
Department of Treasury		3	3	6	1,100,000
Totals	120	24	513	657	\$73,563,222

* Does not include 188 Peace Corps Volunteers

MANAGEMENT OPERATIONS

Embassy Kyiv's management operations, with some exceptions, are generally well run. The newly arrived, seasoned management counselor appears to have already regained the confidence of the American and LE staffs. The management counselor played a part in securing the much-deserved salary increase for the LE staff. With the full support of the Ambassador and DCM, she recently decided that sending outgoing unclassified pouches by air was an appropriate move, and this should prove to be a morale booster. Among her key agenda items are improving ICASS performance, rightsizing, obtaining ISO 9000 certification in several management functions, addressing housing issues, and preparing for the move to the NEC. Administrative policies and procedures are being examined, and where appropriate, they are being brought in line with those of USAID. Staffing of the management sections appears generous. Twenty-four direct-hire Americans, including three EFMs, work in management operations.

ICASS services at Embassy Kyiv are provided by the Department. The ICASS service standards were adopted by the ICASS council in March 2006. Embassy Kyiv's scores on the 2006 ICASS Customer Services Survey and OIG's workplace and quality of life questionnaires indicate moderate to high customer satisfaction overall, although some areas need improvement. Embassy Kyiv has set as one of its mission performance goals the provision of high-quality, innovative, customer-oriented administrative and information services. The general services officer (GSO) is seeking ISO 9000 certification for procurement operations and will soon begin the certification process for customs and shipping, travel, and warehousing. The financial management section will do the same for its operations.

To date, the mission's management operations use the ICASS Customer Services Survey as a performance measurement tool. While the survey scores are a valuable indicator of performance, they are no substitute for evaluating the provision of services against established ICASS service standards. For example, one of the basic-package services is provision of a visitor list. The performance standard for the service is to publish an updated visitors list weekly. As yet, the mission has not used this management tool. According to 6 FAH 5 H-161, each of the service providers is responsible for evaluating its compliance with service standards and providing its findings to the post's ICASS council annually. At present Embassy Kyiv does not measure its service providers' performance against ICASS standards. Doing so would provide a reliable indicator of performance for each ICASS service.

Recommendation 2: Embassy Kyiv should begin measuring the performance of its service providers against established International Cooperative Administrative Support Services standards. (Action: Embassy Kyiv)

Since 2005, when the rightsizing report was submitted, Embassy Kyiv has been actively examining ways to streamline operations by consolidating duplicative activities it shares with USAID. USAID subscribes to many ICASS services, including all information management services, security services, the basic package, health services, the community liaison office (CLO), and vouchering. Aside from vouchering, USAID maintains its own financial management operations. USAID also maintains its own human resources operations, although it uses shared human resources services for its LE staff.

USAID maintains its own complete general services operation, which duplicates that of the Department at Embassy Kyiv. Through the ICASS council, the Department, and USAID have identified the most cost-efficient service provider for seven of eight general services and for one human resources service, that for the LE staff. The Department's Office of Global Support Services and Innovation assisted post in this effort. The elimination of duplicative administrative services aims to reduce costs and rightsize the post prior to its relocation to the NEC. Department guidance, provided to posts worldwide in October 2006, changed Embassy Kyiv's approach to the mission's rationalization plans for administrative services. Embassy Kyiv, as a Tier 3 post, believes its only option is for USAID to subscribe to all ICASS services prior to the move into the NEC. At the moment, there is no Department mechanism to ensure a smooth and timely transition. This, in combination with USAID's anticipated downsizing, suggests that a concerted effort on the part of the Department and USAID will be needed to get the projected staffing levels right. Otherwise, Embassy Kyiv could jeopardize an early start to the planned NEC.

In addition to the USAID component, transitioning from multiple office locations to the NEC will give Embassy Kyiv an opportunity to determine which other elements, including management and regional security operations, could be rightsized to achieve economies of colocation. Embassy Kyiv's FY 2008 Mission Performance Plan requested 11 additional management, consular, and reporting positions. With the exception of one consular position, these requests appear unrealistic. In addition to preparing the FY 2009 Mission Strategic Plan, rightsizing results could affect building design and space planning for the NEC.

