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

# Report of Inspection

## Compliance Follow-Up Review of Embassy Moscow, Russia

Report Number ISP-C-10-22A, January 2010

### ~~IMPORTANT NOTICE~~

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## PURPOSE, SCOPE AND METHODOLOGY OF THE INSPECTION

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

### PURPOSE

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

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

### METHODOLOGY

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



**United States Department of State  
and the Broadcasting Board of Governors**

*Office of Inspector General*

PREFACE

This report was prepared by the Office of Inspector General (OIG) pursuant to the Inspector General Act of 1978, as amended, and Section 209 of the Foreign Service Act of 1980, as amended. It is one of a series of audit, inspection, investigative, and special reports prepared by OIG periodically as part of its responsibility to promote effective management, accountability and positive change in the Department of State and the Broadcasting Board of Governors.

This report is the result of an assessment of the strengths and weaknesses of the office, post, or function under review. It is based on interviews with employees and officials of relevant agencies and institutions, direct observation, and a review of applicable documents.

The recommendations therein have been developed on the basis of the best knowledge available to the OIG and, as appropriate, have been discussed in draft with those responsible for implementation. It is my hope that these recommendations will result in more effective, efficient, and/or economical operations.

I express my appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in black ink, appearing to read "H.W. Geisel".

Harold W. Geisel  
Deputy Inspector General

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## INTRODUCTION

Compliance follow-up reviews (CFR) by the Office of Inspector General (OIG) provide Department of State (Department) senior managers with progress reports on the status of inspection recommendations and provide OIG with a quality assurance assessment of its work.

This review took place in Washington, DC, between July 27 and August 21, 2009; and in Moscow, Russia between August 22 and September 5, 2009. (b) (6)  
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## OVERVIEW

After a decade of contention over Kosovo, North Atlantic Treaty Organization enlargement, democracy, missile defense, and most sharply of all, the August 2008 Russian intrusion into Georgia, the U.S.-Russian relationship has been more difficult than at any time since the Cold War. At the end of 2008, both governments were at an acrimonious impasse on many of the major issues on their multilateral agendas, and in Russia there was a sharp rise in anti-Americanism, both popular and government induced.

Recognizing the continued central importance of Russia to United States global and regional interests, the Administration has set among its earliest and most important goals, arresting the drift in the bilateral relationship, resetting it, and moving the two nations to a more cooperative path across the whole range of areas of common interest. The U.S. President has twice met with Russian President Medvedev – in London on April 1, and in Moscow from July 6 to 8, 2009. President Obama put his imprimatur on the agenda for the two governments, encompassing:

- a follow-on to Strategic Arms Reduction Talks, with a starting date for negotiations by the end of 2009;
- strengthening cooperation on nuclear security;
- enhanced cooperation on Afghanistan, including transit of lethal supplies through Russia,
- military to military cooperation; and
- the joint commission on Prisoner of War/Missing in Action.

Beyond these specific areas of enhanced cooperation, the two presidents also agreed to create a Bilateral Presidential Commission at the Cabinet level. This overarching structure will involve the whole range of government cooperation. The Secretary of State will visit Moscow in October of 2009 to move the bilateral commission along, and her cabinet colleagues are also picking up the pace of the inter-governmental dialogue.

For Embassy Moscow, conditions have gone from a stalemate in 2008 to a blizzard of activity in 2009, touching on every element of the U.S.-Russian policy interaction. There already has been a quickening of mission activity, including high-level visits and a strengthening of dialogue on regional issues, including Iran, North Korea, Afghanistan, the Middle East, and nonproliferation.

Underlining the President's agenda now driving the Embassy are the ongoing challenges posed by Russian domestic problems, the global financial crisis, and the ongoing intense Russian intelligence activities against the mission and its personnel. Embassy Moscow is once again at the epicenter, with U.S.-Russian relations at center stage.

**Best Practice:** Policy Coordination/Communication

**Issue:** With the advent of the new Administration, the Embassy faces a new, challenging policy environment. Mission members need an understanding of the policy framework in which the Embassy will operate, including overall mission goals and U.S. interests in its relationship with Russia. In addition, mission members should have a sense of participation and the opportunity to put forward their own contributions.

**Response:** As the Embassy starts to implement the ambitious agenda developed out of the July 2009 Obama-Medvedev summit, the Ambassador is scheduling individual, hour-long meetings with embassy sections and other agency offices in the mission, to discuss mission goals, U.S. interests in Russia, and specific issues that are relevant to each mission element.

