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

Report of Inspection

Embassy
Skopje, Macedonia

Report Number ISP-I-10-37A, March 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 for the U.S. Department of State (Department) and the Broadcasting Board of Governors (BBG).

PURPOSE

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

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

METHODOLOGY

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



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

Office of Inspector General

PREFACE

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

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

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

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

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

Harold W. Geisel
Deputy Inspector General

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KEY JUDGMENTS

- Embassy Skopje and its Ambassador provide an unusual high-profile leadership and authority to solving problems and dampening crises in a region of major importance to the United States.
- The Mission Strategic Plan's (MSP) goals derive from North Atlantic Treaty Organization (NATO) and European Union (EU)-prescribed benchmarks that Macedonia must meet in order to join them. First among the MSP goals is rule of law, but the plan is inconsistent in the importance attached to this goal and the resources dedicated to it. There is also a need for an active embassy coordinating group to bring together elements working in this area. Otherwise, program implementation benefits from active front office interest and good coordination.
- The highly operational political/economic section is regularly diverted from normal reporting and policy support by many incipient regional crises. The public affairs section pursues an active and effective program with laudable outreach while supporting an Ambassador with a natural inclination for and considerable experience in public diplomacy. The small consular section, which also provides services to neighboring Pristina, is fully integrated into embassy operations, performs well, and is well led.
- Overall, morale is good. It stems from a congenial atmosphere in the workplace, from good and compassionate leadership, and from responsive management.
- The April move to the new embassy compound was accomplished with minimum disruption. Department of State-U.S. Agency for International Development (USAID) management platforms have been consolidated, and agreement has been reached with Embassy Pristina to share its health practitioner. All are major accomplishments.

- The human resources (HR)

unit chief position should be made full-time by reprogramming the second general services officer position on the departure of the incumbent.

- Using the latest technology, the information management section implemented a telecommunications program that significantly reduces recurring costs for mobile telephone usage.

The inspection took place in Washington, DC, between September 8 and 25, 2009, and in Skopje, Macedonia, between October 12 and 23, 2009.

CONTEXT

With the help, encouragement, and insistence of the international community, Macedonia is working to resolve its many problems and move with its neighbors into the Euro-Atlantic community. In the overall interest of Balkan peace and stability, the United States strongly backs this aim and participates with its allies in the efforts needed to make it come to pass. This makes for a very complicated policy setting in which foreign representatives, including the American Ambassador, play an important consultative role in the policies and legislation of the government to which they are accredited.



Although Macedonia has met all of NATO's criteria for membership, it still needs to meet the benchmarks that the EU has established. This requires fundamental internal reforms to overcome the country's tradition of corrupt and politicized government with weak institutions, its anemic economy and high unemployment, and its pervasive inter-ethnic tensions. Together with representatives of the concerned countries and organizations in a "heads of mission" setting, the U.S. Ambassador meets with the Prime Minister and cabinet members, listens to their presentations regarding policies, legislation, or accomplishments, and offers advice.

The U.S. Ambassador in Skopje plays another key role. Macedonia has a population of about 2.2 million people, 65 percent are ethnic Macedonians and 25 percent are ethnic Albanians. The two communities have not always gotten along very well and in 2001, civil strife broke out between the two groups. NATO mediation, in which the United States played an active role, ended the affair and brought about the Ohrid Framework Agreement, which is largely a compendium of Macedonian pledges to better integrate its ethnic communities. The United States is one of the guarantors of that agreement. Representatives of the guarantor powers meet regularly to review progress and to determine whether the pledges are being carried out. A negative report from any of these groups would constitute a serious setback in Macedonia's negotiations with the EU.

The unusual policy framework in Macedonia also has several peacemaking dimensions in which the American Ambassador is seen as a fixer, one who either alone or with his colleagues can get things done. For example, the Macedonians urged that through his colleague in Pristina he persuade the Kosovars to be reasonable on the October 2009 border settlement (just as the Kosovars were persuaded that the Ambassador there could work on the Macedonians through his colleague in Skopje). In the end, an agreement was reached through the intervention of many parties.

Macedonia has other disputes with neighbors that flare up regularly. Until resolved, they will also prevent de jure membership in NATO or accession to the EU. Along with its NATO partners, the United States is frequently drawn into these disputes as peacemaker to encourage Macedonian moderation in the interest of Balkan peace and stability.

Together, these diverse power-wielding roles give the U.S. Ambassador to Macedonia and Embassy Skopje an influential standing that, though not unique, is very unusual.

POLICY AND PROGRAM IMPLEMENTATION

Embassy Skopje has a thoughtful, well articulated and persuasive FY 2011 MSP. It identifies Macedonia's integration into the Euro-Atlantic community as the top strategic goal, requests more than \$34 million in assistance funding, and stipulates the following as foreign policy priorities:

- a strengthened rule of law,
- economic growth,
- good governance and a strengthened democratic system,
- enhanced internal stability for regional and world stability, and
- counterterrorism.

(Other priorities call for ensuring public support for U.S. policies and protecting homeland security)

Each of the five goals speak to the EU or NATO concerns mentioned earlier about internal problems that Macedonia must deal with before it will be ready for membership. Even allowing for the broad MSP language that is necessary to comprehend a multiplicity of subordinate aims and overarching objectives, the plan is not entirely effective for the embassy's day to day activities. There are, for example, internal inconsistencies in which priorities and the resources made available to meet them do not match; prime among these is rule of law. Though identified as the number one policy objective in 2010, funds made available to achieve it are less than those allocated to other policy goals like economic growth and good governance. This may be a disconnect that is more apparent than real, but it is significant that the embassy's multi-agency, deputy chief of mission (DCM)-chaired rule-of-law committee has met only one time. In addition, USAID priorities regarding rule of law and those of the mission in general are not entirely the same. With the recent arrival of a rule-of-law coordinator and soon, LE staff, this should change, but until differences in agencies priorities are reconciled; the committee will not be able to fulfill its purposes.

Another reason for the MSP's distance from day-to-day operations was given in the 2003 inspection report and is as relevant now as it was then: "crises tend to squeeze out regular review of activities related to other goals." Today it can be the Kosovo border, the dispute with Greece over Macedonia's name, an inflamma-

tory statement in Bulgaria, or a threat from an Albanian politician that will impose it. Even seemingly good developments in Macedonia can set off a flurry of inter-embassy, Department-embassy, embassy-EU, Embassy-NATO emails to determine the implications of an event and whether steps need to be taken to prevent it from causing problems elsewhere.

In October 2009, the EU issued an encouraging report on Macedonia's preparations for membership. Within 2 hours, six emails to and from Embassy Skopje, the Department, the U.S. Mission to the European Union (USEU), and Embassy Athens discussed the statement's relevance to Greek attitudes toward Macedonia and whether advice needed to be given in one place or another. The conclusion was yes, and the action was taken. There was no reporting or instructing cable. When crises squeeze out policy, emails squeeze out cables.

As illustrated above, good inter-embassy relations in the region are very important to policy implementation. Today they are commendably solid, but have not always been in the past. The OIG team left an informal recommendation that the Department encourage regular meetings among the chiefs of mission in the region.

Policy implementation also has two other important dimensions. The first is interaction with the Macedonian Government. Embassy officers enjoy almost unqualified access to Macedonian officials at all levels. As representative of the country most frequently seen as Macedonia's protector and sponsor, the Ambassador is sought out for advice here or intervention elsewhere. The second dimension is less normal: the need to closely coordinate with other diplomatic representatives such as the EU representative, the Organization of Security and Cooperation in Europe (OSCE); the ambassador representing the current EU presidency; and NATO ambassadors. All have a common interest in dampening potential crises, and consultations are sometimes intense.