Recommendation 3: Embassy Kyiv should develop concrete staffing projections for the new embassy compound. (Action: Embassy Kyiv)

GENERAL SERVICES

The general services office is well staffed, with one supervisory GSO and two assistant GSOs. They are assisted by three EFM employees, the housing coordinator, warehouse supervisor, and customer service coordinator. The LE staff is extremely knowledgeable and capable and provides the general services office with an excellent basis for continuity and day-to-day operations. Having overcome the challenges arising from gaps and normal staff turnover, the office is now positioned to move forward with an ISO 9000 quality management initiative funded by the Office of Global Support Services and Innovation that will improve its processes, performance, and customer service. The office should have more than adequate resources to address the complex planning and preparatory phases of the relocation to the NEC, which will consolidate general services office assets that are now scattered among three sites in Kyiv. The general services office will also face additional challenges in reshaping the mission housing pool in a volatile and competitive market and amid changing post demographics. Equally challenging will be improving its supply-chain management as part of a larger quality management system initiative.

Housing

Housing is, by consensus, the embassy's greatest challenge associated with general services, post morale, and quality of life. The housing pool consists of U.S. government-owned and long- and short-term-leased apartments. The apartments in the current housing pool are generally in acceptable and habitable condition since their owners have a vested interest in maintaining their investments, and the GSO thoroughly prepares them for residence. However, ownership and maintenance of the common areas, e.g., entryways, stairwells, and the buildings' façades, are assigned to a city office that does not exercise its responsibility in any discernible manner. As a result, common areas that must be traversed to reach apartments often have safety, health, and security deficiencies. These include broken steps, uneven floors and thresholds, broken windows, exposed wiring, poor or nonexistent lighting, and broken skylights. OBO recently funded renovation of common areas in a building that contains government-owned apartments, but the general services office estimates that as many as 60 percent of its apartments – mostly short-term-leased units

– still have serious problems with common areas, despite its best efforts to lease apartments with adequate ones. This phenomenon of nonownership of common areas falls into a gray area of 15 FAM 633 guidance regarding funding responsibilities of residential properties. Neither the landlords, the city office titularly responsible, OBO, nor the post appear to have found a solution. In the end, the occupant lives with the consequences of a demoralizing situation that likely exists at other posts in the nations of the former Soviet Union. The situation is exacerbated in Kyiv because it is very much a lessors’ market characterized by a short supply of adequate units, quickly rising rents, and a need to respond quickly when a unit becomes available. These factors promote the leasing of properties with less-than-adequate common areas.

Beyond the improvement of apartment common areas, the growing number of families being assigned to post, the location of the NEC, and the volatility of the real estate market will change Embassy Kyiv’s housing needs. A smooth transition to a housing profile that responds to these factors will require comprehensive planning, inclusive coordination, and careful execution, that includes the general services, facilities management, and security offices, and the interagency housing board and other stakeholders working together closely on this important quality of life component.

Recommendation 4: Embassy Kyiv, in coordination with the Bureau of Overseas Buildings Operations and Diplomatic Security, should develop and implement a comprehensive plan to identify and resolve safety, health, and security shortcomings in common areas of the buildings in which it leases or owns apartments. (Action: Embassy Kyiv, in coordination with OBO and DS)

Recommendation 5: Embassy Kyiv, in coordination with the Bureau of Overseas Buildings Operations, should develop and implement a transitional housing plan and, as necessary, a new housing profile. (Action: Embassy Kyiv, in coordination with OBO)

Supply-Chain and Quality Management

Supply-chain management is defined by the Department as “the process of ensuring that customers obtain efficiently the supplies, equipment, or services needed to conduct business in a timely manner” (14 FAM 112). The GSO has identified this

issue as an area for emphasis and improvement. This fits very well into Embassy Kyiv's larger project of designing and implementing an ISO 9000 quality management system, which is funded largely by a \$35,000 grant from the Office of Global Support Services and Innovation. Greater attention to supply-chain management would provide increased integration of the procurement, customs/shipping, and property units' processes and achieve greater efficiencies. In addition, it would provide the opportunity to automate components of the supply chain and increase in-stream visibility through use of tools such as the Department's Web-based Post Administrative Software Suite (PASS) post procurement and the integrated logistics management applications. Increased visibility of items as they move through the system, in turn, allows feedback to customers and assists in identifying chokepoints and/or points of potential loss.