**Result:** The mission will have an enhanced sense of cohesion as it embarks on the new era in U.S.-Russia relations. Embassy executive leaders will hear first-hand the reactions and feedback from the officers working on these issues. The mission will be able to better focus its efforts to meet overall mission goals in the new policy environment.

## COMPLIANCE

In assessing the 2006 OIG inspection, the CFR team concluded that the Embassy and the OIG team managed the inspection process in a professional, cooperative manner. The formal recommendations dealt objectively with major issues and procedural matters, and the Embassy responded positively, as reflected in the high rate of recommendation closures. In its review, summarized below, the CFR team found that the Embassy also handled the informal recommendations appropriately and documented its actions.

The Report of Inspection for Embassy Moscow and Constituent Posts, dated March 2007 (ISP-I-07-15A), contained 45 formal recommendations and 92 informal recommendations, on a wide variety of operational issues. Prior to this CFR, OIG had closed all 45 of the formal recommendations through the regular compliance process. In its review of the formal recommendations, the CFR team confirmed compliance with 44 recommendations and reissued one, concerning consolidation of administrative issues, as a formal CFR recommendation. The team issued two new formal recommendations, relating to personnel rightsizing and property disposal. In its review of the 92 informal recommendations from the earlier report, the CFR team found satisfactory compliance.

The CFR team also reviewed the 36 formal recommendations and 29 informal recommendations in the Classified Annex to the Report of Inspection for Embassy Moscow, Russia, and Constituent Posts (ISP-I-07-15A), issued in March 2007. Prior to this CFR, OIG had closed 26 formal recommendations through the regular compliance process. The CFR team was able to close seven of these recommendations, but determined that three recommendations should be reissued as formal CFR recommendations. The CFR team also reviewed the 29 informal recommendations in that report and found satisfactory compliance with all.



## KEY ISSUES

### RIGHTSIZING THE MISSION

Over the past decade, Embassy Moscow has progressively shrunk, reflecting the recognition that the post had grown too large and that other priorities demanded the Department's limited resources. The OIG inspectors and embassy leadership were in agreement about taking the post to a smaller fit, and the Embassy rightly addressed a number of effective streamlining initiatives. It also downsized Consulate General St. Petersburg, making it an unclassified lock-and-leave post and eliminating the Marine security guard detachment. The Embassy's State Department offices also absorbed reductions, including ten global repositioning slots. The Embassy streamlining implicitly reflected the decade-long atrophy of many of the threads in the U.S.-Russian relationship, which hit a nadir in the August 2008 confrontation over Georgia.

With the arrival of the new Administration in January 2009, Embassy Moscow moved almost literally overnight from being retrenched to actively managing a growing portfolio of important issues in our nation's agenda, engaging the most senior levels of the U.S. Government.

Having successfully downsized over the past three years, the Embassy must now address whether it has the resources to deal adequately with its new challenges. The overview section of this report describes the new presidential agenda for strengthening bilateral, regional, and global cooperation with Russia. Each agenda element translates into new, high priority requirements for the Embassy and its components. In reviewing the Embassy's laudable rightsizing efforts in the context of the 2006 inspection, the Embassy and the CFR team recognized that the Embassy now faces an entirely different challenge — strengthening the mission for a sustained surge in carrying out the Administration's new, broad-ranging Russian policy initiatives.

The OIG team and the Embassy agree that Embassy Moscow should address its resource requirements, particularly personnel resources, to be sure it is prepared to support adequately the President's agenda and maintain its ongoing responsibilities. At present, 13 Bilateral Presidential Commission working groups have been named and are co-chaired by cabinet and subcabinet officers of the two governments. The Secretary of State, who is the U.S. Commission Coordinator, will be in Moscow on

October 13 and 14, 2009, for a formal commission launching. The expectation is that the working groups will convene at least once before the end of the year. While its ultimate dimensions and scope are as yet undefined, the Bilateral Presidential Commission will demand support from many mission elements, bearing most heavily on the environment, science, and technology section and Economic section, both of which are viewed as already understaffed for and stressed by their present workload. Other sections also have identified the possible need for help, depending on how the Bilateral Presidential Commission takes shape.

The environment, science and technology section was reduced from nine to five direct-hire staff. It was further diminished by long staffing gaps, the deputy position having been vacant for a year. This section copes with a broad array of high-priority subjects, including nuclear nonproliferation, satellites, space debris, and health policy and infectious diseases. In the past year, the section also has dealt with more than 150 visitors from 17 different agencies and multilateral organizations. The section's workload is expected to grow even more with its support of three Bilateral Presidential Commission working groups. Its present staffing level is inadequate for its current workload, and, without augmentation, the section will not be able to manage additional responsibilities. It needs two direct-hire positions: a health officer and a science/technology officer.