POLITICAL/ECONOMIC AFFAIRS

Embassy Skopje's work is centered around U.S. support of Macedonian integration into the Euro-Atlantic community based on the practice of democratic values, good governance and rule of law, and an open, competitive market economy. However, Macedonia is still very much a country in transition and the Embassy plays an active and influential role in shaping Macedonian Government decisions as it works towards the realization of these goals. A Declaration of Strategic Partnership and Cooperation was signed in Washington in May 2008, which provides a framework for our interactions in the areas of security, people-to-people ties, and commerce.

Because of the heavy reliance on the Embassy to advise the Government of Macedonia and to frequently intervene when it looks like they are about to take a wrong turn, the work of the political-economic (P/E) section involves a lot of direct interaction with Macedonian officials at the highest levels. During the inspection, for example, an agreement was signed between Macedonia and Kosovo delineating the final border locations in the disputed areas between the two countries. This agreement was on the verge of unraveling for various reasons and would have done so without the constant involvement of the P/E chief and his interventions throughout the week with the Prime Minister's chief of staff, opposition leaders, and others. This kind of activity, although important, is enormously labor-intensive and time-consuming and can divert the focus of the section. In addition, since the arrival of the current Ambassador, more time has been devoted to economic and commercial interests as well as to support of the Ambassador's extensive travel and other outreach activities.

The combined political-economic section is led by an FS-02 officer. There is a mid-level deputy section chief, three entry-level officers, one part-time administrative assistant (a position occupied by an eligible family member), and five LE staff members. Responsibilities are clearly defined and distributed throughout the section, but written and signed work requirements statements for the current rating period do not exist. The OIG team made an informal recommendation in the HR section of the report regarding work requirements. The FY 2011 MSP includes a request for an LE staff position to coordinate rule-of-law assistance programs. The OIG team supports this request. The administrative assistant spends about 50 percent of her time supporting the regional security office or backstopping the office management specialists in the front office. The P/E chief is pleased with the support this assistant provides but acknowledges that with full-time support, the assistant could do more to support management of the section. For example, although minimal hard copy files of outgoing cables and demarches exist, there are numerous electronic files that are not organized for optimal use. Officers spend a lot of their time editing the written work of the LE staff. Briefing materials for the Ambassador and other assignments from the front office are sometimes not submitted in a timely fashion.

Recommendation 1: Embassy Skopje should revise the political-economic section administrative assistant's work requirements to provide full-time support to the political-economic section. (Action: Embassy Skopje)

Much of the section's reporting is done by email. Washington offices and agencies expressed satisfaction with embassy reporting but rarely provide feedback. Even though, on average, just four or five cables were sent each month, these usually included analysis and commentary. A reporting plan is in place for FY 2010 that will increase formal reporting by cable. Demarches were tracked, delivered, and reported in a timely manner, often with official comments from Macedonian officials. The section held numerous representational events during FY 2009, generally coffees or lunches with small groups of people; however, the section used less than 10 percent of the Embassy's representation budget. Distribution of representation funds is covered in the management section of this report. The section prepared and carried out an aggressive travel plan with the Ambassador in the run-up to the spring elections, a practice that has continued.

The LE staff in the section are experienced, most having been with the Embassy for at least 14 years. Their English language skills are excellent and their contacts reach all levels of the government and civil society. The senior employee has 1,700 names programmed in his telephone including those of the President and Prime Minister who also have his number. He has prepared unclassified biographic files on over 2,000 individuals.

Coordination with the international community is excellent. A principals group, established in 2001, which is made up of the heads of missions from the EU, NATO, OSCE, and the United States meets every two weeks. This helps to ensure that the international community speaks with one voice. Coordination within the section is also excellent; there are regular staff meetings including the LE staff and a weekly meeting in which all Americans in the section and the public affairs officer meet with the Ambassador and DCM. Coordination and communication with other sections and agencies, in particular with USAID, is not always as good as it could be. The P/E chief recently initiated a lunch with USAID counterparts, including LE staff, to foster dialogue and increase coordination in their work on democracy, good governance, and education. He plans to hold another one soon to focus on economic growth and development.

Economic and Commercial Affairs

The deputy of the section is the primary economic and commercial officer and supervises three LE staff. Approximately 50 percent of the officer's time is spent on commercial and investment issues, which are of great interest to the Ambassador. In fact, in November 2008, the Ambassador accompanied the Prime Minister on a trip to the United States to promote investment opportunities in Macedonia. Economic reporting is limited although during the inspection one of the LE staff drafted a

cable reporting on the Macedonian economy in the first half of 2009 and was working on another regarding the 2010 budget.

Skopje was designated as a Partnership Post of the U.S. Commercial Service in Sofia in January 2009, and the section was preparing for their first Gold Key Service during the inspection. The U.S. Commercial Service in Sofia is also working with the section to participate in an auto trade show in Las Vegas later in the year. The U.S. Commercial Service used to fund one LE staff position but no longer does so. The Ambassador has placed a priority on strengthening ties with the American Chamber of Commerce in Macedonia (AmCham), a group of approximately 120 members. He has proposed a link between the AmCham in Skopje and the very active AmCham in Budapest, Hungary, and with the economic-commercial officer. He plans to accompany two members of AmCham to Budapest for an initial meeting.

The Foreign Agriculture Service officer in Sofia covers six countries and was on his second visit to Skopje during the inspection. The officer reported excellent support from the Embassy and during this visit accompanied the Ambassador to a meeting with the new Minister of Agriculture. The primary program funded by the Foreign Agriculture Service is the Cochran Fellows Program, which has sent over 60 participants from the Ministry of Agriculture and the private sector to the United States since 1997.

The regional environment officer in Budapest covers Macedonia, but has not visited Skopje in several months. A bilateral science and technology agreement signed in 2008 is inactive.

Trafficking in Persons

In 2008, for the second year in a row, Macedonia was ranked as a Tier 1 country, which complies with the minimum standards for the elimination of trafficking. The Macedonian Government has improved implementation of the antitrafficking statute to obtain convictions of trafficking offenders and has continued to expand the use of its victim-centered standard operating procedures for the treatment and protection of trafficking victims. More work is required for the country to retain this ranking. Although not directly related to Euro-Atlantic integration efforts, if Macedonia's trafficking-in-persons (TIP) ranking falls significantly, these efforts could be affected. The Embassy is working closely with the Anti-Trafficking Commission of the Ministry of Interior to monitor progress in nine clearly articulated priority areas. These include Macedonia's commitment to fighting corruption in trafficking in persons from investigation to arrest and through to prosecution. An international TIP stakeholders group meets monthly and is made up of representatives from the

International Organization for Migration, OSCE, the International Center for Migration and Policy Development and the EU, as well as the Embassy political officer responsible for trafficking in persons.

At the time of the inspection, responsibility for following progress on TIP issues was being transferred from one officer in the section to the newly arrived officer who will also coordinate all rule-of-law activities. Others within the Embassy contribute to the annual TIP report but the sections and agencies working in this area are sharing information and coordinating their activities.

Recommendation 2: Embassy Skopje should establish a working group on trafficking in persons to better share and coordinate the work in this area. (Action: Embassy Skopje)

FOREIGN ASSISTANCE

U.S. Government foreign assistance funding for Macedonia flows from a number of sources and is implemented by different Department offices and other agencies. Total assistance funding to Macedonia in FY 2009 was approximately \$23 million, of which \$19 million was allocated to Assistance for Europe, Eurasia and Central Asia funds. The remaining funds were divided among Foreign Military Financing; International Military Education and Training; and Nonproliferation, Antiterrorism, Demining and Related programs. The total funding request for FY 2011 is \$31,610,000. A plan to “graduate” most assistance programs in 2009 and close the USAID mission in 2012 was recently revised and USAID is now expected to remain fully operational until at least 2014.

The Export and Related Border Security (EXBS) representative in Skopje is considered a section chief within the Embassy and is supervised by the DCM. The EXBS representative participates in country team meetings and works closely with other law enforcement and rule-of-law elements within the embassy. EXBS works closely with the Macedonian Customs Administration and border police as well as the OSCE border advisor. EXBS received \$520,000 in FY 2009 funding plus an additional \$500,000 in equipment and vehicle donations.

