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

Report of Inspection

The Bureau of Western
Hemisphere Affairs

Report Number ISP-I-10-08, January 2010

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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 (OIG) for the U.S. Department of State (Department) and the Broadcasting Board of Governors (BBG).

PURPOSE

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

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

METHODOLOGY

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

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KEY JUDGMENTS

- The Bureau of Western Hemisphere Affairs (WHA) is influential in setting overall U.S. policy goals in the region through its strategic thinking, well-prepared and presented views, and its excellent access to senior policymakers.
- The WHA Assistant Secretary is effective, active, and well-respected by colleagues and counterparts. He performs much outreach in Washington and during his frequent travels in the Western Hemisphere.
- The basic regional policies, initiatives, and goals that the bureau helped craft under the previous Administration—including the Merida Security Initiative and the Pathways to Prosperity Initiative—continue under the new Administration with some change in emphasis. New Administration initiatives include efforts to reach out to Cuba, increased support for Haiti, and the Energy and Climate Partnership of the Americas. All of these initiatives reflect the Bureau's efforts to work on multiple sectors concurrently.
- Morale is very high, in large part due to the professionalism of the Bureau's front office. Bureau personnel highly respect the front-office leadership.
- Nonetheless, mid- and entry-level officers would appreciate more systematic guidance and feedback from the WHA front office, in part due to their desire to provide even stronger support to the front office. The front office can do more to impart its vision to its staff.
- The Bureau is a strong advocate of public diplomacy, and is highly regarded for its energy, vision, and leadership qualities, including its advocacy and creativity in using new technology to reach the public.
- The WHA Office of the Executive Director effectively supports most overseas and domestic operations despite lean resources for the Bureau. Improvements are needed in general services support. Department-wide systemic problems not caused by or unique to WHA, have created declines in service and higher costs for domestic information management, travel orders, and vouchers.

TIMETABLE AND TEAM MEMBERSHIP

The survey phase of this inspection took place in Washington, DC, from April 6 through May 5, 2009. The onsite phase of the inspection took place from May 6 through June 30, 2009. Both phases were in conjunction with a concurrent but separate inspection of the U.S. Mission to the Organization of American States. (b) (6)
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INSPECTION PARAMETERS

This inspection reviewed only the Washington offices of WHA. The OIG team conducted a simultaneous but separate inspection of the U.S. Mission to the Organization of American States (see Report ISP-I-10-14), which receives substantial administrative and policy support from WHA. The WHA inspection did not include WHA's participation in the Florida Regional Center (FRC) located in Fort Lauderdale, which consists of officials from six Department bureaus¹. OIG inspected the FRC in 2007 (Report ISP-I-07-50, September 2007). The WHA inspection also did not include some residual WHA officials assigned to Mexican border posts, who are classified as overseas employees. In 2005, OIG conducted a separate inspection of the U.S. Section of the International Boundary and Water Commission (for Mexican issues), which falls under the foreign policy authority of the Department (Report ISP-I-05-26, March 2005), and a compliance follow-up review of the same institution (Report ISP-C-07-04, October 2006). A separate OIG management review of cross border aspects of the five Mexican border consulates and the Presidential permit process for Mexican border infrastructure projects, took place in 2006 (Report ISP-I-07-02, October 2006).

¹ The Bureaus of Administration, Diplomatic Security, International Narcotics and Law Enforcement Affairs, Information Resource Management, and Medical Affairs.

CONTEXT

WHA coordinates foreign policy for the region stretching from the Arctic Ocean to the Antarctic and from the Atlantic to the Pacific. It is one of six regional bureaus that reports to the Under Secretary for Political Affairs. WHA includes Canada and Mexico—our largest and third-largest trading partners respectively, other large economies such as Brazil, as well as numerous small Caribbean island and Central American nations. WHA countries accounted for 44 percent of worldwide immigrant visa issuances in FY 2008, and 39 percent of nonimmigrant visas during the same period. Visitors who cross the Mexican and Canadian land-borders with the United States account for the majority of all visitors to the United States. WHA is the only regional bureau with responsibilities for developments along U.S. borders, and it must manage issues that have both domestic and foreign components.

In general, democratic maturation has spread throughout the region; however, economic development has been set back by the global economic crisis that began in 2008. Brazil, Mexico, and Argentina, along with the United States and Canada, contribute to the increasingly important G-20 group of nations' process to respond to the global economic crisis.

U.S. policy toward the region has shifted in recent years. As the nations of the Americas have become more democratic—and after the conclusion of a number of free trade and other economic agreements in the region—there is an increased emphasis on spreading the benefits of these changes further into society. The Pathways to Prosperity Initiative seeks to push and share the benefits of increased trade further down the social chain. The Merida Initiative and the Caribbean Basin Security Initiative seek to provide safety to its citizens. The Energy and Climate Partnership of the Americas seeks to foster cleaner and more efficient energy sources. These initiatives reflect the Bureau's efforts to work on multiple sectors concurrently, and its strong emphasis on economic and energy issues.

Increasing U.S. security and immigration concerns have led to greater coordination between the bureau and domestic U.S. Federal, state, and local governments, particularly those that work along the Mexican and Canadian borders. WHA also cooperates and coordinates with other Federal agencies in the formulation of foreign policy in Washington. The Bureau coordinates and supports the work of 28

embassies, one U.S. interests section, and 21 consulates generals and consulates in 34 countries. WHA also provides policy guidance and administrative support to the U.S. Mission to the Organization of American States (USOAS).

WHA employs a domestic staff of 244 U.S. direct-hires (including some personnel in the FRC, USOAS, and Mexican border staff) with 156 Foreign Service members and 88 Civil Service staff. The bureau has a domestic operating budget of \$5 million per year. Its total budget is \$254 million, which includes overseas operations. In its FY 2011 Bureau Strategic Plan (BSP), WHA will request a total of 109 additional U.S. direct-hire positions; 19 of those for WHA domestic offices and four for USOAS. WHA coordinates the work of 4,768 including 2,171 U.S. direct-hires and other Department employees, and 21,256 including 7,115 Department local staff employed abroad. U.S. direct-hires overseas included 1,411 Foreign Service positions and three Civil Service positions, totaling 1,414. U.S. foreign-assistance to the region will total \$1.9 billion in FY 2009.

EXECUTIVE DIRECTION

WHA is headed by a dynamic, highly respected, and visible Assistant Secretary. A strong and competent principal deputy assistant secretary (PDAS) and three able deputy assistant secretaries (DAS) comprise the front office's effective leadership and management team. Five office management specialists, three staff aides, and one special assistant complete the front office staffing. The PDAS supervises four functional offices, while the three DASs supervise various regional offices (three major groupings of North America, South America, and Central America/Caribbean). The Assistant Secretary sets the leadership marker as an approachable, welcoming, fair, and collegial leader who is a master of conceptualizing and articulating strategic goals to empowering others. The DASs successfully manage their busy portfolios in a similarly collegial, supportive, and personable manner, promoting professionalism while recognizing and encouraging work-life balance. Bureau morale is high and qualified personnel seek multiple tours of duty in WHA, both in the Department and overseas.

The Assistant Secretary chairs regular weekly meetings with senior staff, office directors, and deputy directors, and invites desk officers to present topics of their choosing, listening attentively during the presentations, as the OIG inspectors observed. The Assistant Secretary encourages staff dialogue, and asks probing questions that result in full participation. WHA staff meetings are crisp and concluded in timely manner. The Assistant Secretary invited working-level officers to attend the Secretary Clinton's first briefing on a new regional energy initiative; he and the DASs include desk officers at high-level meetings as note takers or participants, underscoring the front office's inclusive management style. The DASs are not office bound; they regularly visit the offices they supervise for informal and formal interaction—including office staff meetings—with personnel at all levels. They seek ideas from staff, mentor Foreign Service personnel and provide encouragement and options to Civil Service employees, including office management specialists (OMS), for training and professional growth.

Two officers led WHA's BSP preparation with wide input from key bureau staff and from WHA embassies' mission strategic plans. During the presentation of the 2010 BSP to Department principals, the Secretary enjoyed the budget presentation, which included an entertaining and informative DVD with music and video. WHA will aspire to the same standard or higher for 2011.

Within the interagency process and throughout the Department, WHA has a reputation for cooperatively working in tandem with other agencies with excellence and a spirit of teamwork. Interlocutors and staff said that one of the DASs has mastered the interagency process. Another senior interlocutor said that WHA excels in the quality of its written products, in strategic planning, and in defining, modifying, and implementing U.S. foreign policy in the region. The Assistant Secretary is well-known by colleagues from western hemispheric countries, academics, and think tanks, and in local, national, and international media who affectionately refer to him as the “the mayor of the Western Hemisphere.”