The economic section lost three positions during the embassy restructuring that took place in 2005. Complying with Recommendation 4 to reassign to the Department of Homeland Security the responsibility for supporting the Transportation Security Administration did little to reduce the section's heavy workload. With its reduced staff, the section had to prioritize its work, focusing its resources on key issues driven by the bilateral agenda. Some subjects have not received sufficient attention, including trade policy, customs issues, and civil aviation. Adding an entry-level trade officer position would address this reporting gap.

Despite its staffing constraints, the section's employees work in a collegial, mutually supportive environment. In its FY 2011 Mission Strategic Plan, the Embassy requested an entry-level economic officer position to serve as a junior trade officer. The CFR team endorses this request but believes the Embassy needs the position now, and that the Department should establish it.

More broadly, the Embassy and the OIG team agreed that the mission needs to assess its current staffing levels in light of its expanded policy agenda. It faces significantly changed circumstances from the situation it faced as recently as the beginning of 2009. While the embassy does not need to revert to its former resource levels, it will need limited staff augmentation, certainly in its economic and environment, science and technology sections.

**CFR Recommendation 1:** Embassy Moscow should assess its personnel resource requirements and submit the assessment to the Department. (Action: Embassy Moscow)

## NEW UNCLASSIFIED OFFICE ANNEX

At the time of the 2006 inspection, the need for a new office annex in place of the former chancery had long been recognized and decided upon, but disagreements over design, location, and subsequent financial issues have delayed the project. When the 2006 inspection took place, the earliest estimated start date for the project was FY 2008; in the summer of 2009, it was moved to 2023; and the last development had the project being considered in an interagency context. Because of the mission's longstanding concerns for personnel safety and security, the Ambassador has made it a personal priority to fix a firm, early start date for the project. The OIG team concurs with the Ambassador's assessment regarding the safety and security issues posed by the present structure and believes the Department should establish a firm start date for the project's initiation, consistent with its priority. A recommendation and further background are contained in the classified annex to this CFR report.

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## EMBASSY/U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT MANAGEMENT CONSOLIDATION

The 2007 inspection report recommended that Embassy Moscow develop and implement a plan to consolidate motor pool, warehouse, and inventory management operations of U.S. agencies in Moscow. OIG compliance closed the recommendation on the grounds that the embassy had asked for additional help from the Department to carry out consolidation.

Embassy Moscow and the U.S. Agency for International Development have made little progress toward consolidating management functions. In July 2008, the Embassy and U.S. Agency for International Development submitted a Joint Administrative Platform Consolidated Plan to the joint management council, with a request for comment and for assistance to move forward with consolidation. Since then, there has been no action, and the mission has not moved on consolidation. Consequently, the CFR team reissues the recommendation from the 2007 inspection report.

**CFR Recommendation 2:** Embassy Moscow should develop and implement a plan, including a timeline, to consolidate motor pool, warehouse, and inventory management operations of U.S. agencies in Moscow. (Action: Embassy Moscow)

## PROPERTY MANAGEMENT

The 2007 inspection report recommended that Embassy Moscow establish countrywide milestones for disposal of nonexpendable property. A review of Consulates Yekaterinburg and Vladivostok show that property inventories continue to increase, because of uncertainties about disposal. Vehicle disposal is particularly troublesome, because duties must be paid on the full value of the vehicle at the time of duty-free import.

**CFR Recommendation 3:** Embassy Moscow should work with the Foreign Ministry to establish a method of property disposal. (Action: Embassy Moscow)

## OTHER ISSUES

### Executive Office

There were no OIG inspection recommendations relating to the executive direction of the mission. Indeed, the Ambassador and the deputy chief of mission (DCM) were highly praised for their performances. In the course of the CFR, the team found a similar situation prevailing. Section chiefs and key representatives of other agencies expressed general admiration for the Ambassador's policy leadership, executive direction of the mission, and public diplomacy outreach (the Ambassador is fluent in Russian). He is viewed throughout the mission as an outstanding representative of U.S. interests in Russia.

The DCM also was highly praised by embassy staff members and other mission elements, who attest that he is hands-on and positive in grappling with their problems. Several people described him as exactly what a DCM should be. Both the Ambassador and DCM take particular care in conveying to the staff their concern about the security, safety, and morale of the mission community. Both were fully supportive of the CFR process and were open and positive with regard to the team's findings.