Recommendation 6: Embassy Kyiv should use its management section-wide ISO 9000 effort as the impetus to develop and implement a supply-chain management plan project that better integrates and automates its procurement, customs/shipping, and property processes. (Action: Embassy Kyiv)

Warehouse and Property Operations

The leasing in 2002 of a new warehouse helped solve many of the embassy's property storage and accountability challenges. This facility is suitable in terms of storage space, configuration, and condition, and is well outfitted with material-handling equipment. In addition, the section has sufficient vehicles with which to transport property. The staff is of adequate size and is proficient in its duties and effective as a team. The staff is led by an assistant GSO who arrived only four months prior to the inspection but has quickly learned the issues and has envisioned objectives. The EFM warehouse supervisor is an even newer member of the section, but brings with him a wide array of private-sector experience and organizational skills that will benefit the section. The result is a much-improved operation having orderly warehouse and property records and annual nonexpendable and expendable property reconciliation results that are within acceptable variance.

Notwithstanding the significant improvements highlighted above, certain factors still hamper warehouse operations. The warehouse is approximately 13 miles from

the chancery, which is a 45- to 60-minute drive to most embassy properties. The regional security office requires that the keys to the warehouse be picked up and turned in daily at Post One, which, when combined with the distance, consumes staff time that could otherwise be better spent. In addition, there is no OpenNet Plus access at the warehouse and therefore no access to automated systems by LE staff, such as the receiving and nonexpendable property clerks. Although Embassy Kyiv plans to provide the American EFM warehouse supervisor access via OpenNet Everywhere, this is still only a partial solution.

Motor Pool Operations

The motor pool staff strives to provide the best service possible, given the challenges of difficult traffic, poor street conditions, and the six locations where mission assets are located. Additionally, the regional security officer recently made a determination regarding the safety of public transportation and taxicabs that will further tax motor pool resources by increasing passenger service for official business events during nonduty hours. Specifically, the determination states that “[a]lthough taxis, buses, trams, and taxi-buses (marshrutkas) are readily available and cheap, the [regional security officer] cannot vouch for the safety of these public transportation options...” so “the use of public transportation should be carefully considered.” Therefore, the embassy motor pool will begin providing support for officers who require transportation to and from program and representational events, even during nonduty hours. Despite these challenges, the supervisor, dispatcher, and eight drivers who comprise the motor pool staff offer a high level of service.

In terms of administration, a sample review of the motor pool records indicated that the operators and the supervisor are using appropriate forms and other means to document required data and generate required reports. The drivers are using the daily usage reports to capture information on individual trips and refueling. The motor pool supervisor uses Microsoft Excel spreadsheets and other electronic tools of his own design to exercise his responsibilities as fleet manager, such as tracking fuel consumption, mileage efficiency, and maintenance. His efforts to automate his records and reports are laudable. He also has a firm handle on the ICASS and program vehicle replacements, submitting appropriate condition and fleet inventory reports to Washington in a timely manner.

Procurement

The procurement section is led by a capable assistant GSO. The senior LE staff member is a member of the Bureau of European Affairs' Foreign Service National Executive Corps, a select group of knowledgeable and experienced LE staff who provide on-demand assistance to other posts in a region. The section provides high-quality service to its clients and seeks further improvement via its participation in the ongoing ISO 9000 quality management project. It recently converted from a locally developed Microsoft Access-based automated system to the Department's Web PASS post procurement application, which provides an interface to other process stakeholders, such as the financial management section and the receiving clerk in the property section. The transition has gone relatively smoothly, and the jury is still out regarding whether Web PASS provides equal or better functionality than the prior application. However, Embassy Kyiv clearly is attempting to synchronize its automated systems with the Department's enterprise-wide applications.

A sampling of various procurements such as purchase orders, contracts, blanket purchase orders, and purchase card purchases indicated that the section follows requisite procedures. The proper requests, competition documents or justifications for noncompetition, receiving reports, and other documentation were in neat, organized procurement files. The contract files contained technical evaluation matrices and correspondence between the contracting officer and prospective vendors. The sample review indicated that the procurement section's personnel are well versed in procedures, regulations, and the application of regulations.

HUMAN RESOURCES

The human resource office provides generally excellent services to American and LE staffs. The office manages robust training and awards programs that have been budget-sensitive. The office's computer-assisted job evaluations exercise went well. Several of the resulting downgrades were upheld on appeal by the Office of Overseas Employment, which recently also approved an exception-rate range for a hard-to-fill position. It did so although the affected agency complained that the process had taken too long. Embassy Kyiv has a vibrant EFM program, and 13 of 15 available EFM positions are filled.

in the Post Report and the cable sent to incoming employees by the embassy. In the spirit of full disclosure, it would be preferable if interested parties were provided with an accurate description of post housing possibilities prior to arrival. OIG made an informal recommendation on this issue.