The Department of Justice International Criminal Investigative Training Assistance Program (ICITAP) representative is also a section chief and reports to the DCM. The section chief supervises three American advisors embedded in the Ministry of the Interior and five LE assistants. ICITAP work focuses on three areas: organized crime involving trafficking in persons, drugs, and money laundering; border and regional police; and professional development of the police. ICITAP funding for FY 2009 was \$966,000. Before the arrival of the current ICITAP representative in 2008, there was a history of tense relations between the ICITAP office and other Embassy elements. This representative has succeeded in developing a fully collaborative relationship within the Embassy.

The Department of Justice Overseas Prosecutorial Development, Assistance and Training (OPDAT) office has one resident legal advisor (RLA) position and two LE positions. The RLA position was vacant during the OIG inspection but is scheduled to be filled. OPDAT funding for FY 2009 was \$772,800. OPDAT employees have excellent access within the Macedonian Government as evidenced by a meeting that the LE legal assistant had during the inspection with the Macedonian Prime Minister to discuss the new criminal procedures code.

As noted earlier in this report, the Embassy has access at the highest levels within the Macedonian Government. In early 2009, the Ambassador and Macedonian Prime Minister agreed to hold periodic meetings to discuss the full range of assistance programs. They have led two meetings involving the entire Macedonian cabinet and all embassy assistance elements. A number of problems have been identified relating to the administration of specific programs and, in most cases, the Macedonian Government has taken corrective measures. One result of these meetings was the recent signing of a bilateral memorandum of understanding which outlines procedures for the selection of Macedonian Government employees who will receive U.S. Government-funded training, and stipulates that they will remain in positions that utilize the training for a reasonable period.

Operational coordination and collaboration between the individual elements of Embassy Skopje is very good. USAID and the public affairs section (PAS) have worked closely together on programs directed toward educational reform. Although the flow of information between embassy elements at the operational level has been good, there has been a need for improvement of coordination at the policy and planning levels.

The eventual integration of Macedonia into the Euro-Atlantic community very much depends upon the country's ability to emerge as a society governed by rule of law, which is one of Embassy Skopje's overriding assistance priorities. Although the Embassy has a working group to coordinate law enforcement assistance efforts, there

is no separate structure that meets regularly for interagency coordination in the area of rule of law. The Embassy has made plans to establish a new rule-of-law assistance working group that will be chaired by the DCM, but the group had not yet met by the time of the inspection. A first-tour political officer has been assigned responsibility for coordinating the working group and there are plans to add one Foreign Service national (FSN) position to provide support. Although the first meeting of the working group was scheduled for shortly after the inspection, it was not clear to all participating elements what the mandate of the group would be. The OIG team counseled the Ambassador and DCM that the rule-of-law working group should not limit its function to information sharing, but should also serve as the mission's forum for developing embassy rule-of-law policy and longer-term program strategies. The Ambassador and DCM must play an active leadership role in directing this process.

Recommendation 3: Embassy Skopje should establish a rule-of-law working group to monitor programming and develop policy consistent with the Mission Strategic Plan. (Action: Embassy Skopje)

The OIG team also counseled the Ambassador and DCM to be prepared to create additional mission-wide working groups in other assistance areas to improve oversight and coordination as needed.

PUBLIC DIPLOMACY

Embassy Skopje has a broad and active public diplomacy program that runs smoothly, accurately targets MSP goals, and involves and serves the entire mission. One MSP goal for the past 2 years is devoted to building enduring public support for U.S. policies with specific emphasis on public diplomacy programming. A poll conducted in 2008 found that 34 percent of Macedonians believed that the United States plays a stabilizing role in the region, an increase of 10 percent over the year before.

PAS is staffed by an experienced public affairs officer (PAO), an assistant public affairs officer (APAO) and eight FSNs. The FSN staff is small, but effective, in part because each staff member must learn the job skills of another and serve as backup in the other's absence. This is particularly important in Macedonia where up to one year of maternal/paternal leave is provided to new parents. During the inspection, three of the eight FSN positions were being filled by temporary hires to cover the year-long leave absences of the permanent employees. In most cases, the temporary

employees have never worked the specialties to which they were assigned and must rely heavily on the backup FSN for guidance. Special training of temporary FSNs is also often required. Such was the case with the temporary hire who was assigned to manage the \$330,000 Democracy Commission small grants program.

Both the PAO and APAO have the full trust of the Ambassador and meet with him frequently. The PAO was attending a PAO conference in Washington during most of the inspection and the APAO maintained the section's fast pace with skill and met with the Ambassador at least once every day. PAS provides public affairs support for all Embassy elements, clears all press releases, and coordinates all embassy media events. The PAO or APAO attend each daily senior staff meeting chaired by the Ambassador and the PAS FSN media specialists provide a briefing on the day's top news coverage, which is then circulated within the Embassy and sent to readers in Washington. Communication is also good within PAS. The PAO chairs a weekly PAS staff meeting and separate meetings with individual subsections.

Public Diplomacy Grants

The PAO has grant certification and provides close oversight to the management of nearly \$500,000 in grants each year. In addition to the \$330,000 Democracy Commission program, small grants also support the Embassy's very active cultural and speaker programs, student advising, English teaching and American studies. Macedonian youth and minorities, particularly the Roma, are two priority audiences in the current MSP. A third priority has been to provide grant support for the preservation of Macedonia's cultural heritage. In FY 2009 the Embassy obtained \$650,000 from the Ambassador's Fund for Cultural Preservation to help restore one of the country's oldest and most important Byzantine monasteries. The FSN grants specialist, although new to the job, has received grants management training and receives close support from the financial management office. Based on a random sample of grants administered over the past two fiscal years, the OIG team concluded that PAS effectively and properly administers its grants program.

Exchanges

Embassy Skopje administers a growing exchange portfolio that has seen some significant developments in recent years. During FY 2009, four Macedonian students and four scholars conducted research in U.S. institutions as part of the Fulbright program, and three American scholars and three students traveled to Macedonia. After months of discussion with Embassy Skopje, the Macedonian Government recently agreed to contribute \$100,000 each year to the Fulbright student

program, which will provide two additional student fellowships to the United States beginning in 2010. One Macedonian is selected each year for the Hubert Humphrey fellowship program, five participate in the Junior Faculty Development Program, and 15 high school students participate each year in the Youth Exchange and Study Program. In 2010, this number will grow to 20 to accommodate more minority ethnic participants. Six Macedonian youth have participated in the Benjamin Franklin Transatlantic Fellow program in the past two years. Embassy Skopje sends 16 Macedonians to the United States every year on the International Visitor Leadership Program (IVLP). The Embassy conducts follow-up interviews with all participants to monitor the effectiveness of the programs. The DCM chairs the IVLP selection committee, which receives nominations from all Embassy elements on MSP themes.

The Macedonian American Alumni Association (MAAA) was formed in 2000 and is open to participants of all U.S. Government-funded exchange and professional development programs. MAAA maintains an office in Skopje, meets monthly, and works closely with Embassy Skopje on a number of ongoing projects, including a Support for East European Democracy-supported project that provides professional internships for young Macedonians. MAAA also hosts an annual international conference on burning issues, such as NATO membership and interethnic relations.

American Corners and Information Resource Center

Embassy Skopje provides much of its public diplomacy programming from three American Corners in Skopje, Tetovo, and Bitola. Plans are now underway to open a fourth American Corner in Stip and a fifth in Struga. PAS maintains close working relations with all three American Corners. Under the overall direction of the APAO, one FSN program assistant provides overall program coordination with the three facilities and the FSN information resource center specialist provides book, periodical, and electronic information support. PAS organizes a quarterly retreat at one of the three American Corners for all American Corners staff to coordinate the ongoing program plan, share ideas, and provide training. Current memoranda of understanding and program plans are maintained with all three American Corners. All three American Corners are co-hosted by local institutions; maintain current book, DVD, and periodical collections; and provide free internet access to members.