The Assistant Secretary travels widely and often to the region, representing the United States in discussions with regional leaders and explaining U.S. policy. He has met with U.S. Embassy personnel in nearly all of WHA’s posts. The DASs visit their geographical areas of responsibility and lead meetings on a wide range of topics, including border security, transnational crime, economic and trade promotion, environmental preservation, human trafficking, and cultural diversity.

WHA’s Assistant Secretary and DASs successfully managed the new Administration’s transition process, which was followed by ambitious travel by the President and the Secretary to the region. WHA worked collaboratively and supported the National Summit Coordinator, the National Security Council, and the White House Special Summit Advisor in executing an outstanding inaugural event for the President at the Fifth Summit of the Americas² in Trinidad and Tobago in April 2009. While there, the President met and engaged leaders from the hemisphere with positive results. WHA also provided support staff and some funds to the national summit coordinator from its summit coordination unit, and from its executive director’s office.

WHA has done a commendable job in maintaining positive U.S. initiatives from the previous Administration and balancing them with new initiatives of the present Administration, which have helped to keep U.S. policy nonconfrontational and on an even keel.

Given the proliferation of issues, increased ease of communications, information overload, and proliferation of reports (to the seventh floor, to Congress, and to the Director of Foreign Assistance), the bureau leadership must continue to provide guidance on policy and priorities. This guidance has to make it down to the desk of officers so that they can make the correct choices to prioritize their work and prepare concise and appropriate memoranda. As part of a mandated bureau-wide freeze of positions to support Department staffing needs elsewhere, the front office froze one

² All successive references of the Summit of the Americas will be denoted as Summit.

of the three staff assistant positions, with a series of temporary personnel drawn from WHA offices to fill this slot. This has led to some miscommunication. The OIG team informally recommended that WHA unfreeze the third staff assistant position to allow for consistent coordination and better workflow.

The bureau needs to develop an effective filing system for cables, memos, and emails that works for each office. Whenever possible, files should be stored electronically on shared drives so that all officers can easily and logically locate work in progress or background material. Procedures need to be established to store emails that address policy and policy development in a location accessible by others for background or for the historical record. Most emails are currently stored on the provided personal hard drives. The OIG team made an informal recommendation that the bureau devise an effective filing mechanism for each office to store policy and policy development-related documents and emails for easy retrieval, which is separate from personal hard drives.

POLICY AND PROGRAM IMPLEMENTATION

The inspection focused on existing office structures and did not attempt to differentiate duties by normal political, economic, public diplomacy (PD), or consular program functions. An alphabetical listing and description of the WHA regional offices (except the executive director and USOAS) follows.

OFFICE OF ANDEAN AFFAIRS

The Office of Andean Affairs (WHA/AND) is well-managed by a respected director and equally capable deputy. WHA/AND encompasses Bolivia, Colombia, Ecuador, Peru, and Venezuela. Bolivia, Ecuador, and Peru are one-officer desks staffed by a mix of Foreign and Civil Service officers. The Venezuela desk officer position is currently vacant, but is due to be filled in the fall. A Civil Servant, hired under a limited-term appointment, is filling in as the Venezuela desk officer as well as providing general regional and legal expertise. The office has an embedded PD officer who monitors press, writes daily activity reports, and otherwise gives his public diplomacy work a policy angle. The Bureau requested two new staff positions in its 2011 strategic plan. Staff morale is high throughout the office and there is a perception that desk officers' opinions are heard, considered, and valued up to the DAS and Assistant Secretary levels. The desk officers told the OIG inspection team that management's trust in their abilities is empowering.

The Colombia desk is the largest and busiest in the office; it is led by a Foreign Service senior desk officer, and assisted by two permanent Civil Service officers, two contract employees, and an intern. U.S. assistance and subsequent interaction with the government of Colombia through the now decade-old "Plan Colombia," continues to attract significant interagency and congressional attention. There is a well-attended, twice weekly interagency meeting for Colombian issues that is open to all interested parties and chaired by the office director.

The Bureau of International Narcotics and Law Enforcement Affairs (INL) funds two contract positions within WHA/AND: one officer serves as the resident expert on INL issues in WHA, while another is dedicated solely to conducting Leahy

Law³ vetting for recipients of U.S. training or assistance. The vetting officer anticipates processing 30,000 to 40,000 names in FY 2009, of which about 95 percent are for Colombians, and 5 percent for residents of the other Andean countries. The Colombia desk relies on each of these INL-funded positions as part of their daily operations. As congressional funding for Plan Colombia declines, INL may rethink its willingness to fund these positions. In the next 5 years, the Office of Andean Affairs will have to address this staffing arrangement. The 2011 BSP requests a Civil Service position for Leahy vetting.

The Bolivia, Ecuador, Peru, and Venezuela desks adeptly manage their portfolios. From 2006 until 2008, the Venezuela desk had additional oversight from a special coordinator at the DAS level, but the need for that position decreased, and it was eliminated in 2009. Both the Bolivian and Venezuelan desks deal with difficult government-to-government relationships. After Bolivia expelled the U.S. Ambassador in September 2008, Venezuela was quick to follow suit in a show of solidarity; relations with Ecuador are not as outwardly hostile. Counternarcotics cooperation has historically been good, but has been complicated by Ecuador's announcement that it does not plan to renew the U.S. Government's lease on the Manta airfield used by the U.S. military for drug trafficking surveillance. Peru has emerged as an anchor of stability in the Andes. There is strong cooperation on ongoing issues, and the U.S. relationship with Peru was described as "the best it's been in years." The desk is able to pursue issues such as a free trade agreement, a tropical forest debt-swap agreement⁴, and a renewable energy memorandum of understanding (MOU) while seeking additional ways to broaden the bilateral relationship.

OFFICE OF BRAZIL AND SOUTHERN CONE AFFAIRS

The Office of Brazil and Southern Cone Affairs (WHA/BSC) is a well-managed office of eight officers (five Foreign Service and three Civil Service) and four support staff. Morale is good with officers particularly appreciating the office director's knowledge, experience, and easygoing manner.

Desk officers are in daily contact with their embassies by telephone or email, exchanging information and working through issues. The desk officers coordinate closely with the embassies in preparing briefing papers for the numerous visits to the

³ The Leahy Law is a human rights stipulation in U.S. congressional foreign assistance legislation that prohibits U.S. military assistance to foreign military units that violate human rights with impunity. Pub. L. No. 106-429 § 563, 114 Stat. 1900 (2000).

⁴ The Tropical Forest Conservation Act (TFCA) was enacted in 1998 to offer eligible developing countries options to relieve certain official debt owed the U.S. government, while at the same time, generating funds in local currency to support tropical forest conservation activities.

WHA/BSC countries, particularly Argentina, Brazil, and Chile. This close contact ensures that all sides are well-informed of developments.

During a portion of the inspection, the office director was detailed to USOAS in the lead-up to the Summit of the Americas and later in preparation for the USOAS General Assembly, to assist them in outreach to the private sector for these events. During the director's absence, the office was well-managed by the deputy director.

The division of labor is equitable and the office is sufficiently staffed except for the Brazil desk. Until the early 1990s, the Brazil desk was a separate office; now the desk is the largest and busiest in WHA/BSC. Brazil is the largest country in Latin America in terms of geography and economic output. The Brazil unit is staffed by two officers: one for political issues, the other for economic issues. In recent years, Brazil has taken on an increasing leadership role in Latin America as well as among developing nations worldwide. Recognizing Brazil's increased gravitas, the United States has established a strategic partnership and consults frequently on various initiatives in Brazil and on regional and global issues. The United States has encouraged Brazil to increase its outreach and role within Latin America. Reflecting this burgeoning bilateral relationship, within the first four months of the start of his Administration, President Obama met with Brazilian President Lula da Silva three times and they spoke by telephone two more times. In view of the increased importance of Brazil within the hemisphere and on the world stage, WHA/BSC is requesting an additional position to be included in WHA's FY 2011 budget request. The OIG team supports the request for this additional position for the Brazil desk.

OFFICE OF CANADIAN AFFAIRS

The Office of Canadian Affairs (WHA/CAN) does a good job of supporting the conduct of U.S.-Canadian relations. Morale in the office is high and interpersonal relations are good. The office is staffed leanly with a director, deputy director, five officers, and one OMS. One OMS position was converted recently to an officer position.