### Management Section

The OIG inspection found Embassy Moscow to be "...well managed, operating in a security environment unknown in most embassies." The CFR team discussed formal and informal recommendations with the minister counselor for management and other section officers. All recommendations were either closed or handled appropriately, with one exception: Recommendation 31, which called for a timeline for consolidating International Cooperative Administrative Support Services (ICASS) and U.S. Agency for International Development management functions, was closed. The CFR team discovered that work stopped at the planning stage and consequently reopened that recommendation. The CFR team found the minister counselor to be conversant with the issues that were raised in the OIG report and well-prepared to engage with new or reopened recommendations.

Management support for constituent posts is commented on elsewhere in this report. During CFR team discussions, the minister counselor was clearly empathetic with the problems of management at posts that are some distance from the capital, and he acknowledged that the embassy is responsible for taking a leadership role on issues requiring interaction with the host government.

## Consular Affairs

The embassy consular section continues to occupy an inadequate and illogically configured workspace. Nonetheless, the section has worked creatively to rationalize workflow, and it has instituted new, more efficient procedures. A review of the consular sections in St. Petersburg, Yekaterinburg, and Vladivostok revealed close coordination with the Embassy to meet key objectives.

The section has complied with all formal recommendations in the 2007 inspection report by reducing officer staffing, adjusting supervisory responsibility, and placing in the fraud prevention unit a locally employed staff member who is under the supervision of the assistant regional security officer-investigator. It also has fulfilled informal recommendations by redesigning workflow patterns to improve efficiency and relocating some officer workspaces. Current staffing is sufficient for the immediate future, but prolonged staffing gaps adversely affect workload and reduce its ability to lend consular officers to its constituent posts and neighboring embassies.

## Political Section

The political section, having complied with Recommendation 3 to eliminate the separate deputy counselor position, further simplified its structure by folding the formerly separate political/military subunit into the external affairs unit. The section now comprises its traditional two main units of internal and external political affairs, which is a more efficient structure. Still carrying a heavy workload of visitors and demarches, the section fulfills its primary responsibilities in a relaxed atmosphere, enhanced by a system of assigned backup officers who can take on the portfolio of a temporarily absent officer. The section required no new recommendations.

## Law Enforcement

The embassy representative of the Bureau of International Narcotics and Law Enforcement Affairs (INL) confirmed that Recommendation 6, to phase out assistance to the MiraMed Foundation, was closed. The original grant was phased out in 2007. INL believes that, by focusing on rule of law and judicial reform issues, the embassy can create a platform to combat human trafficking, corruption, environment crimes, and other issues of concern.



### Yekaterinburg

At Yekaterinburg, there were two formal recommendations concerning visa issues, which OIG compliance considered closed. A third recommendation, identified as the most crucial at the consulate general, was resolved when the Bureau of Overseas Buildings Operations approved the lease for the proposed consul general's residence. The consulate general contracting officer signed the lease agreement on April 11, 2007.

### Vladivostok

At Consulate General Vladivostok, both formal recommendations in the 2007 inspection report have been resolved. The first was to rebuild political and economic subject files, and the other was resolved in the May 2007 visit of an information management technical specialist from Embassy Moscow to address wiring issues.

## FORMAL RECOMMENDATIONS

**CFR Recommendation 1:** Embassy Moscow should assess its personnel resource requirements and submit the assessment to the Department. (Action: Embassy Moscow)

**CFR Recommendation 2:** Embassy Moscow should develop and implement a plan, including a timeline, to consolidate motor pool, warehouse, and inventory management operations of U.S. agencies in Moscow. (Action: Embassy Moscow)

**CFR Recommendation 3:** Embassy Moscow should work with the Foreign Ministry to establish a method of property disposal. (Action: Embassy Moscow)



## INFORMAL RECOMMENDATIONS

The CFR team has not issued any new informal recommendations.