The post's Russian/Ukrainian language program received a moderate rating on OIG's questionnaire. The program appears to be working, despite the lack of adequate classroom space at the chancery and Artem Center, the management section annex, and other mission elements. By necessity, most classes are taught one-on-one, either in offices or at home. The language teachers are provided through a contract with a language school. For the most part, students make their own arrangements with the school and with teachers for their training. Students are responsible for completing timesheets for their instructors. While the contract calls for the contractor to provide textbooks and audio-visual materials, it appears that the CLO and HRO provide language study materials. Students were asked for ideas and suggestions for improving the post language program in July and November 2006. The HRO also hopes to restart the Foreign Service Institute's Post Language Program Direct Funding Initiative, which has lacked participant interest. This program supplements the traditional post language program, which is funded from the post allotment, especially in the areas of immersion opportunities and job-specific training for entry-level officers. An English language program for the LE staff is scheduled to resume in November 2006 after a hiatus of some 18 months.

The LE staff committee is active and representative. As a result of the OIG team's suggestion, the committee will begin meeting more regularly and frequently with the DCM, management counselor, and occasionally the Ambassador. The LE Committee said it has noticed improvements in its dialogue with post management, especially regarding salaries. It recognizes post management's commitment and concern for the welfare of the LE staff and appreciates the heightened cooperation.

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Business-class Travel

Embassy Kyiv closely observes the Department's guidance regarding premium-class air travel and has implemented internal controls for its authorization, documentation, and conduct. The post's current management notice, dated June 30, 2006, addresses who may authorize business- and first-class travel and what documents must be prepared. It also underscores the Department's preference that employees elect a rest stop in lieu of premium-class travel. An examination of records in the

GSO travel section and at the embassy's travel management contractor indicated that DS Form 4087, Authorization Request for Business-Class Air Travel, is being properly used. Employees on permanent change of station status are traveling business class, when authorized, and copies of the DS Form 4087 are being submitted to the Bureau of Human Resources for authorization. In the two instances in the past year when TDY employees were authorized business-class travel, they elected instead to take a rest stop.

EQUAL EMPLOYMENT OPPORTUNITY, CIVIL RIGHTS, AND THE FEDERAL WOMEN'S PROGRAM

The Equal Employment Opportunity counselor is newly appointed. The Federal Women's Program Manager has been in the job about one year. Both are listed on the designation of responsibility roster but are not advertised on the post's bulletin boards or through management notices. The last management notice on the subject of Equal Employment Opportunity is dated September 2004 and lists the name of the former Equal Employment Opportunity counselor. The HRO is updating and advertising materials on both programs.

FINANCIAL MANAGEMENT

The financial management office provides high-quality financial management support services. The newly arrived, experienced, financial management officer is assisted by 12 LE staff members, including one designated LE certifying officer who has authority up to \$50,000. Cashiering services are provided at the chancery and Artem Center. Budgeting, funds management, payroll operations, vouchering, and cashiering all are well managed and follow Department procedures. The mission enjoys reliable connectivity via the web-based Regional Financial Management System's Direct Connect link with Global Financial Services-Charleston. The post experiences some delays with the WinACS system when both cashiers are on the system. Five employees are responsible for Department and subscriber agencies' budgets. In addition to standard Department budgets, budgets are maintained for Diversity Visa, Border Security, Machine Readable Visa, and Freedom Support Act funds. While not required, cuff records are maintained for all the budgets, adding a degree of certainty. Time and attendance procedures are strong.

The financial management office does not maintain copies of grants, but the financial management officer will begin doing so during this fiscal year. The office has adequate funds control procedures to ensure that grant funds are released only with written authorization by the grant officer. A review of prior-year obligations revealed that the office has conducted periodic reviews to deobligate invalid obligations. A matter that requires additional attention is the \$123,738 in FY 2003 obligations in the diplomatic and consular program account. The OIG team informally recommended reviewing the relevant obligations and deobligating invalid funds.