The main areas of sustained interest include border security, boundary waters, law enforcement, energy, political-military and defense cooperation, economic, trade, environment, science and technology, and Canadian foreign and internal political policy. Given the scope of the bilateral relationship, which includes local, state/provincial, and federal governments, the office correctly focuses on major issues and does not attempt the impossible task of covering the vast array of bilateral issues. Canada is one of two countries with contiguous borders with the United States and

some special border issues arise for the office. These issues include the International Joint Commission, an independent international entity that deals with boundary water issues, including the Great Lakes. Given the high level of border transportation and other infrastructure built up over the years, the Presidential permit process for new infrastructure is minimal.

Responsibility for Canadian affairs was shifted from the Bureau of European and Eurasian Affairs to WHA in 1999. Canada is atypical of countries in the WHA region, given its level of economic development, G-8 status, and North Atlantic Treaty Organization (NATO) membership. Canada is also not a European state. In view of the growing importance of North American Free Trade Agreement (NAFTA) (which exceeds the commitments under the multilateral World Trade Organization), and other ongoing trilateral efforts of integration and cooperation by the United States, Mexico, and Canada (including the Security and Prosperity Partnership and other efforts under the North American Leaders process that began in 2005), WHA's responsibility for Canadian affairs seems appropriate. The WHA front office provides support for the Canadian office as needed. Apart from strengthening Canadian ties to Mexico, Canada is also increasingly engaged in the rest of the hemisphere; for instance, it makes significant contributions to democracy and development in Haiti, as well as democratic outreach to the rest of Latin America. The next North American Leaders meeting is scheduled for August 2009 in Mexico, with a view to a more strategic-level dialogue that will guide the three governments' work on specific proposals and projects.

The U.S. relationship with Canada is one of the oldest, most integrated, complex, and sophisticated of any U.S. bilateral relationship in the world. Canada is our leading two-way trading partner by far, and large amounts of foreign investment flow in both directions. Both countries' auto industries are highly integrated and suffering through the same crisis. Canada remains the largest and most secure foreign energy supplier to the United States, both in terms of petroleum and hydroelectricity. Development of Canada's massive oil sands resources, consistent with U.S. environmental and climate change goals, will present a challenge.

Internationally, Canada is a key NATO ally and maintains a major NATO combat troop presence in Afghanistan that will end in 2011. The United States will seek a continued Canadian role in Afghanistan after it withdraws its troops. Moving beyond already strong NATO commitments, Canada is a fully integrated partner in the strategic defense of North America. Canada enjoys the unique status of being a part of the U.S. defense industrial mobilization base in terms of opportunities for military procurement.

Canada works actively on international counterterrorism initiatives. WHA/CAN works to smoothly implement the Western Hemisphere Travel Initiative and other steps to improve border-crossing efficiency without undermining border security and ties at all levels of government.

OFFICE OF CARIBBEAN AFFAIRS

The Office of Caribbean Affairs (WHA/CAR) provides support to 15 countries, including several island states. With a total staff of 11, it is managed by a director and a deputy director. There are nine desk officers, an OMS, and a program assistant. The director is highly regarded by the staff on a personal basis and for her knowledge of the region.

Generally, the staff has good morale and enjoys working with their colleagues. They communicate well with each other but would like more communication with WHA senior management. A few desk officers said that they are not given advanced notice about the travel plans of senior management, which would help them to prepare themselves and embassies for such visits.

The most prominent issue in the Caribbean is security. This includes street crime, violence, and drug trafficking. The U.S. goal is to make cities more secure and governments more involved. Currently, Haiti receives the most attention of the Caribbean countries, due in part to the high priority given to it by the Secretary of State. The Haiti Stabilization Initiative has a combined approach to most of the problems in the country, and addresses them in a multilateral context. As part of this initiative, the United States supports the United Nations' peacekeeping mission, whose military component, led by a Brazilian officer, is trying to restore stability.

Staffing is the main problem for WHA/CAR, especially for the Haiti desk. Over the years, WHA/CAR lost positions, including a deputy for Haitian affairs. Currently, only two desk officers staff the Haiti desk; the most experienced one will leave shortly after the inspection. A desk officer was temporarily reassigned from the Office of Cuban Affairs to assist the Haiti desk. Renewed interest in Haiti means that more requests are made for briefing papers, information memoranda, and reports. With increased attention from senior Department officials and staffing shortages, the Haiti desk is hard pressed. Fellow office mates pitch in. The WHA front office is working on solutions to these problems, including adding more staff. The OIG team surmises that the Haiti desk could use more staff.

OFFICE OF CENTRAL AMERICAN AFFAIRS

The Office of Central American Affairs (WHA/CEN) is responsible for the seven Central American countries south of Mexico. One of the office's problems is that these are a grouping of smaller nations not on the U.S. border, yet trying to address difficult civic, economic, and security problems. In past years, civil wars and severe insurrections destabilized several of these countries. The office spends considerable time trying to preserve democracy. All of the nations had democratically-elected governments until a coup in Honduras near the end of the inspection.

The seven WHA/CEN countries are part of the Merida Initiative, a program announced in October 2007 to provide security assistance to them and Mexico to support their efforts to overcome organized crime, including narcotics trafficking and gangs. Over the last 2 fiscal years, Congress has approved more than \$170 million for the Central American part of the Merida Initiative. The regional affairs officer in WHA/CEN works closely with the WHA Office of Policy, Planning, and Coordination (WHA/PPC) in planning and budgeting for the program, and with embassies and the country desks in designing implementation and analytical performance indicators and benchmarks.

WHA/CEN comprises nine officers (six Foreign Service and three Civil Service) with three support staff. During the last several years, WHA has not been fully successful in recruiting Foreign Service officers to fill WHA/CEN's country desks. Several Foreign Service positions were converted to Civil Service, resulting in half of the desk officers (three) being Civil Service and the other half Foreign Service. At the time of the inspection, none of the officers had been in place longer than 11 months. In fall 2008, the deputy director aggressively and successfully recruited among the few officers available after the normal Foreign Service assignment cycle was completed to fill office vacancies. The complete staff turnover, delays in filling vacancies, and very active portfolios took a toll on the office's morale. While morale is improving, the office leadership needs to have more faith that its officers, as they gain experience and specific knowledge, can do the job well.

During the inspection, the office spearheaded the preparations for a trip by the Secretary to a ministerial conference, to the inauguration of a new president in El Salvador, and to the USOAS' annual general assembly in Honduras. An impressive array of well-organized and concise background and briefing papers were prepared for the visits and the meetings.

OFFICE OF CUBAN AFFAIRS

The Office of Cuban Affairs (WHA/CCA) is a well-managed and bustling place to work. The coordinator and deputy form a respected and expert management team. They are supported by a reemployed annuitant senior advisor, a political officer, a consular officer, three economic policy officers, several interns, and office management staff. Overall, the morale in the office is very good.

The U.S. trade embargo and ongoing travel restrictions for both U.S. and Cuban citizens drive the daily work of the office. The April 2009 announcement made by the President lifting restrictions on remittances sent by Americans to family members in Cuba, easing travel restrictions of Cuban Americans to Cuba, and promoting a more liberal exchange of information and humanitarian assistance items has created new and increased interagency and public interest in Cuban affairs. The economic officers provide advisory opinions to the Departments of Treasury and Commerce on individual and business requests to travel to, or do business with, Cuba.

Consular issues take up considerable time because WHA/CCA reviews almost every U.S. visa application submitted by Cuban nationals at the U.S. interests section in Havana or in other consular sections overseas. Visa applications are sent to Washington for review by various law enforcement and other federal agencies through the security advisory opinion process. WHA/CCA reviews each case under the lens of Presidential Proclamation 5377⁵, which deals with the suspension of entry as nonimmigrants by officers or employees of the Government of Cuba or the Communist Party of Cuba, and which provides legal grounds for a visa denial under section 212(f) of the Immigration and Nationality Act⁶. WHA/CCA will soon acquire access to systems and software maintained by the Bureau of Consular Affairs that will streamline WHA/CCA's review of security advisory opinions, allow them to easily access historical visa application records, and eliminate the need for time consuming data entry and scanning procedures.

Office staffing is at an appropriate level, but there are two anomalies that could have potentially adverse effects. First, the senior advisor is an experienced officer with ideal institutional knowledge of Cuban affairs. He routinely travels to Cuba as the Department observer for Guantanamo Bay fence-line meetings between the American and Cuban military, and is a Department point of contact with the U.S. Southern Command for Cuban issues. This advisor, however, has been a temporary, reemployed annuitant employee in WHA/CCA for 12 years, and is limited in the number of hours he can work per year. The WHA/CCA coordinator and deputy

⁵ 50 F.R. 41329, 3 C.F.R., 1985 Comp., p. 273.