## PRINCIPAL OFFICIALS

	Name	Arrival Date
Ambassador	John R. Beyrle	7/3/08
Deputy Chief of Mission	Eric S. Rubin	7/21/08

### Chiefs of Sections:

Consular	Richard Beer	6/29/09
Economic	Matthias Mitman	Arrives 9/09
Environment, Science and Technology	Deborah Klepp	8/28/08
Law Enforcement Policy and Assistance Management	Peter Prahar	8/15/07
Political	Elizabeth Agnew	8/15/08
Public Affairs	Susan Elliott	Arrives 9/09
Regional Security	Michael Hurley	8/13/09
Consul General St. Petersburg	Kurt Rice	8/4/09
Consul General Vladivostok	Sheila Gwaltney	8/15/08
Consul General Yekaterinburg	Thomas Armbruster	7/2/07
	Tim Sandusky	8/1/08

### Other Agencies:

DOA/Foreign Agricultural Service	Scott Reynolds	6/22/08
DOC/U.S. and Foreign Commercial Service	Beryl Blecher	9/6/07
DOD/Defense Threat Reduction Office	Andrew Berrier	7/20/09

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Department of Defense	Daniel Eagle	6/17/09
JCSD/Prisoners of War/Missing in Action	Larry Beisel	7/31/08
Department of Energy	Christine Buzzard	3/10/09
DHS/Bureau of Citizenship and Immigration Services	Suzanne Sinclair-Smith	7/21/07
DHS/Bureau of Immigration and Customs Enforcement	Adam Levine	2/27/09
DHS/U.S. Secret Service	David Thomas	7/17/09
DOJ/Drug Enforcement	Timothy Jones	9/13/07
DOJ/Federal Bureau of Investigation	Bryan Earl	8/10/07
National Aeronautics and Space Administration	vacant	
U.S. Agency for International Development	vacant	

## ABBREVIATIONS

CFR	Compliance follow-up review
Department	Department of State
DHS	Department of Homeland Security
DCM	Deputy chief of mission
AECA	American Employee Community Association
ICASS	International Cooperative Administrative Support Services
IMTS	Information Management Technical Specialist
INL	Bureau of International Narcotics and Law Enforcement Affairs
OIG	Office of Inspector General
PAS	Public affairs section



## APPENDIX

### STATUS OF 2007 INSPECTION FORMAL RECOMMENDATIONS

**Recommendation 1:** Embassy Moscow should require a National Security Decision Directive-38 submission for any temporary duty position that has been filled continuously for more than one year. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

CFR Finding: The Embassy and the Department's Office of Management Policy, Rightsizing and Innovation confirm that the embassy complies with National Security Decision Directive 38 (NSDD-38) requirements.

**Recommendation 2:** Embassy Moscow, in coordination with the Bureau of European and Eurasian Affairs and the Bureau of Consular Affairs, should conduct a staffing review of Consulate General St. Petersburg to evaluate the mix of reporting, outreach, consular, and management skills required by the visitor workload and the preparations for an eventual move to more appropriate facilities. (Action: Embassy Moscow, in coordination with EUR and CA)

**Pre-CFR Status:** Closed.

CFR Finding: As a result of the review of St. Petersburg staffing in 2007, the consulate general was converted to a lock-and-leave post, the Marine security guard detachment was removed, and contractor personnel were removed. The mission plans to further review staffing in the future, when the consulate general finds new office space.

**Recommendation 3:** Embassy Moscow, in coordination with the Bureau of European and Eurasian Affairs and the Bureau of Human Resources, should eliminate the separate deputy counselor position (10305002) in the political section. (Action: Embassy Moscow, in coordination with EUR and HR)

**Pre-CFR Status:** Closed.

**CFR Finding:** The Embassy eliminated the deputy counselor position. An officer in the section is designated as deputy to take over in the absence of the section chief. But it does not constitute another layer for supervision and cable clearance.

**Recommendation 4:** Embassy Moscow should reassign responsibility for supporting the Transportation Security Administration to the Department of Homeland Security. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** The Department of Homeland Security (DHS) now supports the Transportation Security Agency. When Transportation Security Agency representatives visit the embassy, they go directly to DHS where the DHS chief or, in his absence, the deputy chief assists them.

**Recommendation 5:** Embassy Moscow should propose, and the Bureau of International Security and Nonproliferation Policy should approve, changes in the oversight of U.S. contributions to the International Science and Technology Center making Embassy Moscow more responsible for their effective use. (Action: Embassy Moscow, in coordination with ISN)

**Pre-CFR Status:** Closed.

**CFR Finding:** The Embassy has encountered problems with the Government of Russia over the status of the International Science and Technology Center, an intergovernmental organization. Unable, so far, to clarify the Center's status, the Bureau of International Security and Nonproliferation Policy, Office of Cooperative Threat Reduction, continues to oversee U.S. contributions to the Center.