PAS focuses much of its American Corners program effort on English teaching to priority youth and multi-ethnic audiences. One English Teaching Fellow and two English Teaching Assistants who are funded through the Fulbright program provide overall program coordination at the three centers. Peace Corps volunteers located in the three cities are also a valuable resource in providing English language programs to a wide spectrum of audiences ranging from elementary school students to busi-

ness professionals. The current English Language Fellow is specifically focusing on the Roma communities of Macedonia. Embassy officers also include public lectures at the three American Corners in their travel plans. A number of books and publications produced by the Department have been translated into Macedonian and Albanian for distribution through the American Corners. During FY 2008, total visitation to the three American Corners exceeded 38,000.

The Information Resource Center (IRC) is located in one small room within the new embassy compound (NEC). One FSN information assistant coordinates the Embassy's information outreach effort to target audiences and provides information support to the three American Corners. The IRC assistant also provides information and research support to embassy employees. The assistant travels throughout Macedonia to promote Department information publications and the services of the three American Corners, particularly among Albanian and Roma communities. The assistant publishes the embassy biweekly information circular, entitled "Collage," which is sent electronically to more than 4,500 Macedonian recipients and contains Department policy statements, interviews with the Ambassador, and information on recent and upcoming embassy programs. Direct links are provided to the Embassy Internet Web site and Facebook pages, both of which the IRC assistant helps maintain in English, Macedonian, and Albanian. The Embassy Web site is kept current, has direct links to the embassy and American Corners Facebook and YouTube sites, and receives approximately 630 visits each day. The IRC assistant uses the Embassy's electronic contact management system to maintain specific information outreach lists by topic. The system is maintained by the Embassy protocol assistant, but used by all sections within the mission.

The need to translate informational outreach materials into both Macedonian and Albanian has created a bottleneck in the process because of the lack of additional translation capacity within PAS. PAS currently uses contractors to fill many of its translation needs, but this is not satisfactory for material that must be distributed on short notice, such as Embassy and Department policy statements. In its FY 2011 MSP, the Embassy requested an additional LE translator position to provide this service. The OIG team supports this request.

CONSULAR SERVICES

The consular section in Embassy Skopje is performing well under the leadership of an FS-02 section chief. The section is small, with three officers, one eligible family member (EFM), and ten LE staff in Skopje and one LE employee in Pristina. The section provides consular services for residents in neighboring Kosovo, which makes up approximately half of the American Citizen Services (ACS) work and nearly 40 percent of the visa cases. The consular section of the NEC is spacious with seven windows and a privacy booth. Public access from the compound access control to the consular waiting room is up a steep incline. Elderly people often have difficulty walking up the hill and disabled visitors must be assisted with the walk. The Embassy recently purchased a wheelchair for this purpose. The consular waiting room provides seating for approximately 40 people. There is no separate waiting area for American citizens, but visa hours and ACS hours do not overlap. The Bureau of Consular Affairs recently sent a consular management assistance team (CMAT) to work with the consular section in adjusting operations following the move into the NEC.

Consular Management

Morale within the consular section is good, as are communications within the section and with other mission elements. The section chief attends all country team meetings, monthly Visas Viper meetings, and all emergency action committee and counterterrorism meetings. The section chief has also been active in providing outreach to educate the Macedonian public and recently did a video presentation on embassy visa policy and visa fraud concerns that was posted on the Embassy Internet and Facebook Web sites. A number of LE staff evaluations are overdue and need to be completed as soon as possible. The OIG team made an informal recommendation on this issue.

Visas

Embassy Skopje processed 10,686 nonimmigrant visa applications during FY 2008 and issued 7,124 visas. The resulting refusal rate was approximately 33 percent. The embassy processed 1,886 immigrant visa applications and issued 1,246 immigrant visas. Appointments for all visa services are scheduled online. The section uses a local bank to collect machine-readable visa fees. The Embassy and bank recently adopted a procedure which allows the Embassy to notify the bank of the new visa fee exchange rate each week based on the accommodation rate used at the Embassy.

American Citizen Services

There are 620 American citizens registered in Macedonia. The Embassy has nine wardens, but they have not met recently and the list needs to be updated. The OIG team made an informal recommendation on this issue. The warden system primarily uses email and the postal service to notify citizens, although a messaging system has been implemented to provide emergency notices on cell phones. During 2008, ACS issued 520 passports. The section currently serves 300 Federal benefit recipients. At the time of the inspection, there were no American citizens in jail.

Fraud Prevention

Embassy Skopje is a medium-fraud post. One American consular officer serves as the fraud prevention manager and is assisted by a full-time LE fraud prevention assistant and one LE visa assistant. At the request of the CMAT team, the consular section recently developed written visa fraud goals and priorities as well as criteria for referring cases for fraud review. Because of the high incidence of education certificate fraud, the consular section investigates all certificates submitted by Diversity Visa applicants from Kosovo and selected certificates from Macedonia. A consular officer occasionally accompanies the LE assistant on investigative trips.

RESOURCE MANAGEMENT

Agency	U.S. Direct-Hire Staff	U.S. Local-Hire Staff	Foreign National-Staff	Total Staff	Total Funding FY 2009
State – D&CP	17	2	17	36	3,314,400
State – Consular MRV	0	0	4	4	160,417
State – ICASS	4	4	135	143	6,049,900
State – Public Diplomacy	2	0	8	10	586,500
State – Diplomatic Security	2	1	35	38	1,431,008
State – Marine Security	6	0	3	9	188,700
State/PD Representation	0	0	0	0	32,200
State – OBO	1	0	1	2	1,993,261
Defense Attaché Office	4	0	3	7	545,391
Office of Defense Cooperation	2	0	6	8	371,100
Department of Justice-ICITAP	1	0	1	2	1,700,467
Department of Justice-OPDAT	1	0	2	3	347,900
Peace Corps	3	0	2	5	1,784,500
USAID	9	0	23	32	18,504,578
Office of Global Affairs	13	0	4	17	N/A
Totals	65	7	244	316	37,010,322

The U.S. mission in Skopje became an embassy in 1996. Thirteen years later and after some turbulent times, it is well-positioned, having just moved into a NEC in April 2009. When the decision was made to eventually close the USAID mission in Macedonia, office space for USAID was removed from the NEC plan. With the recent decision to maintain the USAID mission until at least 2014, existing office space in the plan was reconfigured and the NEC is already reaching its office space capacity. Embassy Skopje is both well funded and well staffed, although some additional positions have been requested and some tweaking of American officer positions in the management section is anticipated. Significant human resource issues have recently surfaced. The consolidation of the Department and USAID administrative platforms is complete. Two LE staff positions were eliminated as a result of the effort. The addition of Foreign Service health practitioner coverage out of Embassy Pristina alleviated long-standing mission concerns. Regional support, especially that provided by the Regional Support Center (RSC) Frankfurt, is outstanding.

Management Operations

With the exception of HR, management operations are effective. Management operations are led by a capable management officer. International Cooperative Administrative Support Services (ICASS) customer satisfaction survey results indicate community satisfaction with ICASS services. Notable successes of management operations are the move to the NEC, which appears to have been accomplished with minimal disruptions; the consolidation of the Department and USAID management platforms; and reaching agreement with Embassy Pristina to share its Foreign Service health practitioner. While the LE staff appear competent in their individual skill sets, a higher degree of commitment to LE staff training will improve these skills.

The management officer is comfortable with the number but not the mix of officers on his staff. The management officer believes the financial management officer/human resources officer (FMO/HRO) position is overburdened and presents a management controls vulnerability. The Bureau of European and Eurasian Affairs (EUR) shares this view. As part of Diplomacy 3.0, EUR has created additional HRO positions for its embassies. Embassy Skopje has expressed interest in getting one of these positions to augment its stressed HR platform. If not successful, it would seek to convert one of the general services officer positions to an HRO position. The management officer sees the second general services officer position as less critical to the mission than an HRO. Now that the move to the NEC is complete and a facilities management officer position has been added, the inspection team supports the view that the FMO/HRO is overburdened.