⁶ Pub. L. No. 101-649, Stat. (November 29, 1990).

are keenly aware of his employment restrictions, and so far, have been successful in utilizing his time and skills efficiently and effectively. The lengthy 12-year temporary assignment begs the question whether the position itself is appropriately classified, or if it could be better staffed by a rotating Foreign Service officer or a more permanent Civil Service officer. WHA/CCA will eventually have to address this staffing anomaly.

Second, the consular section is led by a Civil Service employee, and is staffed with interns and stay-in-school students; the work being done by these staff members is appropriate for their level, but the volume of paper generated that must be approved by the supervisory Civil Servant is significant. WHA/CCA is in the process of filling a GS 9/11/12 position in the consular section to provide some oversight relief to the supervisor.

OFFICE OF MEXICAN AFFAIRS

The Office of Mexican Affairs (WHA/MEX) does a good job of balancing and juggling a variety of high-priority tasks and responsibilities supporting relations with Mexico. Morale in the office is high and interpersonal relations are good.

When fully staffed late in the summer of 2009, WHA/MEX will still have lean personnel resources to cover its evolving and complex issues. The Bureau's 2011 BSP requests one more officer position. On the supervisory level, the office will include an overall director, a bilateral deputy who supervises four officers, and a border affairs coordinator who supervises a separate unit with two other officers. Two new officers will fill what were formerly two vacant OMS positions to work with the director to cover the Merida Initiative. The office chairs a Department Merida core group meeting every week and attends an interagency meeting every two weeks that is chaired by the National Security Council. A special assistant/liaison officer who works for the U.S. Commissioner of the International Boundary and Water Commission is embedded in the border unit. An embedded PD officer from the public diplomacy office of WHA works in WHA/MEX and covers Canadian affairs as well; this officer improves the quality of the public diplomacy effort in the Mexican and Canadian offices. The office has shown admirable flexibility and creativity in its ability to attract short-term staff to fill in several staffing gaps, including those resulting from the office's willingness to allow some staff to do training and exchanges in order to improve their long-term skills. Apart from the Merida Initiative, major issues include political/military issues, human rights, economics, trade, energy, the environment, climate change, consular issues, arms trafficking, and presidential permits

for border infrastructure. The office coordinates with a wide range of sub-Federal and Federal agencies—including the Department of Homeland Security— some of which have limited experience with the importance or conduct of foreign relations.

The inherent importance of Mexico is magnified by its long contiguous border with the United States. The U.S. relationship with Mexico has a large impact on prosperity and citizen security in both countries. Given the stark contrast in the level of economic and citizen security developments on opposite sides of the long U.S.-Mexican border, perhaps the greatest such gap in the world, the United States has a strong self-interest in trying to strengthen the Mexican economy and democracy. The United States is a strong magnet for Mexican labor. Already, Mexico is our third-largest two-way trading partner and our third-largest petroleum supplier. Petroleum sales represent the single largest source of foreign exchange for Mexico. Hydrocarbon foreign investment by the United States is limited at this time, but more bilateral cooperation could be envisaged in alternative energy. Other foreign investment by the United States in Mexico is spurred by NAFTA.

Merida Initiative

Mexican President Calderon made a bold decision in March 2007 to ask for U.S. assistance in confronting the Mexican-based criminal organizations that dominate the drug trade. The U.S. response, the Merida Initiative, is a framework for enhanced cooperation with Mexico that not only focuses on counternarcotics and law enforcement to enhance citizen security, but also incorporates drug demand reduction, judicial and institutional reform, and social development. The Merida Initiative emphasizes partnership, mutual responsibility, and action to address problems on both sides of the border. The United States is also committed to increase efforts to curtail U.S. drug demand and the illicit flow of arms and money from the United States to Mexico. The initiative has consumed many working hours of several WHA staff members over the past two years, including the regional deputy assistant secretary, the WHA/MEX office director, and others.

Border Unit

The border unit of the WHA/MEX office works diligently and well to improve border cooperation and infrastructure. Despite suboptimal infrastructure along the 2,000-mile U.S.-Mexican border, about \$0.8 billion in trade and 600,000 human crossings take place every day at over 50 crossing points. Inefficient border facilities and procedures inhibit exchanges. The United States wants to intensify cooperation to upgrade and modernize the border. The Mexico office works to enhance the bilat-

eral trade relationship, including making sure that NAFTA, the central link in that relationship, functions as intended and its benefits are seen and felt more equitably on both sides of the border. WHA/MEX produces a useful border report for other U.S. Federal agencies on cross border issues, including the Presidential permit process for new infrastructure. The office supports a 1993 bilateral agreement under which U.S. consulates south of the border and Mexican consulates north of the border engage in a bilateral border liaison mechanism to address issues of shared concern. This liaison mechanism draws in local and state governments on both sides of the U.S.-Mexican border.

North American Trilateral Efforts

Apart from NAFTA, WHA/MEX works to facilitate other trilateral contact with Canada and the United States. Under the Security and Prosperity Partnership process of the North American Leaders effort that began in 2005, the Offices of Canadian and Mexican Affairs worked collaboratively to ensure that U.S. priorities were reflected in the process. The Government of Mexico favors trilateral North American engagement, viewing it as another important mechanism to secure high-level U.S. focus on issues important to Mexico. The Obama Administration has committed to maintaining the annual trilateral North American Leaders Summit, but is in the process of redefining both the organizational structures supporting the Leaders' summits and their agendas.

OFFICE OF POLICY, PLANNING, COORDINATION

WHA/PPC handles a vast array of cross-cutting regional and functional issues central to the Western Hemisphere agenda. A staff of 12 officers plus support staff and interns do an excellent job in staying current on the many issues, as well as providing thoughtful, forward-thinking papers to the Assistant Secretary and his deputies. The office director and his staff are adept at shifting their focus and portfolios as issues rise or decline in importance. Since the arrival of the current office director in December 2008, the office has increased its output of policy development and strategic thinking papers.

Portfolios are fairly evenly distributed among the officers in the section. They include democracy, human rights and social issues, security, military relations and training, congressional relations for the bureau, outreach on policy development to the private sector and foreign governments, and managing most of the foreign assistance budget for the hemisphere. The office coordinates numerous policy papers and has

the opportunity to provide input on most papers that go to the Department's senior leadership. One contract employee conducts vetting in accordance with the requirements of the Leahy Law of foreign individuals and units that have been nominated to receive U.S.-funded training.

New initiatives in the last few years, such as the Merida Initiative, to combat organized crime in Mexico and the seven nations of Central America, and most recently the Caribbean Security Initiative to accomplish a similar objective in the Caribbean basin, have added hundreds of millions of dollars to the annual foreign assistance budget for the region. In FY 2007 the foreign assistance budget for the hemisphere was \$1.55 billion; in FY 2009 it is \$1.94 billion; nearly \$2.4 billion has been requested for FY 2010.

WHA/PPC has two officers who perform foreign assistance planning and budgeting with substantial input from regional affairs officers in each of the bureau's regional offices and the country desk officers. There are times when the two officers are nearly overwhelmed and work long hours. WHA has requested an additional position in its FY 2010 budget for a third planning and budget officer. The OIG team believes this additional position is well-justified.

Leahy Vetting

A section of the Foreign Operations Export Financing and Related Programs Appropriations Act, commonly known as the Leahy Law, requires the Department to ensure that units of foreign security forces that have participated in gross human rights violations, do not receive training at U.S. Government expense. Embassies are required to forward the names of individuals or units that are nominated for such training to the Department for review in a process referred to as Leahy vetting. All troops from Central American countries who were deployed to Iraq were also vetted. WHA has three contract employees who perform the review in accordance with the law and with procedures established by the Bureau of Democracy, Human Rights, and Labor (DRL), which is responsible for the vetting process.

When the country desk receives names for vetting, it passes them to DRL for open-source vetting and to WHA for classified review using classified databases. The results of the vetting from DRL and WHA are reviewed by the country desk officers, who then reply to the embassies concerned. Those who do the vetting in WHA are well-trained and conscientious and the vetting process is performed well.

Foreign Assistance

WHA does a good job of planning, budgeting, and monitoring foreign assistance to its region. However, the large increase in security assistance in recent years, and new requirements from the Office of the Director of U.S. Foreign Assistance, is straining the responsible office's (WHA/PPC) staff. Almost \$2 billion in foreign assistance funds were appropriated for WHA for FY 2009, an increase of nearly \$500 million from the year before; \$2.37 billion has been requested for FY 2010. All U.S. Government foreign assistance to the region (with a few exceptions such as the President's Emergency Program for AIDS Relief and the Millennium Challenge Fund) is in the WHA budget and later allocated to the implementing agencies and entities. WHA/PPC manages the foreign assistance process in WHA. WHA/PPC directly implements only about 5 percent of the total dollar value (\$98 million in FY 2009) of regional programs. The vast bulk of the foreign assistance is allocated to other agencies (including the U.S. Agency for International Development and the Department of Defense) and bureaus within the Department (including the Bureau of Political Military Affairs and INL).