**Recommendation 6:** The Bureau of International Narcotics and Law Enforcement Affairs, in coordination with Embassy Moscow and the Office to Monitor and Combat Trafficking in Persons, should complete the phasing out of assistance to the MiraMed Foundation ordered by the Deputy Secretary. (Action: INL, in coordination with Embassy Moscow and G/TIP) (Action reassigned to G/TIP)

**Pre-CFR Status:** Closed.

**CFR Finding:** The Embassy, the Bureau of International Narcotics and Law Enforcement Affairs and the Office to Monitor and Combat Trafficking in Persons confirmed that the original grant to the MiraMed foundation has been completely phased out.

**Recommendation 7:** Embassy Moscow should revise all public affairs section position descriptions to indicate current chain of command and workload and reclassify the locally employed staff positions as necessary. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** The PAS has revised its position descriptions and reclassified locally employed staff positions.

**Recommendation 8:** The Bureau of Consular Affairs should reposition the deputy consul general position from Moscow to a consular section with fewer management resources. (Action: CA)

**Pre-CFR Status:** Closed.

**CFR Finding:** The deputy consul general position was repositioned to another consular section upon the June 2009 departure of the incumbent from Moscow.

**Recommendation 9:** Embassy Moscow should redistribute the work requirements currently assigned to the deputy consul general among the consul general, one or more unit chiefs, the consular office management specialist, and a rotational staff aide. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** Work requirements among consular managers were redistributed in 2007, and again in 2009, following the departure of the deputy consul general and the arrival of an office management specialist.

**Recommendation 10:** The Bureau of Consular Affairs should reposition two of the entry-level immigrant visa officer positions, when the incumbents complete their tours, to another mission's consular section with a higher priority need. (Action: CA)

**Pre-CFR Status:** Closed.

**CFR Finding:** Two entry-level positions in the immigrant visa unit were repositioned in mid-2008, when the incumbents completed their tours in Moscow.

**Recommendation 11:** Embassy Moscow should verify that Consulate General Yekaterinburg complies with all required visa refusal and issuance review policies. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** After 2007 consultations between Embassy Moscow and Consulate General Yekaterinburg, both offices confirm that the consulate general regularly conducts supervisory reviews of visa issuances and refusals.

**Recommendation 12:** Embassy Moscow should submit its guidelines for processing Visa Mantis cases for U.S. Government-sponsored travel to the Bureau of Consular Affairs for an interagency review. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** After submitting the Mantis visa processing guidelines to the Bureau of Consular Affairs for interagency review, Embassy Moscow began to use standard guidelines for these cases in early 2007 and continues to do so.

**Recommendation 13:** Embassy Moscow should verify that Consulate General Yekaterinburg complies with mandated visa referral system policies. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** After the 2007 consultations between Embassy Moscow and Consulate General Yekaterinburg, both offices confirm that Consulate General Yekaterinburg complies with mandated visa referral system policies.

**Recommendation 14:** Embassy Moscow, in coordination with the Bureau of Consular Affairs, should reach an agreement with the Department of Homeland Security, U.S. Citizenship and Immigration Service, regarding authority for I-600 adjudication. (Action: Embassy Moscow, in coordination with CA)

**Pre-CFR Status:** Closed.

**CFR Finding:** Embassy Moscow received authority in early 2007 to adjudicate I-600 orphan visa petitions from the Department of Homeland Security, U.S. Citizenship and Immigration Services (USCIS). This authority was subsequently devolved to U.S. Citizenship and Immigration Services in March 2009 to permit the consular section to concentrate its resources on core functions.

**Recommendation 15:** Embassy Moscow should authorize the current assistant regional security officer-investigator to task and supervise the current locally employed incumbent of position C31218 to carry out the consular section's fraud prevention goals. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** In November 2006, the position description for the locally employed incumbent of position C31218 in the consular section fraud prevention unit was rewritten. The assistant regional security officer-investigator was named as supervisor, and that relationship remains in effect.

**Recommendation 16:** Embassy Moscow should identify, in consultation with each constituent post, specific areas where assistance by the Embassy would be appropriate. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** Embassy Moscow responded with a detailed list of constituent post visits and the specific areas where temporary support was provided.

**Recommendation 17:** Embassy Moscow, when sending staff to the constituent posts, should create a work plan outlining expected accomplishments and a reporting mechanism to measure achievements or follow-up actions. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** The Embassy responded with a detailed list of visits and plans for sending staff to constituent posts.

**Recommendation 18:** The Bureau of European and Eurasian Affairs, in coordination with Embassy Moscow, should review the need for contract positions in the constituent posts. (Action: EUR, in coordination with Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** The Embassy reviewed the need for contract positions. There are no contract positions or plans to establish such positions at constituent posts.