Recommendation 4: Embassy Skopje, in coordination with the Bureau of European and Eurasian Affairs and the Bureau of Human Resources, should request that the general services officer position (52-006002) be reprogrammed to a human resources officer position. (Action: Embassy Skopje in coordination with EUR and DGHR)

Embassy Cafeteria

Management of the embassy cafeteria licensee has not yet transferred to the American Employee Association (AEA), which has expressed interest in running the food service. In the absence of an employee association, a former management officer signed the licensing agreement in September 2004. The term of the agreement is one year with nine one-year extensions. The last extension period expired April 20, 2009. The OIG team made an informal recommendation that addresses the need to extend the agreement until AEA is ready to assume the role of licensor.

Consolidation of Department and USAID Management Platforms

The consolidation of Department and USAID management platforms is complete. The Department /USAID management consolidation plan was signed August 18, 2009. Under the plan, USAID agreed to subscribe to all 13 ICASS support services. USAID did retain some program management functions and staff positions, including a procurement agent, customs clearance agent, financial/travel assistant, driver, HR/payroll specialist, and systems manager.

The consolidation resulted in the elimination of two USAID LE staff positions which had been vacant. Two USAID staff, a driver, and a procurement agent have already moved into ICASS positions. A voucher examiner position will move over once the job classification is determined.

Rightsizing

At the time of the 2005 rightsizing review, the decision had not yet been made to close USAID in Macedonia, thus the Bureau of Overseas Buildings Operations (OBO) planning included USAID staffing in its NEC projections. OBO planned for a NEC with 115 desk positions and an annex with 173 desk positions to include USAID and Department support staff.

The goal of the rightsizing implementation plan was the reduction of two U.S. direct-hire and nine LE staff positions. The 2006 rightsizing implementation plan also noted a USAID 2012 departure from Macedonia with predicted reductions in force of up to eight positions beginning in FY 2008. This departure was to be followed by the elimination of four to five additional USAID positions with collocation in the NEC. Final American and LE staff reductions were to coincide with the 2012 sunset date. It was within this context that USAID agreed to ICASS services as required by it reductions in staff and funding.

The rightsizing review recommended the elimination of one general services officer position when the facilities management officer assumes duties. In its 2006 Rightsizing Implementation Plan, Embassy Skopje supported this determination. To date, no action has been taken to eliminate this position. The inspection team came to the same conclusion and recommended above that the position be converted to an HRO position.

Real Property

The 11-acre NEC site includes a chancery, general services office (GSO) annex, and Marine security guard quarters. A planned USAID building was dropped from the NEC design at USAID's insistence as it anticipated a 2012 departure from Macedonia. USAID reversed its departure decision and is in discussions with OBO to construct a USAID building on the NEC compound. USAID staff now occupies the top floor of the GSO annex building where office space is limited and there is no general purpose conference room. The displaced GSO positions have relocated to the chancery management office area. Accommodating additional desk positions in this area will be difficult.

The present design of the consular section does not afford the consular chief sufficient line of sight of consular operations. LE staff members with jobs requiring sensitive phone conversations with their counterparts and top officials in the Macedonia Government told the inspection team that their cubicles provide insufficient privacy. This issue was raised by several senior LE staff members and the inspection team made an informal recommendation that the Embassy remedy the situation by either providing common-use rooms for this purpose or other means. The inspection team identified several storage rooms near the LE staff office area that, with relatively minor modifications, could be used for this purpose.

To provide a buffer from any potential neighbors, OBO is working with the Macedonian Government to acquire land adjacent to the NEC in exchange for the former chancery annex land. OBO plans call for the property to be used for parking because of the very limited parking space currently available for employee vehicles.

The Embassy is also actively trying to resolve outstanding punch list items, including a ground erosion problem.

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Human Resources

The HR office is (b) (2)(b) (2) It is led by an inexperienced yet eager HRO on her first management tour after completing two consular tours. The officer had been at post only 2 weeks when the inspectors arrived.

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Recommendation 5: The Bureau of European and Eurasian Affairs, in coordination with the Regional Support Center Frankfurt, should design and implement a schedule to monitor and provide additional assistance to the human resource office in Skopje. (Action: EUR, in coordination with RSC Frankfurt)

Training is another area where some progress has been made but more is needed. The current HR assistant was attending the 6-week Human Resources Management course at the Foreign Service Institute during the inspection. During RSC Frankfurt's return trip in December, several important training courses will be held, including a much needed course on Equal Employment Opportunity (EEO) principles for LE staff.

Position descriptions and computerized assisted job evaluation (CAJE) evaluations are two other areas where RSC assistance is required. The RSC has recommendations to address both of these problems. The inspectors found that many of the American employees did not have work requirements statements on file. Many of those that were on file were outdated. The OIG team made an informal recommendation on this issue.

Check-in procedures are appropriate, except that newly arrived American employees can only obtain their badges on Monday, the day that security briefings are provided. This means that employees arriving any other day of the week need to be escorted and have limitations on their activities until they receive their badges. The OIG team made an informal recommendation on this issue.

Of all the areas on the LE staff questionnaire, the awards program ranked last by a large margin. Employees had various reasons for rating it low, but most seemed

or also plans to add a separate EEO briefing for newcomers during the next orientation session. Skopje has also named a Federal Women's Program Manager.

Skopje has three LE staff EEO liaisons and information regarding their roles is well documented and published. The lone weakness in the mission—the lack of training for the LE staff—will be addressed in December when RSC Frankfurt makes its next scheduled visit.

Financial Management

Financial management operations are effectively managed. As noted previously, the recently arrived American officer heading the HR office is also the FMO. The Embassy appears well financed. All funds requested for the NEC move were received. The LE staff are experienced and, according to their ICASS scores, provide excellent service to the mission. One new employee, a USAID staff member, will soon be joining the office as part of the overall Department/USAID consolidation. This consolidation will result in the financial office having five LE staff members while the HR office has three. A redistribution of some work, such as payroll, to the financial office may be possible. The OIG team made an informal recommendation on this issue.

The embassy is in the process of reducing cashier hours. The inspectors support this position. The collocation of office space and the addition of an ATM machine reduce the need for having the cashier office open as many as three hours a day as was done previously. The cashier occasionally opens the window during non-cashier hours to accommodate requests. This practice should stop because the cashier will be given additional voucher responsibilities with the reduction of the cashier hours.

The inspectors witnessed the new FMO conduct a cash reconciliation that was conducted appropriately. However, there were indications that previous cash reconciliations had not been conducted on an unannounced basis under the previous FMO. The new FMO was reminded that she has complete and unquestioned authority over the cashier operation and can conduct reconciliations whenever she deems it necessary.

A new ICASS chairperson, a representative of the Department of Justice, was elected midway through the inspection. The DCM is the Department representative, but 6 FAH-5 H-220 states that the DCM can be the Department representative at only the smallest of posts and only with Washington approval. The inspectors believe there are sufficient alternatives at post and made an informal recommendation to address this issue.

There are nine separate subcashiers used by the embassy, several of whom have back-ups. This is entirely unnecessary. The current proximity that mission elements have to the cashier eliminates the need for any alternate subcashiers and may even reduce the need for some of the existing subcashiers. The OIG inspectors made an informal recommendation that subcashier authorizations be reviewed with the goal of reducing the numbers.

The embassy does not have a language program and funds for a program have not been allocated, despite the fact that several employees who studied Balkan languages (Albanian and Macedonian) in Washington would like to continue to study at post. The OIG inspectors informally recommended that funds be set aside and a post language training program be established.