The program that has increased WHA's foreign assistance budget the most in the last few years is the Merida Initiative. This initiative's objective is to assist Mexico and the countries of Central America to confront violent national and transnational organized crime and to enhance the rule of law in their region. Funding of the Merida Initiative for FY 2008 through FY 2010 is on track to total \$1.4 billion over the 3-year period. A similar program for the Caribbean—the Caribbean Security Initiative—was launched at the Summit in April 2009 with the initial year's budget set at \$30 million.

Since the creation of the Office of the Director of U.S. Foreign Assistance in early 2006 to ensure that foreign assistance is used as effectively as possible to meet broad foreign policy objectives, increasing requirements have been placed on regional bureaus to develop, plan, allocate, analyze, and report on foreign assistance to their region. Their requirements include operational and performance plans and performance reports from the regional bureaus. In WHA, most of these requirements are met by the two planning and budget officers in WHA/PPC who are intimately involved in the process and consolidate information from embassies and country desks; screen, review and adjust funding requests; and then prepare justifications for the requested funds. They closely consult with the country desks to ensure that assistance meshes well with country policy objectives. They also coordinate with implementing bureaus and agencies to ensure that the funds are adequate, that the implementing programs' objectives are those of WHA, and that measures of effectiveness have been devised and are being used. WHA has a good grasp of this process and is coordinating well with other stakeholders.

Proposed Reorganization of Foreign Assistance Function in WHA

In view of the substantially increased budget for security assistance and the concomitant organizational and reporting requirements from the Office of the Director of Foreign Assistance, WHA is considering a number of options to reorganize. One option consists of creating a new regional office for security assistance, which would consolidate positions from several offices, including three officers in Andean Affairs who cover Colombian security issues. This option would require the creation of several new positions with responsibility for policy and coordination of security assistance to the region. A second option would add staff to several country offices—including WHA/MEX, which is already being done—to exercise broader control over security assistance programs, and to add staff to WHA/PPC to assist in coordination, monitoring, and evaluation of foreign assistance. The third option would create a citizen safety/security assistance subunit in WHA/PPC and enhance its foreign assistance staff. Although all three options are more complex than their descriptions above, each has advantages and disadvantages; any of the three options will improve policy coordination and implementation. The incoming new WHA Assistant Secretary will need to review the Bureau's objectives and decide whether one of these options or a hybrid approach will best serve its needs.

OFFICE OF PUBLIC DIPLOMACY AND PUBLIC AFFAIRS

The Office of Public Diplomacy and Public Affairs (WHA/PDA) does an excellent job of supporting WHA. The office has 16 staff members and makes good use of interns, a Jefferson Science Fellow, a Franklin Fellow, and various Foreign Service officers. The office is divided into public affairs and PD units. Good leadership inspires the success of WHA/PDA. The PDAS is a strong advocate of PD and provides regular guidance and suggestions through a weekly meeting with the WHA/PDA director. The director is highly regarded for his energy, vision, and leadership qualities. His management team is solid and creative. The public affairs unit of four is responsible for day-to-day preparation of press guidance, and its chief serves as bureau spokesperson. The chief deals directly with the front office, keeping the director informed. The PD unit is organized, for the most part, geographically to act as the liaison with embassies throughout the Western Hemisphere.

Embedded Public Diplomacy Officers

One initiative supported by the PDAS and put into effect by the director is the process of embedding PD officers in the regional desk offices. Four of the PD officers are now physically located in the regions they serve. By most accounts, this is a very successful program. The PD officers are well-acquainted with the desk officers and the issues at stake. They draft daily press guidance and have a better feel for what is happening. They are also available early on to provide input from a PD perspective into regional planning.

There are still aspects of the embedded program to be worked out. The success of the program depends on the personalities of the PD officers and the expectations of the regional office directors. An embedded officer needs to participate fully in the regional office, and the regional supervisors need to be open to new ways of doing things. An embedded officer might not have enough contact with WHA/PDA, despite the two weekly meetings with WHA/PDA. In addition, they may have assignments that are not PD-related.

Use of New Technology

The WHA/PDA director is visionary in his efforts at incorporating new uses of technology, including networking and interactivity. WHA/PDA has a good working relationship with the Bureau of International Information Programs. WHA/PDA was actively engaged in the technological aspects of the April 2009 Summit, including organizing web chats. As with any new effort, some frustrations are significant. The recent takeover of IT functions in WHA by another bureau has slowed down efforts to use new technologies. For example, technical problems caused several minutes of the live streaming video to disappear during a speech by the Secretary in the Dominican Republic. WHA/PDA is working in uncharted territory for the Department and would like to be able to do things for which the Department is not yet equipped or has no procedures. The OIG team applauds the office's early efforts to bring attention to the needs of the entire Department for fulfilling the Secretary's desire to use new technology.

Initiatives and Programs

WHA/PDA works on several initiatives. When it became clear the new administration would continue to participate in the Pathways to Prosperity program, WHA/PDA hastened to put together a series of suggested implementation activities. It also works with binational centers, which are key program partners in WHA

embassies throughout Latin America and the Caribbean. They were originally created through agreements between host governments and the U.S. Government to promote mutual understanding between countries. The United States no longer financially supports the institutions, but WHA/PDA is successful in renewing ties with former participants.

Jefferson Science Fellow

WHA/PDA has been creatively using a Jefferson Science fellow to support PD in a science context; a science fellow can be a valuable PD resource and can invigorate the Department's use of science as a tool for promoting international relationships. Many WHA posts are contacting the science fellow and asking him to visit their countries. The use of this highly qualified neurobiologist is an example of the innovation and vision for new things that a PD program can accomplish.

WHA/PDA Challenges

WHA/PDA has its own challenges. These include staffing, communicating with senior management, procurement, and dealing with information problems. WHA/PDA is well-staffed, especially with the use of interns, fellows, and others on short-term assignments. However, there is a greater problem in finding experienced PD officers for the overseas missions. Internal communications are important to the office. The director attends the weekly senior staff meeting and meets regularly with the PDAS. It is to the Bureau's benefit for WHA/PDA to be involved at that level. Despite the progress, there is still room for more communication for more PD integration in bureau planning.

WHA/PDA has been in negotiations with WHA/EX to get access to its own purchase card. The OIG team made an informal recommendation on this issue.

OFFICE OF REGIONAL ECONOMIC POLICY AND SUMMIT COORDINATION

The Office of Regional Economic Policy and Summit Coordination (WHA/EPSC) does a good job of coordinating regional economic policy for WHA as well as preparing for and following-up on the intermittent Summit meetings of the 34 presidents in the Western Hemisphere, the only such gathering of these presidents. Office morale and interpersonal relations within WHA/EPSC are good.

The office consists of two distinct units: one for regional economic policy coordination within WHA, and one for interagency Summit coordination. Staff for the office includes the overall director, a co-deputy for the economic policy unit with four other officers, a co-deputy for the summit coordination unit with three other officers, and two OMSs.

Major topics for the economic-policy unit include development, energy, trade, environment, finance, and macroeconomics; topics for the Summit coordination unit depend mainly on the initiatives from the Summit, and can overlap in part with the economic policy unit. In particular, the economic policy unit is working on the Climate Change and Energy Partnership Initiative that President Obama introduced at the April 2009 Summit, as well as the Pathways to Prosperity Initiative to help push the benefits of free trade to all social groups.

The Summit coordination unit interacts with the regional economic policy unit, but focuses almost exclusively on summit issues. Summits were held in 1994, 1998, 2001, 2005, and 2009. Special summits were held in 1996 and 2004. The next Summit will be in 2012 in Colombia. The unit manages the interagency and multilateral negotiations in support of the periodic summits. In addition, the unit manages the Summit Implementation Review Group that meets quarterly between Summits, and involves managing the interagency process and working closely with host country authorities and the USOAS Joint Summit Working Group.

The office director has done a good job of requiring that both units interact and back each other up, especially during the many intense months in the run up to a Summit. The office director and the summit unit also recruited people interested in short-term assignments —Y tours⁷, reemployed annuitants, temporary duty personnel from WHA, and others—as logistics and other tasks built up for the Summit. When possible, the summit unit provides some back-up to the economic policy unit during intervening years between Summits. The Summit coordination unit is unusual in that the director of the unit is also the deputy to the U.S. Summit Coordinator, who is usually the Ambassador to the USOAS. The summit unit chief is rated by the WHA/EPSC office director and his rating is reviewed by the USOAS Ambassador. This bifurcated work, rating, and review process works well if all personalities get along; they did so for the April 2009 Summit. Results could suffer if personalities do not get along.