INFORMATION MANAGEMENT AND INFORMATION SYSTEMS SECURITY

Embassy Kyiv's information technology (IT) staff operates a comprehensive and well-run information management and information systems security program. Five full-time American employees and one EFM employee handle the embassy's unclassified and classified systems operations. Eleven full-time and one part-time LE staff members assist with unclassified operations, the mailroom, and telephone functions. An additional EFM employee, employed using consular funds, assists with all consular-related IT issues. The IT staff provides information management and systems security support to five compounds spread throughout the city, including the chancery, Artem administrative annex, consular annex, headquarters of the Peace Corps and USAID, Marine House, and the GSO warehouse. The IT staff supports over 290 workstations and 27 servers and more than 350 mission employees. The IT section effectively manages all of its information management and security requirements, including standard operating procedures, systems documentation, random checks of files, and segregation of key IT functions and duties.

For nearly five months in 2006, the IT staff functioned without an information management officer. During that period, the staff covered daily systems operations and managed a range of unexpected technical problems. Nevertheless, even with the absence of the information management officer, embassy management and staff continued to rate IT customer service highly, due to the exceptional dedication of the IT staff.

The mission's Intranet site requires more oversight to ensure that its information is current. Mail operations require attention. An additional IT issue is discussed in the classified annex to this report.

Staffing

According to Department regulations, LE staff may not perform system administrative functions. Therefore, American IT staff must resolve all system administrative issues in addition to all of their traditional IT responsibilities for all seven mission facilities throughout the city. To maintain normal operations, American IT staff members now work overtime regularly. For example, the five full-time American IT employees worked a total of more than 470 hours of overtime in the first nine months of 2006.

Even with the extra overtime, the current American IT staff is challenged to focus on pending IT projects and to find time for training. For example, the regional security office and IT staff have been working to streamline the visitor access process by making forms available for viewing electronically. Given the limited time of the IT staff, the project has not been completed. To prevent an unnecessary burden on the remaining staff, several IT staff members have not requested necessary training. Without consistent training, the IT staff cannot remain current in a time of emerging technology, and this can affect the support it provides.

Embassy management has requested in all of its MPPs since FY 2005 that it be given approval for an additional information systems officer to assist in meeting critical information security requirements. Due to the limited personnel able to perform critical security requirements and the distance between embassy buildings, the IT staff has a difficult time meeting all embassy needs. The planned NEC will consolidate IT operations, but until then, the IT staff will be strained to keep up with the increasing demands, and any long staffing gaps will require the support of TDY employees.

Web Site Content Management

The content management of Embassy Kyiv's Intranet site needs better coordination. At present, embassy sections are not providing the IT staff with regularly updated information, and the IT staff must therefore contact section representatives individually. The Intranet site therefore has uneven content. In accordance with 5 FAH-8 H-211.2 and 5 FAH-8 H-611, a program manager must be assigned to manage each web site. One individual could manage and coordinate the content of the Intranet site on a part-time basis and coordinate and gather the content from all embassy sections, providing it to the IT staff for posting. As an interim solution, this responsibility has been assigned to the management officer.

Unclassified Mail Operations

Difficulties posed by the host government have affected the delivery of unclassified mail for personnel. In 2004, the government of Ukraine began to enforce legislation requiring airport officials to screen all outbound diplomatic mail, in violation of Vienna Convention provisions. Embassy Kyiv chose to send its outbound mail overland to Embassy Minsk for shipping to the United States. This procedure added to the delivery time for mail, which sometimes took more than a month to reach Washington. This negatively affected post morale. For almost one year, the mission continued to handle its mail using this alternative method. During the inspection, a representative of the Frankfurt Regional Diplomatic Courier Division visited the embassy to discuss potential solutions for the post's mail operations. Embassy representatives discussed sending mail via commercial airline flights, obtained a favorable rate, and began using this method.

QUALITY OF LIFE

AMERICAN EMBASSY EMPLOYEES ASSOCIATION

Embassy Kyiv's American Embassy Employees Association (AEEA) is a well-run, profitable, and community-spirited enterprise. It is financially stable and has a healthy fund balance. AEEA donates 0.75 percent of its monthly gross revenues, approximately \$300, to the CLO for community welfare. The AEEA manager is totally engaged in the operations and is aware of the importance of finding the appropriate niche for AEEA. AEEA's charter was recently revised to add additional services. All AEEA services are self-sustaining, and in 2005 AEEA began reimbursing the mission \$1,000 a year for utilities. AEEA's accountant/assistant manager just left to take a better-paying position, and AEEA's manager will make a plea to the board of directors to raise the wages of AEEA's seven employees, based on prevailing market wages. Commissary goods are purchased from armed forces commissary operation at Ramstein Air Force Base, Germany, every six to eight weeks and trucked overland to Kyiv. AEEA maintains two commissary outlets, one at the chancery and the other at USAID.