Representation

The embassy's representation allotment is \$32,200. On paper, it seems that the Ambassador uses over 75 percent of Department funds (excluding PD funds, which are fenced off). This includes events hosted at the Ambassador's residence on behalf of other sections. Vouchers indicate that the Ambassador is also very inclusive of embassy officers when hosting functions. None of the sections indicated that they could use more representation funding. Nevertheless, the OIG team informally recommended that some additional funding be allocated to them via section budgets and representation plans.

GENERAL SERVICES OPERATIONS

General services operations are effectively managed. Two general services officers share responsibilities and are co-equals in GSO. One officer is responsible for procurement, housing, shipping, and customs. This position has been ceded to entry level and, as stated above, is recommended for reprogramming to an HRO position. The other officer, the more experienced of the two, is responsible for motor pool, travel, warehousing and nonexpendable/expendable property management. All GSO services receive high ICASS and OIG questionnaire scores.

Procurement Office

The procurement office included only two procurement agents until it gained one additional procurement agent position as a result of the USAID consolidation. The individual filling this position lacks a procurement background and needs training. The output and quality of work of this small office in FY 2009 speaks volumes for its effectiveness. Procurements are competed and advertised when required; procurement instruments are well-written, appropriate, and administered; files are complete. The office includes clause FAR 52.222-50, Combating Trafficking in Persons, in relevant service and construction contracts. There are currently no blanket purchase agreements for packing and shipping requirements. The OIG team made an informal recommendation on this issue.

Housing Office

Although housing was a contentious issue during the last inspection, it has been resolved. The community rates the leasing activity very favorably. Acceptable residential units are more abundant than they had been previously and landlords proactively advertise available residences. The two-person office is more than adequately staffed to handle embassy requirements. USAID and all other embassy elements participate in the housing pool. There are 47 active leases. For this past transfer cycle, five leases were terminated and three others signed. There is an active interagency housing board. OBO has given its approval for six or seven over-spaced leases as a means to keep them in the housing pool.

Shipping and Customs Office

The two-person shipping and customs office effectively provides services for the embassy. It also assists Embassy Pristina with customs clearance and registration for its government-owned and privately-owned vehicles. This service includes obtaining third-party liability insurance and diplomatic plates, and arranging annual vehicle inspections. The office does the same for USAID government-owned and privately-owned vehicles. USAID has retained a customs clearance function for its household effects, consumables, and unaccompanied air baggage shipments. The NEC contractor handled its own customs clearance function with some assistance from the office.

Motor Pool

The motor pool operation is effectively managed and provides services to all but the Ambassador and the Marine security guards. Both the Ambassador and Marine security guards have their own drivers and dedicated vehicles. The motor pool consists of a supervisor, dispatcher, and seven drivers, including the driver that transferred over from USAID. USAID retained a driver and one dedicated vehicle. Vehicles are serviced at several commercial garages and gasoline is purchased at commercial stations. As a backup, there is a pump at the NEC. Controls are in place to safeguard motor pool resources to include vehicles, fuel, and driver time. There are currently 37 vehicles in the fleet. The motor pool also assists Embassy Pristina with the annual inspection of its government-owned and privately-owned vehicles, which takes place in Skopje.

The motor pool provides backup drivers for the three COM drivers but not for the three Marine security guards drivers. The COM drivers are supervised by the Ambassador's OMS. Although no operational problems have been identified with this arrangement, placing the drivers under the motor pool supervisor would relieve the Ambassador's OMS from managing these resources and rating the drivers. The OMS could continue to provide driver assignments. The OIG team made an informal recommendation on this issue.

Travel Office

The one-person travel office provides competent services. Air travel options out of Skopje to Europe and onward to the United States are limited. Routing is usually through Vienna to Dulles on Austrian Air. The travel management center, at a cost of 30 Euros a ticket, provides favorable pricing. It does not maintain a presence at the chancery but this has not been seen as a problem.

The GSO assistant, who is the backup for the LE staff member in the travel office, will assume responsibility for obtaining visas and travel insurance for official travel. This function is being shifted from the HR office.

WAREHOUSE AND PROPERTY MANAGEMENT

The two and a half-person warehouse team is a beneficiary of the newly established furniture and appliance pools. The pools will reduce manpower requirements, partially filled by contract employees, during transfer cycles. Warehouse operations

have improved following the move to the new NEC warehouse, which has a designated receiving area. Warehouse space is at a premium now as large quantities of surplus building materials and supplies for the NEC are stored there. The contractor intends to transfer ownership of these to the embassy. Those materials which are not needed will be sold with proceeds of sales going to the U.S. Treasury. Hard hats are not worn in the warehouse as required. The OIG team addressed this issue as an informal recommendation.

The two and a half-person property management operation is effective. The expendables supplies clerk spends 50 percent of his time as a warehouse manager. The clerk, with the other two staff, provides ample separation of responsibilities. The 2008 certificate of inventory reconciliation appears to be well-supported.

FACILITIES MANAGEMENT

The facilities management office appears to have the right mix of technical skill sets to tend to the NEC and its other requirements, including Embassy Pristina. Several new hires either worked for the NEC contractor or its subcontractors. Commercial contracts for painting and other maintenance services augment the facilities management staff. The facilities manager is new to the embassy. His portfolio includes assisting Embassy Pristina's general services officer with facilities there.

The embassy safety and occupational health program effectively safeguards embassy employees at work and at home. Embassy elements are well represented on the occupational safety and health committee, which meets once yearly.

INFORMATION MANAGEMENT AND INFORMATION SECURITY

Embassy Skopje operates an excellent information management (IM) and information systems security program. Embassy Skopje's IM section performs well, as confirmed by the high ICASS survey results and the consensus of senior embassy management. OIG questionnaires and Department affiliate reports both reflect excellent marks for IM services. In addition to being very strong technically, the IM section is a cohesive, customer-oriented group.

As part of the move to the NEC in April 2009, the IM section successfully moved and relocated servers and communication equipment. The IM staff received praise from post management for accomplishing a virtually seamless move without

incurring any downtime to operations. In fact, the unclassified information system was fully operational on the same day and the classified system in two days. Following the move, IM operations have modernized the classified network servers and computers. In conjunction with the move, a new computerized Nortel CS1000 Digital Switch phone system was installed. During the course of the inspection, the embassy began receiving a complete upgrade of its emergency radio system to include new radio repeaters, base stations, mobiles, and hand-held radios. The staff is quick to become familiar with the recent upgrades in providing efficient support to the mission and the newly colocated agencies. Overall, the IM section supports an OpenNet network consisting of 231 users and 14 servers and a classified local area network consisting of 42 users and five servers.

Information Management Organizational Structure

The Information Systems Center (ISC) operation has improved following a restructuring of the IM operation, which has led to an increase in the level of customer service and employee efficiency. Prior to the information management officer's (IMO) arrival, the previous organization structure had five switchboard operators and a senior information management specialist (IMS) overseeing the ISC operations. The new IMO conducted a management assessment that called for a reduction and reorganization in IM staffing. The five switchboard operators were reduced to two full-time operators by relocating two operators to the ISC helpdesk and mail room operations. The fifth operator position was earlier replaced by a telephone/radio technician position. The new IM structure has been proven to be more effective. It received well above average scores in each of the ICASS IM support services. The OIG team commends the IMO for proactively implementing an effective operational structure.

Information Program Officer Position

The current senior (IMS) is conducting information program officer duties. The IMO stated that the previous senior IMS position was originally acting as the information systems officer in the ISC. Following a management assessment of operations, the IMO reconfigured the IM structure to more efficiently run IM operations. In accordance with the restructure, the IMO relocated the senior IMS previously located in the ISC, to the information programs center. By relocating the IMS position to the information programs center, the mission has eliminated redundancy in the ISC in addition to providing a value added structure in the information programs center. The recent move to the NEC has reinforced the logic behind the restructure having the information programs center located at opposite ends of the ISC. His-

torically, the senior IMS position has been a difficult position to fill. With respect to correspondence from the Department and future bidding cycles, the IMS position should be reprogrammed to eliminate future confusion as well as clarifying the roles and responsibilities of the IMS position.