The USOAS Ambassador would like to transfer the Summit coordination unit to the permanent USOAS staff. The OIG team reviewed the pros and cons of this

⁷ A “Y tour” is a temporary assignment, usually domestic, for a Foreign Service officer based on special circumstances and the needs of the service.

proposed transfer more thoroughly in the separate inspection of the USOAS. Arguments can be made on both sides, but OIG favors not changing the present status of the Summit coordination unit. The incoming leadership of WHA and USOAS may want to address this issue in the future, create their own options, and decide how to organize this function.

RESOURCE MANAGEMENT

Despite limited resources, the Office of the Executive Director (WHA/EX) performs well in providing support to its customers, both overseas and domestic. The domestic general services office (GSO) could be strengthened. Since the Department-mandated consolidation of many information technology (IT) services in 2008 within the Bureau of Information Resource Management (IRM), such services have declined while costs have increased. As a result, WHA/EX no longer has the authority and resources to meet customer IT needs. The new Department-wide travel order and voucher system, which has many inherent faults, has also raised costs and lowered service levels in WHA. Management controls are generally good in the Bureau.

EXECUTIVE OFFICE OVERVIEW

WHA/EX performs well in supporting domestic and overseas customers. The office comprises an executive director who is supported by 39 employees. Currently, WHA/EX supports 244 domestic employees, including some in the FRC and USO-AS, and 50 overseas embassies and consulates with 2,171 U.S. direct-hire and 7,115 LE staff. Internal and external coordination by WHA/EX is good. Morale is also generally good among the staff. WHA/EX adequately manages the Bureau's total budget (including \$5 million for domestic operations), which is as follows:

Program and International Cooperative Administrative Support Services (ICASS) (Direct and Reimbursement Funding)

FY 2008 \$213 million
FY 2009 \$215 million (projected)

PD (Direct and Reimbursement Funding)

FY 2008 \$32 million
FY 2009 \$38 million (projected)

Representation

FY 2008 \$1 million
FY 2009 \$1 million (projected)

One of the most pressing challenges for WHA/EX is to provide quality support in the Bureau and its overseas missions in carrying out their priorities and day-to-day functions with limited budgetary and staffing resources. At the same time, the Bureau's workload has increased with new mandates and requirements, for example the Merida Initiative⁸ and increases in foreign assistance levels. WHA/EX works closely with bureau management in the planning and implementation of these initiatives. Another challenge for WHA to effectively support its missions includes addressing the impact of the Bureau of Overseas Buildings Operations' recent changes to the global Top 80 project list, which pushed back the date of new construction for embassies in the WHA region, some with buildings that are 40 to 50 years old and in need of repair. In general, WHA embassies do not rank high in terms of the worldwide terror threat, so new WHA building projects were postponed. WHA/EX is working closely with the Bureau of Overseas Building Operations to ensure that its needs are met as much as possible.

WHA has been greatly affected by staffing limitations resulting from Department-wide position freezes in part to staff Embassy Baghdad. WHA has made staffing overseas a priority but at the expense of filling domestic positions. Nonetheless, WHA has responded effectively to gaps by using other mechanisms for filling domestic positions, such as short tours or bridge assignments, reemployed annuitants, fellowships, Presidential Management Fellows, student co-ops, stay-in-school employees, and interns. WHA has also been proactive in its efforts to effectively maximize its scarce resources, including making greater use of information technology and alternate work schedules for its staff. WHA requested 10 new positions (eight overseas Foreign Service, two domestic Civil Service) in the Congressional budget justification for FY 2010.

Regionalization

The FRC is operated by WHA/EX and the regional center director reports to the WHA/EX director. The Bureaus of Administration and Diplomatic Security (DS), IRM, and the Office of Medical Services are located at the regional center. The regional center provides regional support services to WHA missions, particularly the smaller ones. The services provided include human resources and financial management, remote information management, telecommunications technical support, security assistance, medical assistance, procurement, diplomatic courier services, and training. WHA/EX management is engaged and in regular contact with the regional center. The OIG team did not visit or inspect the regional center during the WHA inspection.

⁸ Signed into law on June 30, 2008.

WHA OVERSEAS RESOURCE SUPPORT

The WHA/EX overseas division is divided into three units: assignments, post management, and budget. All units perform well in carrying out their roles in supporting and providing advocacy for overseas posts.

The assignments unit coordinates and liaises well with the Bureau of Human Resources (HR) and WHA offices. WHA assignments officers do a good job recruiting for overseas and domestic Foreign Service positions. Challenges for the assignments staff include the inability to fill WHA positions that have been frozen and allocated to Iraq assignments and coordinating with HR to fill positions vacated because of unexpected curtailments, which it performs effectively.

The WHA/EX post management section, comprising a supervisory officer and four post management officers (PMO), performs its duties effectively, despite one vacancy. The section serves as an advocate for WHA's overseas posts with various Department bureaus and offices on specific and general policy issues affecting the missions in the region. Compared to other regional bureaus in the Department, WHA's missions to PMO ratio is higher than three other bureaus, but lower than two others. The management officers' portfolios are divided geographically and functionally. Their duties include participating on working groups for different Department initiatives and managing programs within WHA/EX, such as the temporary duty program. While the PMO section performs well above average, the Bureau feels it needs an additional PMO position to more effectively provide these services. WHA acknowledges that the Department does not have hiring authority to add such permanent positions at the present time.

Financial Management

The financial management section, led by a Foreign Service supervisory financial management officer and supported by a deputy and three analysts, performs well in managing the Bureau's financial resources and providing support to its overseas posts. Duties of the office include managing, allocating, and monitoring WHA's overseas allotments, preparing WHA budget submissions to the Bureau of Resource Management, developing funding requirements for WHA's BSP, and providing guidance to missions on Department financial management policies and procedures. While most of the financial management staff is relatively new to the section, it performs well under the supervision of the budget director and deputy, and coordinates well with the missions in the region as well as with its Department contacts.

Since arriving in 2008, the budget director has focused on making improvements in areas such as the development of overseas embassies' ICASS targets, more in-depth budget analyses, and internal staff training.

WHA/EX, through the financial management section, is an active participant in the Bureau's BSP process, taking the lead on all components related to the Bureau's State Operations budget request. The office performs this function well. Its responsibilities include reviewing and analyzing individual embassy mission strategic requests for personnel resources to be included in WHA's strategic plan. The office also coordinates with WHA/PDA on all aspects of the PD budget process and BSP.

WHA faces some significant resource challenges that are beyond its control. For example, ICASS funding has not increased at a rate to support position increases at WHA missions abroad to support new priorities and initiatives such as the Merida Initiative and expanded law enforcement and security assistance programs. The bureau anticipates that these requirements will challenge the posts to maintain quality service. Recent ICASS customer service questionnaires show that customers are somewhat less satisfied with services than in the past. Another resource challenge for WHA is its ability to fund salary increases for overseas local employees at the levels that HR approves, as well as other overseas local employee (LE) compensation issues. However, WHA is engaged with the Department in its efforts to address these LE compensation issues.

WHA DOMESTIC RESOURCE SUPPORT

Domestic operations in WHA/EX are generally good. The HR and financial management sections were viewed throughout the Bureau as customer-oriented and engaged. However, the consolidation of WHA's IT services by IRM has resulted in some unhappiness with IT support within WHA, and improvements are needed in some general services customer service attitudes and processes. The new Department-wide travel order and voucher system, E2 systems, has led to problems that are not caused by or unique to WHA.

Domestic Information Technology Consolidation

IT support is a major issue for WHA. In 2008, the Department initiated consolidation of WHA and other bureaus' domestic IT services under IRM. The overall quality of domestic IT services in WHA has declined since consolidation. The for-

mula used by IRM required WHA to give up three of its four IT staff. The Bureau is now also required to pay twice as much for IT services as it did before consolidation, based on the costs for services. IT consolidation cost the bureau \$960,000 for services. WHA estimates that it would cost about \$150,000 to hire someone to handle what IRM terms out-of-scope services for the Bureau. Prior to consolidation, the bureau estimated that costs for the four information staff would be \$500,000. The remaining WHA IT contractor, who is praised by many in WHA for his strong efforts despite the loss of other support personnel, is not authorized to perform some functions, thus leaving WHA to rely on IRM.