**Recommendation 19:** Embassy Moscow should transfer inventory responsibility for facilities expendables to the property management unit and perform a complete inventory and reconciliation of facilities expendables prior to the submission of the embassy's property management report to the Department. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** The supervisory general services officer in property management now manages the facilities expendable supplies.

**Recommendation 20:** Embassy Moscow should establish countrywide milestones to dispose of excess property and use all methods of disposal in accordance with Department regulations. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** Milestones are in place, and disposal sales are held regularly.

**Recommendation 21:** Embassy Moscow, in coordination with the Bureau of Administration, should reconcile the country vehicle fleet inventory, fully documenting and justifying discrepancies and changes, and establish a valid inventory. (Action: Embassy Moscow, in coordination with A)

**Pre-CFR Status:** Closed.

**CFR Finding:** The supervisory general services officer has been designated motor vehicle accountable officer. Vehicles have been counted and the inventory is accurate.

**Recommendation 22:** Embassy Moscow should stop assigning exclusive use of official vehicles for public affair sections' deliveries and identify alternate ways to meet those sections' transportation needs. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** The Embassy has stopped assigning vehicles for the exclusive use for public affairs deliveries.

**Recommendation 23:** Embassy Moscow should establish in writing and implement required procedures and controls for purchase orders to comply with Department regulations. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** The Embassy has procedures in writing and is following the purchase order process.

**Recommendation 24:** Embassy Moscow should establish a system for the management of blanket purchase agreements that meets Department regulations. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** The Embassy has established a system and is observing Department regulations for blanket purchase agreements.

**Recommendation 25:** Embassy Moscow should assign nonforeign affairs agency personnel to government-owned properties only when the housing requirements of the foreign affairs agencies have been met. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** The Embassy assigns housing to nonforeign affairs agency personnel only when there is no foreign affairs agency employee awaiting a housing assignment.

**Recommendation 26:** Embassy Moscow should cease the practice of collecting offsets from nonforeign affairs agencies for occupying government-owned housing. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** The Embassy no longer collects offsets from nonforeign affairs agencies.

**Recommendation 27:** The Bureau of Overseas Buildings Operations, in coordination with the Office of the Legal Adviser, should ascertain whether the offsets are an augmentation of the Department's appropriation, determine whether the funds need to be returned to the other agencies, and return the funds, if necessary. (Action: OBO, in coordination with L)

**Pre-CFR Status:** Closed.

**CFR Finding:** The Embassy has not yet received instructions from the Bureau of Overseas Buildings Operations and the Office of the Legal Adviser, though it no longer collects offsets.

**Recommendation 28:** Embassy Moscow should adjust timeliness standards for all constituent post vouchers to ensure that vouchers are completed in the same timeframe as Embassy Moscow vouchers. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** The Embassy adjusted timeliness standards for all constituent post vouchers.

**Recommendation 29:** Embassy Moscow should review three years worth of prior year deobligations to determine the types of transactions being overestimated, identify the offices or individuals who overestimate obligations, and instruct them on the appropriate lower estimates that should be used. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** The Embassy now exercises heightened oversight of obligations and deobligates unliquidated obligations in a timely manner. The Department's outside auditors recently sent a team to Moscow that looked into unliquidated obligations and was satisfied with Moscow's procedures.

**Recommendation 30:** Embassy Moscow should notify the Bureau of Resource Management and the Bureau of Administration for corrective action if the embassy's analysis indicates that the problems are systemic. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** Embassy Moscow found that the problems are not systemic.

**Recommendation 31:** Embassy Moscow should develop and implement a plan with a timeline to consolidate motor pool, warehouse, and inventory management operations of U.S. agencies in Moscow. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** The U.S. Agency for International Development and Embassy Moscow ICASS have not made progress on actual consolidation of motor pool, warehousing, and inventory management as recommended. The embassy now believes it is ready to move forward. Since consolidation was not accomplished, the recommendation has been reissued as Recommendation CFR 2.

**Recommendation 32:** Embassy Moscow should request, and the Bureau of Human Resources, the Bureau of European and Eurasian Affairs, and the Bureau of Information Resource Management should create, an additional full-time direct-hire information management specialist position. (Action: Embassy Moscow, in coordination with HR, EUR, and IRM)

**Pre-CFR Status:** Closed.

**CFR Finding:** An additional position in Information Management was requested as recommended, but has not been established. The embassy will continue to advocate for the position. The recommendation should be closed.

**Recommendation 33:** Embassy Moscow should evaluate the Department's universal trouble ticket software for implementation at the embassy and constituent posts if the system operates with sufficient expediency. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** Trouble ticket software is in transition, and the embassy will adopt the new system when available. The recommendation should be closed.