Recommendation 7: Embassy Skopje, in coordination with the Bureau of European and Eurasian Affairs and the Bureau of Human Resources should request that the current senior information management specialist position (55-401115) be reprogrammed to an information program officer position. (Action: Embassy Skopje, in coordination with EUR and DGHR)

Information Management Best Practice

The telecommunications program at Embassy Skopje is efficiently structured and managed. The OIG team identified a best practice relating to the management and operation of the telecommunications program. In an effort to reduce recurring telecommunications costs, the IMO designed a complex telecommunications network utilizing “least cost routing” and newly installed Department telecommunications technology. The network has proven to be a success by greatly reducing telecommunications costs.

Best Practice: Creation of a cost savings telecommunication program.

Issue: Embassy Skopje’s information management office wished to reduce embassy recurring telecommunication costs. In addition to reducing costs, the information management office wanted to utilize the Department’s telecommunication technology to provide users with Voice over Internet Protocol (VoIP) and International Voice Gateway access through the convenience of a cellular phone.

Response: The IMO has managed to create a complex telecommunications network that implements key components such as VoIP, GSM gateway, and voice activation technology. The technique known as “least cost routing” combines the Department’s technology and local telecommunication services.

Result: The telecommunications network has proven to be very effective. As a result, Embassy Skopje currently saves approximately \$15,000 monthly on its telecommunications costs.

QUALITY OF LIFE

Following the move to the NEC in April 2009, embassy employees, American and LE staff alike, continue to go through an adjustment period and some lament the lack of private office space to conduct official and in some cases individual business. However, overall morale is high. This is reflected in the scores the OIG inspectors received on the quality of life questionnaires. Quality of life elements in Skopje to include the CLO, schools, and the health unit are all viewed as positives. The embassy is in the process of establishing an American Employee Association (AEA). American employees in Skopje receive a 15 percent hardship differential.

Health Unit

The health unit provides effective primary care to the embassy community that includes approximately 40 children. Local Skopje healthcare ranks near the bottom of the healthcare systems of the former Yugoslavia. Two 40-hour registered nurses manage the health unit. The Foreign Service health practitioner from Embassy Pristina spends one quarter of the time in Skopje with visits every two weeks. The regional medical officer (RMO) from Embassy Belgrade visits quarterly. The RMO-psychiatrist from Embassy Vienna covers the embassy. The health unit has a Telemedicine link with the RMO and the Foreign Service health practitioner, which allows for real time assistance in diagnosis determinations.

Schools

The Office of Overseas Schools supports two schools in Skopje, (b)(2)(b)(6) (b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6) (b)(2)(b)(6) The regional education officer last visited in 2008 and rated both schools as acceptable. (b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6) The embassy has representation on both school boards and characterizes its relationships with the schools as excellent. (b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6) (b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6) (b)(2)(b)(6)(b)(2)(b)(6)

The Office of Overseas Schools FY 2008 grant funds have been expended, documented, and closed out. (b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6) (b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6) (b)(2)(b)(6)

Community Liaison Office

Two part-time community liaison officers (20 hours each per week) and one LE assistant (30 hours per week) provide outstanding support to the mission. A third 20-hour-per-week community liaison officer is on maternity leave and will return to work in January, replacing one of the current community liaison officers. Support from the front office and the management office is excellent and much appreciated by the CLO. The community liaison officers attend country team meetings, meet at least once a month with the Ambassador, twice a month with the DCM, and more frequently with the management officer. They provide a wide range of services to the community and the community responds in kind by providing the necessary volunteers to help the community liaison officers accomplish their mission (except as noted below). There is also a well-represented community liaison officer advisory committee that meets periodically with the CLO to provide new concepts and ideas for activities.

There are currently six EFMs employed by the embassy. One more will be contracted shortly to provide the delayed retail price survey to the Department. Skopje is attracting more and more families and the CLO is always looking for opportunities to employ more EFMs. The CLO's major concern is a lack of recreational and playground facilities for the children. A scheduled delivery of playground equipment to be installed near the rear of the chancery should partially rectify that situation.

A comprehensive newsletter is prepared by the CLO assistant with help from the co-community liaison officers. The sponsor program works, although the size of the mission and the turnover of personnel sometimes dictates that an employee sponsor more than one newcomer a year. There is apparently some reluctance by a few employees to volunteer for this program. The OIG team made an informal recommendation that the CLO maintain a list of sponsors and provide this to the DCM periodically and that the front office remind employees that sponsorship is an important morale and welcoming issue and the responsibility needs to be shared among all American mission employees.

American Employee Association

AEA is in its infancy. The charter and by-laws were approved in April 2009. The board, led by an active chairperson, has been holding weekly meetings to discuss the membership drive and initial start-up projects. At the time of the inspection, AEA had collected \$1,650 in membership fees and was preparing to order some logo items for sales. It plans to establish a video service and take over the employee cafeteria. The inspectors reminded the association to remain in close contact with the

Office of Commissary and Recreation Affairs as the association expands and implements new initiatives.

AEA has a plan to inherit and oversee the cafeteria in the near future. The LE staff expressed some unhappiness regarding the pricing in the cafeteria. They complained that cafeteria prices were similar to those charged in restaurants in downtown Skopje, despite the fact that the cafeteria does not pay for rent or utility usage in the NEC. The OIG team made an informal recommendation on this issue.

MANAGEMENT CONTROLS

Responsibility for management controls has appropriately been assigned to the management officer, although the DCM and to a lesser extent the Ambassador devote the appropriate amount of attention to management controls. RSC Frankfurt has also been useful in assisting the embassy to ensure that management controls are appropriate. no significant deficiencies have been discovered in the operations reviewed by Embassy Skopje and that was reported in the COM's 2009 annual management control statement.

Consular Management Controls

A consular management assistance team (CMAT) recently visited Embassy Skopje and made 15 management control recommendations, many of which the consular section has followed up on or is in the process of implementing. Several of the management control deficiencies that the CMAT team noted related to the construction of the NEC. The embassy is exploring options to correct them. The distance learning course for consular management controls (PC-400) needs to be completed by the three consular officers. The OIG team made an informal recommendation on this issue.

RECOMMENDATIONS

Recommendation 1: Embassy Skopje should revise the political-economic section administrative assistant's work requirements to provide full-time support to the political-economic section. (Action: Embassy Skopje)

Recommendation 2: Embassy Skopje should establish a working group on trafficking in persons to better share and coordinate the work in this area. (Action: Embassy Skopje)

Recommendation 3: Embassy Skopje should establish a rule-of-law working group to monitor programming and develop policy consistent with the Mission Strategic Plan. (Action: Embassy Skopje)

Recommendation 4: Embassy Skopje, in coordination with the Bureau of European and Eurasian Affairs and the Bureau of Human Resources, should request that the general services officer position (52-006002) be reprogrammed to a human resources officer position. (Action: Embassy Skopje in coordination with EUR and DGHR)

Recommendation 5: The Bureau of European and Eurasian Affairs, in coordination with the Regional Support Center Frankfurt, should design and implement a schedule to monitor and provide additional assistance to the human resource office in Skopje. (Action: EUR in coordination with RSC Frankfurt)

Recommendation 6: Embassy Skopje should resolve the conflict of interest caused by the human resource specialist also serving as president of the locally employed staff association. (Action: Embassy Skopje)

Recommendation 7: Embassy Skopje, in coordination with the Bureau of European and Eurasian Affairs and the Bureau of Human Resources should request that the current senior information management specialist position (55-401115) be reprogrammed to an information program officer position. (Action: Embassy Skopje, in coordination with EUR and DGHR)

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 onsite compliance review will assess the mission's progress in implementing the informal recommendations.

Policy Implementation

The Ambassador uses a variety of meetings to manage and keep informed of daily events and discuss other issues in depth. The OIG team attended a number of meetings and believes they would be more productive and better focused if they had agendas and follow-up reporting of action items.