WHA believes IRM has tried to be responsive, but realizes that IRM is short-staffed. WHA/EX and IRM representatives meet regularly, and IRM is addressing shortcomings. For example, during the inspection IRM sent out a Department notice announcing that document transfer services between classified and unclassified systems are available for consolidated bureaus.

Still, domestic IT service has declined. There is no longer personalized service for the Bureau, response times are longer, and services cost more. WHA/EX finds increasingly that its sole remaining domestic IT staff member is required to handle out-of-scope requirements that IRM will not accept. Thus, the overseas regional IT PMO has assumed tasks related to domestic IT issues that the domestic staff is not authorized to handle.

Confusion continues regarding the respective roles of WHA and IRM since consolidation. The executive office lacks a MOU or service agreement clarifying the services it will now receive from IRM. The OIG team informally recommended that WHA obtain a copy of the service agreement and use it as a basis for managing its remaining service. WHA believes it needs authority to create a full-time direct-hire information management position, mainly because of security driven tasking limitations placed on contractor employees. WHA also lost its webmaster in the consolidation and would seek to resume this function with the new position. The function was previously performed by a contractor in WHA/EX. Currently, the OIG audits division is doing an audit of the IRM takeover for the whole Department, which could lead to more generalized recommendations to address the concerns of WHA and other bureaus.

Domestic General Services

The general services section performs adequately. GSO activities include purchase card services, asset management, work order execution, supplies, travel, space management, and records service. The staff is experienced and knowledgeable and

WHA lacks a formal orientation program for its employees; many believe that one is needed. New employee orientation in the Bureau is handled informally, consisting mainly of filling out forms in the personnel section and leaving more central matters, such as touring the Department and meeting bureau principals, to each new employee's office. The OIG team informally recommended the Bureau implement a centralized orientation program for new employees to be informed about the Department and the elements of the bureau, as well as a new arrival checklist requiring each entrant to visit each office director for introductions, and to receive instruction from staff assistants in the WHA front office on how to prepare documents.

While WHA/EX makes effective use of alternate work schedules to accommodate its employees, it does not have a bureau-wide policy for alternate schedules. The program is administered inconsistently among offices. The OIG team informally recommended that WHA develop and implement an alternate work schedule policy and disseminate it to all employees in the Bureau.

Equal Employment Opportunity

WHA is attentive to, and supportive of, Equal Employment Opportunity matters, and is hands-on in addressing these matters as they arise.

Domestic Financial Management

The financial management section for domestic operations performs well. The section received high marks in the WHA/EX's customer satisfaction questionnaire. The domestic budget officer, under the supervision of the administrative officer, is the sole full-time employee in the section. The budget officer's primary responsibility is to establish and monitor all obligations for the Bureau's domestic operating allotment of \$5 million. In addition, the financial management section monitors representational funds for WHA and USOAS. A student in the cooperative education program was recently assigned to the section to support the budget officer with clerical duties.

Some improvements are needed in the financial management section's domestic operating budget. Coordination between the budget section and WHA's other offices has fallen behind and the section has not been able to produce timely budget reports for offices this fiscal year. Historically, the financial management section disseminated all office budget reports quarterly. WHA/EX acknowledges that improvements are needed in this area and is working toward quarterly provision of the reports again.

Other than at the end of the fiscal year, there is no routine review of transactions and subsequent adjustment of obligations and unliquidated balances throughout the year. The OIG team informally recommended that WHA review its unliquidated obligations and obligated balances more frequently.

SECURITY

The WHA security program is administered by a newly designated bureau security officer (BSO). The BSO is a Foreign Service officer and a DS special agent assigned to the DS Information Security, Programs, and Applications Division. He is one of ten BSO's serving in a direct-support role to the Department's geographic and functional bureaus. This program was created in 2004 with the purpose of having a subject matter expert BSO serve as the hub in all matters concerning bureau security. The BSO is responsible for developing, inspecting, and advising on procedures and controls for safeguarding classified and administratively controlled information, and for enforcing all associated security regulations. WHA has 13 primary and alternate unit security officers assigned at the directorate or equivalent level.

The BSO is just beginning to fulfill his duties and requirements and is mentored by the former BSO. The new BSO takes a proactive approach to security, has the full backing of the executive office, and is well integrated into the WHA workforce. Security directives are sent out via email, particularly before weekends and holidays, to remind personnel to check their work area for classified and sensitive but unclassified material, and to remind them to properly secure hard drives. The high morale of WHA personnel directly correlates with how they approach personal security awareness. The "buddy system" is used for double checks of colleagues' work areas. The Assistant Secretary receives, on a semiannual basis, a listing of security violation and infractions within the bureau. There is a team effort within WHA to keep violations to a minimum.

Security Incident Program

The OIG team found that the WHA security incident program is well-managed. As set forth in 12 FAM 553.1 a., all security incidents must be reported to DS. There was only one security incident in the last 12 months that was investigated. The investigation concluded the incident was an infraction and not a violation. DS made a judgment that the incident did not result in an actual or possible compromise of information and the violation could not be placed upon any specific individual.

Good security practice in WHA is exemplified by the fact that the Bureau consistently ranks well in terms of the fewest number of security incidents investigated in the six regional bureaus. DS' security incident statistics for CY 2006 through 2008 show the following:

- 2006, WHA ranked second out of six regional bureaus
- 2007, WHA ranked first along with two other regional bureaus
- 2008, WHA ranked second among regional bureaus

Annual Security Refresher Briefing

In accordance with 12 FAM 564.2, all functional bureaus within the Department must provide, at a minimum, annual security refresher training for personnel having continued access to classified information. This is one of many tools used to prevent personnel from becoming indifferent to good security practices. Annual security refresher briefings are conducted Department-wide to reinforce security awareness among personnel. With the assistance of DS, WHA conducts a viable annual security refresher briefing program.

Annual Review of Classified and Sensitive But Unclassified Hardcopy Material

WHA has adopted a policy of reviewing and purging sensitive but unclassified and classified material that is no longer required. Accumulation of unneeded material adds to the risk of an inadvertent compromise of national security or sensitive information. The WHA/EX director has authorized downtime of 1 hour annually for all WHA personnel to review classified and sensitive but unclassified documents in their holdings and identify material for destruction. Although there is no formal Department policy regarding the purging of classified and sensitive information, this action reduces the likelihood of compromise.

Top Secret Control Officer Program

WHA does not have any top secret documents nor is it inclined to store the material, even though they have the capacity to do so. Nevertheless, as directed by 12 FAM 535.1-2 b., the Bureau must assign a primary and alternate top secret control officer. These officers are responsible for properly safeguarding top secret material, to include origination, marking, accountability, storage, duplication, transmission, and destruction per 12 FAM 512.1-6. Neither the WHA primary nor the alternate top

secret control officer have attended the top secret control officer training program provided by the Office of Information Security's program application division. The OIG team made an informal recommendation to have them attend such training.

Special Security Representative

WHA does not have a sensitive compartmented information (SCI) special security representative or SCI control officer on written orders. In accordance with the Director, Central Intelligence Directive 6/1, Section 5.2, a special security representative shall be appointed for any organization that has a subordinate SCI facility. The special security representative will ensure that proper SCI security policy and procedures are implemented for SCI information and physical security controls of the SCI facility itself. This information must also be provided to DS Office of Information Security's special security operations division (DS/IS/SSO).

Recommendation 1: The Bureau of Western Hemisphere Affairs should appoint a primary and alternate special security representative and a sensitive compartmented information control officer in writing and submit the memorandum to the Bureau of Diplomatic Security. (Action: WHA)

Information Systems Security Officer Responsibilities

The BSO is the primary information systems security officer (ISSO) for WHA. He is responsible for the IT security gamut, but lacks IT training and background. The requirements of 12 FAM 622 are being met, but with difficulty. After the IRM consolidation, WHA's systems management analysts were reassigned. Since WHA was directed to have an ISSO, it became a collateral duty for the BSO. Preserving the bureau's information systems integrity and the many duties this entails can be time consuming. For a designated ISSO without an IT background, the position can be overwhelming and many hours must be dedicated to fulfilling this responsibility. The DS training center's introductory course—IA 101 Information Assurance/ Information Systems Security Officer—provides basic background information, but may be difficult to comprehend for individuals without IT experience.

MANAGEMENT CONTROLS

WHA submitted its last annual management controls statement of assurance on August 29, 2008. In the submission, the Assistant Secretary stated that he had “taken the necessary measures to assure that an evaluation of the systems of management controls of WHA was conducted in accordance with 2 FAM 020.” The memorandum also included a report on potential material weaknesses in posts within the bureau, along with corrective action plans. There were no significant management controls deficiencies noted during the inspection and the bureau appears to be attentive to issues of waste, fraud, and mismanagement. However, there is no designated management controls coordinator for the bureau, although the appropriate staff in WHA/EX appears to have noted in their work requirements statements that attention to waste, fraud, and mismanagement is one of their responsibilities. The OIG team made an informal recommendation on this issue.