**Recommendation 34:** Embassy Moscow, in coordination with the Bureau of Human Resources, the Bureau of European and Eurasian Affairs, and the Bureau of Information Resource Management, should designate the information management officer in Moscow as the rating officer for the information management technical specialists based in Moscow. (Action: Embassy Moscow, in coordination with HR, EUR, and IRM)

**Pre-CFR Status:** Closed.

**CFR Finding:** The Regional Information Management Center in Frankfurt has assumed rating duties for the information management technical specialists in the region. The embassy IMO has input into the information management technical specialists' rating. The embassy has been informed that the same system is in place worldwide. The recommendation should be closed.

**Recommendation 35:** Embassy Moscow should provide the St. Petersburg's management officer more oversight as well as the mentoring training needed to oversee the consulate's financial management and human resources operations. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** The embassy management section provided extensive training to Consulate General St. Petersburg management staff. The recommendation should be closed.

**Recommendation 36:** Embassy Moscow should establish and implement inventory procedures for all Consulate General St. Petersburg's expendable and nonexpendable property. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** The embassy management section sent a team to the consulate general to establish procedures and train staff. The recommendation should be closed.

**Recommendation 37:** Embassy Moscow should clarify whether the consulate general or the embassy has responsibility for monitoring the status of funds and status of voucher payments for all of Consulate General St. Petersburg operations. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** A standard operating procedure was established detailing responsibility for monitoring status of funds. The recommendation should be closed.

**Recommendation 38:** Embassy Moscow should instruct Consulate General St. Petersburg to establish a monthly schedule for reviewing status of obligation reports generated either internally or by Embassy Moscow. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** The Embassy provided access to reports and training in how to use the system to monitor status of allocations. The recommendation should be closed.

**Recommendation 39:** Embassy Moscow should reconcile the inventory of information technology equipment at Consulate General St. Petersburg and update the inventory in the e-score database. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** The information technology inventory was brought up to date and reconciled. The recommendation should be closed.

**Recommendation 40:** The Bureau of Overseas Buildings Operations should approve the lease of the proposed Yekaterinburg consul general residence at ul. Mamina-Sibiriyaka 126, apt. 36. (Action: OBO)

**Pre-CFR Status:** Closed.

**CFR Finding:** The Bureau of Overseas Buildings Operations approved the lease for the proposed consul general residence in early 2007, and the consulate general signed the lease agreement on April 11, 2007.

**Recommendation 41:** Embassy Moscow should rebuild political and economic subject files at Consulate General Vladivostok and provide clear guidance to all constituent posts on what files can be managed by locally employed staff. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** Political and economic subject files at Consulate General Vladivostok were rebuilt and are maintained largely on shared computer drives. Guidelines for access and maintenance by locally employed staff are in place.

**Recommendation 42:** Embassy Moscow should request, and the Bureau of Information Resource Management should provide, a cable remediation team to improve cabling, optimize network bandwidth, and develop wiring diagrams of Consulate General Vladivostok. (Action: Embassy Moscow, in coordination with IRM)

**Pre-CFR Status:** Closed.

**CFR Finding:** An information management technical specialist from Embassy Moscow visited Consulate General Vladivostok in May 2007 to address wiring issues. The October 2008 contract with another internet service provider expanded available bandwidth and optimized connectivity.

**Recommendation 43:** Embassy Moscow should establish a system to monitor sales of duty free alcohol to prevent unauthorized resale. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** In 2007, the American Embassy Community Association created a point-of-sale system based on membership number and duty-free eligibility to track purchases of alcohol and other tax-free items. The CFR team observed its operations, which function effectively.

**Recommendation 44:** Embassy Moscow should assign receiving duties to appropriate personnel, maintain separation of duties among the property management staff, and establish a central receiving area in Consulate General St. Petersburg. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** Consulate General St. Petersburg has assigned a receiving officer, separated the duties of property staff, and established a central receiving area.

**Recommendation 45:** Embassy Moscow should designate a staff member to track and measure compliance with the informal recommendations made during the inspection. (Action: Embassy Moscow)

**Pre-CFR Status:** Closed.

**CFR Finding:** The CFR team determined that the embassy satisfactorily complied with all informal recommendations in the months following the 2006 inspection report.

## STATUS OF 2007 INSPECTION INFORMAL RECOMMENDATIONS

Embassy Moscow has appropriately addressed all informal recommendations issued in the 2007 inspection report.

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