Informal Recommendation 1: Embassy Skopje should, for non-routine meetings, institute an employee to summarize discussions, prioritize decisions and, as appropriate, see that they are carried out.

Good interembassy relations in the Balkans are very important to policy implementation. Embassy Skopje does not have regular meetings among the Ambassadors in the region to discuss and coordinate policy.

Informal Recommendation 2: Embassy Skopje should recommend to the Bureau of European and Eurasian Affairs that regular meetings be held between the other Ambassadors in the region.

Consular Services

A number of LE staff member evaluations for the current year have not been completed and are overdue.

Informal Recommendation 3: Embassy Skopje should require that the consular section supervisors complete all outstanding evaluations for locally employed staff.

Management

The office cubicles in the NEC do not provide adequate privacy for those LE staff members who are required to conduct telephone conversations with Macedonian government officials and other embassy contacts.

Informal Recommendation 4: Embassy Skopje should provide adequate space within the chancery for locally employed staff to conduct sensitive telephone conversations with embassy contacts.

The embassy cafeteria license has expired.

Informal Recommendation 5: Embassy Skopje should extend the term of the cafeteria license to coincide with the American Employee Association's plans.

RSC Frankfurt has provided Embassy Skopje with two excellent reports summarizing deficiencies in the HR office.

Informal Recommendation 6: Embassy Skopje should comply with all of the recommendations in the previous Regional Support Center Frankfurt reports.

Work requirement statements are not always being completed within the required 45-day period after a new employee arrives. Additionally, some employees who have been in Skopje more than a year do not have current work requirements statements.

Informal Recommendation 7: Embassy Skopje should require that the human resources officer send a list of filers with delinquent work requirements statement to the deputy chief of mission who should then ensure that all work requirement statements are completed and current.

Employees who do not arrive to the embassy on a Monday must wait until the following Monday to receive a security briefing and then obtain their security badge.

Informal Recommendation 8: Embassy Skopje should arrange to have newly arrived employees receive their security badges on their first day of employment at the embassy.

The embassy awards program was the lowest ranked service on the OIG LE staff questionnaires. The awards policy is not clearly stated. Awards should be given to employees who exceed, not meet, their job requirements.

Informal Recommendation 9: Embassy Skopje needs to craft a clear awards policy and management needs to explain in detail the awards policy in a town hall meeting.

The retail price survey is overdue.

Informal Recommendation 10: Embassy Skopje should contract with an eligible family member to complete the retail price survey as soon as possible.

The HR office is overburdened

The financial management office will be getting an additional staff member shortly.

Informal Recommendation 11: Embassy Skopje should review the workloads of both the human resources office and the financial management office transferring some responsibilities to the financial management office until the human resources office staffing is addressed.

The DCM is the Department representative on the ICASS council. As stated in 6 FAH-5 H-220, there are strict limits on the times when this should occur. Sufficient resources exist at Embassy Skopje to allow another Department representative to occupy that chair.

Informal Recommendation 12: Embassy Skopje should choose someone other than the deputy chief of mission to be the Department representative on the International Cooperative Administrative Support Services council.

The embassy currently uses nine subcashiers, four of which are alternate cashiers to the subcashiers. The proximity of the Class B cashier and the infrequent use of the subcashiers obviate the need for so many subcashiers.

Informal Recommendation 13: Embassy Skopje should reduce the number of its subcashiers.

Embassy Skopje does not have a language program despite the fact that many officers need refresher training on a regular basis.

Informal Recommendation 14: Embassy Skopje should seek funding to provide language training to those who need it to perform their jobs.

Current embassy accounting reflects that the Ambassador uses more than 75 percent of the representation money available to Embassy Skopje, even though this includes events hosted on behalf of other embassy sections.

Informal Recommendation 15: Embassy Skopje should allocate additional representational resources to Department section heads via specific budgets and a representation plan.

It is at times difficult for the CLO to find sponsors willing to welcome newcomers to the embassy.

Informal Recommendation 16: Embassy Skopje should require that the community liaison office periodically provide a list of new arrival sponsors to the front office. The front office in turn needs to ensure that embassy employees perform this important welcoming function when called upon.

Embassy Skopje lacks blanket purchase agreements for packing and shipping requirements.

Informal Recommendation 17: Embassy Skopje should enter into several blanket purchase agreements for packing and shipping services.

The Chief of Mission OMS supervises and rates three drivers dedicated to the Ambassador. Placing the drivers under the motor pool supervisor would relieve the OMS of this responsibility without any service degradation. The three would remain dedicated to the Ambassador.

Informal Recommendation 18: Embassy Skopje should move the three drivers dedicated to the Ambassador into the motor pool.

Warehouse employees and others who visit the warehouse do not wear hardhats.

Informal Recommendation 19: Embassy Skopje should require that the warehouse employees and all others who visit the warehouse should wear hardhats.

The OIG inspectors received complaints of high prices being charged by the cafeteria licensee. Despite not paying any expenses to the embassy, LE staff noted that the prices are equivalent to those being charged by restaurants in downtown Skopje

Informal Recommendation 20: Embassy Skopje should require that upon assuming responsibility for the embassy cafeteria, the American Employee Association should rebid the current contract and obtain the vendor that can provide the best service and prices.

Management Controls

The three officers in the consular section have not completed distance learning course for consular management controls (PC-400).

Informal Recommendation 21: Embassy Skopje should require that the officers assigned to the consular section complete the distance learning consular management controls course (PC-400).

PRINCIPAL OFFICIALS

	Name	Arrival Date
Ambassador	Philip Reeker	09/08
Deputy Chief of Mission	Thomas J. Navratil	07/07

Chiefs of Sections:

Management	Bruce C. Wilson	09/07
Consular	Lauren I. May	08/08
Political/Economic	David J. Burger	07/08
Public Affairs	Ryan B. Rowlands	08/07
Regional Security	Bart L. Brown	07/07
Office of Export Controls Cooperation	Matthew Jones	06/08

Other Agencies:

Peace Corps	Stephen Kutzy, Jr	08/09
Department of Defense	Todd Brown	08/09
Federal Bureau of Investigation	Vacant	
U.S. Agency for International Development	Michael Fritz	08/08
Department of Justice	Timothy Faught	08/08

ABBREVIATIONS

AEA	American Employee Association
AmCham	American Chamber of Commerce
APAO	assistant public affairs officer
ACS	American Citizen Services
CAJE	computer assisted job evaluation
CLO	community liaison office
CMAT	consular management assistance team
COM	Chief of Mission
DCM	deputy chief of mission
EEO	Equal Employment Opportunity
EFM	eligible family member
EU	European Union
EUR	Bureau of European and Eurasian Affairs
EXBS	Export and Related Border Security
FMO	financial management officer
FSN	Foreign Service national
GSO	general services office
HRO	human resources officer
ICASS	International Cooperative Administrative Support Services
ICITAP	International Criminal Investigative Training Assistance Program
IM	information management
IMO	information management officer
IMS	information management specialist

IRC	Information Resource Center
ISC	Information systems center
IVLP	International Visitor Leadership Program
LE	locally employed
MAAA	Macedonia American Alumni Association
MSP	Mission Strategic Plan
NATO	North Atlantic Treaty Organization
NEC	new embassy compound
OBO	Bureau of Overseas Buildings Operations
OIG	Office of Inspector General
OPDAT	Overseas Prosecutorial Development, Assistance and Training
OSCE	Organization for Security and Cooperation in Europe
PAS	public affairs section
PAO	Public affairs officer
(b)(2)(b)(6) (b)(2)(b)(6) (b)(2)(b)(6)	(b)(2)(b)(6)
RSC	Regional Support Center
RLA	regional legal advisor
RMO	Regional medical officer
ROL	Rule of law
TIP	Trafficking-in-persons
USAID	U.S. Agency for International Development
VOIP	Voice over Internet Protocol

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