Prior to the inspection, AEEA retained all profits derived from the two U.S. government-owned TDY employees' quarters that it operated. This practice, which is contrary to the Office of Commissary and Recreation's guidance, was corrected in September and October of 2006. AEEA began managing the two TDY apartments in the government-owned Marine House in 2003. From that time forward, it had not fulfilled its obligation to deposit into the OBO appropriations account the revenues, less appropriate deductions, it received from operating the quarters. During September and October 2006, AEEA made several deposits to the OBO appropriations account totaling \$7,676. Its calculations were based on Department guidance.

(b)(2)(b)(6)(b)(2)(b)(6) is an Office of Overseas Schools-supported school. (b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6) and (b)(2)(b)(6) Both (b)(2)(b)(6) and (b)(2)(b)(6) offer prekindergarten through grade 12 classes. The schools have similar tuitions, registration fees, building fund charges, and transportation fees and have regularly scheduled student activities and faculty functions. (b)(2)(b)(6) offers kindergarten through grade 12 instruction.

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Embassy Kyiv's relationship with (b)(2)(b)(6) appears good, and the political counselor is a member of the (b)(2)(b)(6) advisory board. (b)(2)(b)(6) teachers have access to the AEEA commissary and receive security advice.

MEDICAL UNIT

The medical unit is staffed by a Foreign Service Health Practitioner (FSHP), an LE physician, two LE nurses, and one administrative assistant. The FSHP is a newly arrived physician's assistant who is taking an active role in direct treatment of patients and in program management. In the former function, she has sufficient staff with the expertise to provide health care to her charges. The unit uses an appointment system to see nonemergency patients and takes more urgent patients on a walk-in basis. The system seems appropriate and responsive to mission needs. The FSHP has also begun initiatives to improve program components. For example, she recognizes the evolving nature and growing availability of services in the local health care sector and is exploring what is available for emergency and routine medical care for personnel. This could reduce the number of medical evacuations, which totaled 40 in the 12 months prior to the inspection. She also proposed to pilot a program that will expedite shipment of medications by air from a U.S. vendor to post and that she anticipates will result in more timely delivery and more distant expiration dates compared to the current logistical solution.

COMMUNITY LIAISON OFFICE

The CLO is active in its eight areas of responsibility and is well staffed with one full-time and one part-time EFM coordinator and one LE staff member. One coordinator acts as a contracting officer's representative for production of a weekly newsletter that is printed under CLO auspices. The office balances the time it devotes to each of its areas of emphasis, keeping aware of the morale and community issues that most affect Embassy Kyiv, such as housing, schools, language barriers, and EFM employment. EFM employment is a particularly sensitive and important issue, and the embassy has made some strides by offering 15 EFM positions and advertising them as widely as possible when vacant. The CLO also has conducted employment workshops to assist EFMs in finding employment outside the mission. However, it is a very challenging employment environment: Despite an existing bilateral work agreement, EFMs may face competition from local candidates who are bilingual, educationally and experientially competitive, and willing to work for lower salaries.

MANAGEMENT CONTROLS

The embassy management counselor is also the management controls coordinator. She is well versed in the requirements for cost-effective systems of management controls that ensure U.S. government activities are managed effectively, efficiently, economically and with integrity. Embassy Kyiv takes measures to acknowledge and address management controls issues. The Ambassador has submitted the annual certification, attesting to his reasonable assurance of compliance with applicable laws and regulations and citing weaknesses and reportable conditions in management controls. One weakness concerned the inadequate and far-flung buildings among which mission offices now are scattered. During the inspection, the U.S. government purchased from the city of Kyiv a plot of land on which an NEC will be built, representing a significant step toward resolving this weakness.

Embassy Kyiv recently completed risk assessment questionnaires for nine functional areas. With one exception, all scores were well above 75 percent, and most were in the 90-percent range. The economic section achieved a score of 71 percent, in part because of its number of entry-level officers. The embassy also regularly publishes notices that raise employee awareness of management controls and systems for such issues as business-class travel, unauthorized commitments, and delegation of responsibilities. Perhaps the most ambitious and far-reaching initiative is the design and implementation of an ISO 9001 quality management system that will transparently define and document management processes. This project should reinforce Embassy Kyiv's management controls.