WORK ORDERS

The OIG team identified an internal control weakness in the work order process. Many WHA customers reported frustration with ordering services and supplies through the general services unit. The most common complaints centered on timeliness and lack of relevant feedback on open orders. These issues occur because the bureau lacks a competent work order and supply request processing system that systematically tracks service commitments. Further, the bureau lacks a management instruction defining processes and setting standards for customer expectations. Work requests and supply orders are made by way of the same paper-based system. As a result of this time consuming and cumbersome process, customers often experience poor service and bureau employees exert time and energy, e.g., researching transactions, that could be put to better use.

Recommendation 2: The Bureau of Western Hemisphere Affairs, in coordination with the Bureau of Information Resource Management, should develop and implement an electronic work order and supply request system that is characterized by a central receiving email account and a work order and supply request tracking schedule, which are operated by the same unit. (Action: WHA, in coordination with IRM)

Recommendation 3: The Bureau of Western Hemisphere Affairs should develop and disseminate to bureau employees a management instruction on the newly implemented electronic work order and supply request system. (Action: WHA)

PERFORMANCE EVALUATIONS

The 2003 OIG inspection of WHA cited a breakdown in documenting evaluation of bureau employee performance. The personnel section has made much progress since then, but work remains. Three months after the due date of evaluation reports, 16 percent of Civil Service performance evaluations for the bureau remained outstanding; many completed ones were not delivered by the due date. Also, 45 days after the due date, only 20 percent of Civil Service employees had performance plans. The performance evaluation function is important for employee morale and in administering a personnel system. HR has appealed to office directors and deputy directors repeatedly, both before and after the pertinent deadlines, to complete Civil Service employee performance plans. The OIG team made an informal recommendation to address this issue.

LIST OF RECOMMENDATIONS

Recommendation 1: The Bureau of Western Hemisphere Affairs should appoint a primary and alternate special security representative and a sensitive compartmented information control officer in writing and submit the memorandum to the Bureau of Diplomatic Security. (Action: WHA)

Recommendation 2: The Bureau of Western Hemisphere Affairs, in coordination with the Bureau of Information Resource Management, should develop and implement an electronic work order and supply request system that is characterized by a central receiving email account and a work order and supply request tracking schedule, which are operated by the same unit. (Action: WHA, in coordination with IRM)

Recommendation 3: The Bureau of Western Hemisphere Affairs should develop and disseminate to bureau employees a management instruction on the newly implemented electronic work order and supply request system. (Action: WHA)

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 bureau's progress in implementing the informal recommendations.

FRONT OFFICE

The bureau leadership must continue to provide guidance on policy and priorities. This guidance must be disseminated to the desk officers so that they can correctly prioritize their work and prepare concise and appropriate memoranda. As part of a mandated bureau-wide freeze of positions to support Department's staffing needs elsewhere, the front office froze one of the three staff assistant positions, with a series of temporary personnel drawn from WHA offices to fill this slot. This has led to some miscommunication.

Informal Recommendation 1: The Bureau of Western Hemisphere Affairs should permanently fill the third staff assistant position to allow for consistent coordination and better workflow.

WHA does not have an effective filing system for cables, memos, and emails for each office. Whenever possible, files need to be stored electronically on shared drives, so that in the absence of an officer, a back-up officer can easily and logically locate work in progress or background material.

Informal Recommendation 2: The Bureau of Western Hemisphere Affairs should develop an effective filing mechanism for each office to store policy and policy development-related documents and emails for easy retrieval that is separate from personal hard-drives.

PD wants a purchase card because of its large number of transactions supporting PD operations.

Informal Recommendation 7: The Bureau of Western Hemisphere Affairs should aggressively promote the Department's individual development plan.

New employee orientation is done informally, consisting mainly of filling out forms in the HR section and leaving more central matters, such as touring the Department and meeting bureau principals, to a new employee's office.

Informal Recommendation 8: The Bureau of Western Hemisphere Affairs should implement a centralized orientation program exposing new employees to the Department and to all the elements of the Bureau.

The Bureau uses alternative work schedules in several offices and depends on Department-wide policies for managing the process. Some employees stated that they would prefer a bureau policy to encourage wider participation in this program.

Informal Recommendation 9: The Bureau of Western Hemisphere Affairs should develop and disseminate a written bureau policy on alternative work schedules.

FINANCIAL MANAGEMENT

There are significant unliquidated obligations and the domestic financial management section does not periodically review and analyze its unliquidated obligation balances.

Informal Recommendation 10: The Bureau of Western Hemisphere Affairs should review and analyze unliquidated obligations monthly and make adjustments accordingly.

SECURITY

Neither the WHA primary or alternate top secret control officers have attended the top secret control officer training program provided by the DS Office of Information Security's program application division.

Informal Recommendation 11: The Bureau of Western Hemisphere Affairs should require that the primary and alternate top secret control officers immediately attend the top secret control officer training provided by the Bureau of Diplomatic Security.

MANAGEMENT CONTROLS

There is no management controls coordinator designated in the bureau.

Informal Recommendation 12: The Bureau of Western Hemisphere Affairs should designate a management controls coordinator for the Bureau in accordance with 2 FAM 020.

Forty-five days after the due date, only 20 percent of Civil Service employees had work requirements statements. HR has repeatedly appealed to office directors before and after the deadline to complete these work requirements statements.

Informal Recommendation 13: The Bureau of Western Hemisphere Affairs should require supervisors of Civil Service employees to complete performance plans and performance appraisals by the applicable due date.

PRINCIPAL OFFICIALS

	Name	Arrival Date (month/year)
Front Office:		
Ambassador/Assistant Secretary	Thomas Shannon	10/05
Principal Deputy Assistant Secretary	Craig Kelly	09/07
Deputy Assistant Secretary	David Robinson	03/08
Deputy Assistant Secretary	Christopher McMullen	08/07
Deputy Assistant Secretary	Roberta Jacobson	05/07
Senior Advisor	Giovani Snidle	09/04
Office Directors:		
Andean Affairs	Kevin Whitaker	07/08
Brazilian & Southern Cone	Milton Drucker	09/07
Canadian Affairs	Edwin Nolan	05/08
Caribbean Affairs	Velia De Pirro	08/07
Central American Affairs	Christopher Webster	08/08
Cuban Affairs	Bisa Williams-Manigault	07/07
Executive Office	James E. Robertson	05/06
Mexican Affairs	Edward Lee	06/08
Policy, Planning & Coordination	William McIlhenny	12/08
Public Diplomacy & Public Affairs	John Dickson	08/08
Regional Economic Policy & Summit Coordination	Matthew Rooney	05/08

ABBREVIATIONS

BBG	Broadcasting Board of Governors
BSO	bureau security officer
BSP	Bureau Strategic Plan
DAS	deputy assistant secretary
DRL	Bureau of Democracy, Human Rights, and Labor
DS	Bureau of Diplomatic Security
DS/IS/SSO	Bureau of Diplomatic Security, Office of Information Security, Special Security Operations Division
FRC	Florida Regional Center
GSO	general services office
HR	Bureau of Human Resources
ICASS	International Cooperative Administrative Support Services
INL	Bureau of International Narcotics and Law Enforcement Affairs
IRM	Bureau of Information Resource Management
ISSO	information systems security officer
IT	information technology
LE	locally employed
MOU	memorandum of understanding
NAFTA	North American Free Trade Agreement
NATO	North Atlantic Treaty Organization
OIG	Office of Inspector General
OMS	office management specialist
PD	public diplomacy
PDAS	principal deputy assistant secretary
PMO	post management officer

SCI	special compartmented information
USOAS	U.S. Mission to the Organization of American States
WHA	Bureau of Western Hemisphere Affairs
WHA/AND	Office of Andean Affairs
WHA/BSC	Office of Brazil and Southern Cone Affairs
WHA/CAN	Office of Canadian Affairs
WHA/CAR	Office of Caribbean Affairs
WHA/CCA	Office of Cuban Affairs
WHA/CEN	Office of Central American Affairs
WHA/EPSC	Office of Regional Economic Policy and Summit Coordination
WHA/EX	Office of the Executive Director
WHA/MEX	Office of Mexican Affairs
WHA/PDA	Office of Public Diplomacy and Public Affairs
WHA/PPC	Office of Policy, Planning and Coordination

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