FORMAL RECOMMENDATIONS

Recommendation 1: Embassy Kyiv should establish a unified, comprehensive database for all public affairs section contacts and program alumni. (Action: Embassy Kyiv)

Recommendation 2: Embassy Kyiv should begin measuring the performance of its service providers against established International Cooperative Administrative Support Services standards. (Action: Embassy Kyiv)

Recommendation 3: Embassy Kyiv should develop concrete staffing projections for the new embassy compound. (Action: Embassy Kyiv)

Recommendation 4: Embassy Kyiv, in coordination with the Bureaus of Overseas Buildings Operations and Diplomatic Security, should develop and implement a comprehensive plan to identify and resolve safety, health, and security shortcomings in common areas of the buildings in which it leases or owns apartments. (Action: Embassy Kyiv, in coordination with OBO and DS)

Recommendation 5: Embassy Kyiv, in coordination with the Bureau of Overseas Buildings Operations, should develop and implement a transitional housing plan and, as necessary, a new housing profile. (Action: Embassy Kyiv, in coordination with OBO)

Recommendation 6: Embassy Kyiv should use its management section-wide ISO 9000 effort as the impetus to develop and implement a supply-chain management plan project that better integrates and automates its procurement, customs/shipping, and property processes. (Action: Embassy Kyiv)

Recommendation 7: Embassy Kyiv should obtain formal written agreement from the government of Ukraine for the nonparticipation of the locally employed staff in Ukraine's social security system. (Action: Embassy Kyiv)

employees work more closely with their consular counterparts from other embassies on issues of mutual interest, including adoptions, disaster assistance, and fraud.

Public Diplomacy

Although PAS staff members routinely assist others, some of their work requirements statements do not indicate specific backup responsibilities.

Informal Recommendation 5: Embassy Kyiv should review the work requirements statements of each employee and designate specific backup responsibilities to regularize workloads and encourage cross-training.

Management Operations

The Post Differential Report, Post Report, and the cables from the post to incoming employees have somewhat divergent descriptions of post housing. The cables fail to describe the neglected common areas and lack of reserved parking.

Informal Recommendation 6: Embassy Kyiv should accurately describe the post's housing options in all of its official statements.

The Status of Obligations Report lists \$123,738 in FY 2003 diplomatic and consular program account obligations.

Informal Recommendation 7: Embassy Kyiv should review relevant obligating documents pertaining to the \$123,738 in the FY 2003 diplomatic and consular program account obligations and deobligate those funds found to be invalid.

PRINCIPAL OFFICIALS

	Name	Arrival Date
Ambassador	William B. Taylor	06/06
Deputy Chief of Mission	Sheila Gwaltney	06/04
Chiefs of Sections:		
Management	Margaret Uyehara	08/06
Consular	Landon Ray Taylor	08/06
Political	Kent Logsdon	08/05
Economic	Douglas Kramer	08/05
Public Affairs	Michelle Logsdon	08/05
Regional Security	George Nutwell	08/04
Other Agencies:		
Foreign Agricultural Service	Garth Thorburn	08/04
Department of Defense	James Molloy	06/05
Department of Energy	Riaz Awan	07/01
Federal Bureau of Investigation	Bryan Paarmann	06/06
Foreign Commercial Service	Richard Steffens	08/06
Department of Justice	David Lewis	09/06
Peace Corps	Diana Schmidt	06/06
USAID	Earl Gast	09/05

ABBREVIATIONS

ACS	American citizens services
AEEA	American Embassy Employees Association
AI	Avian influenza
ARSO-I	Assistant regional security office investigator
CLO	Community liaison office
DCM	Deputy chief of mission
Department	Department of State
EFM	Eligible family member
EVAF	Electronic visa application form
ExBS	Export Controls and Border Security
FPM	Fraud prevention manager
FSHP	Foreign service health practitioner
HRO	Human resources officer
GSO	General services officer
ICASS	International Cooperative Administrative Support Services
IT	Information technology
IV	Immigrant visa
KIS	Kyiv International School
LE	Locally employed
LEAP	Library Electronic Access Project

MPP	Mission Performance Plan
NATO	North Atlantic Treaty Organization
NIV	Nonimmigrant visa
OBO	Bureau of Overseas Buildings Operations
OIG	Office of Inspector General
OMS	Office management specialist
PAS	Public affairs section
PASS	Post Administrative Software Suite
TDY	Temporary duty
USAID	U.S. Agency for International Development

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