

~~SENSITIVE BUT UNCLASSIFIED~~

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

Report of Inspection

The Bureau of
Administration's
Office of General Services
Management

Report Number ISP-I-10-42, 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

- Overall, the work of the Office of General Services Management (A/OPR/GSM) is being performed well.
- The A/OPR/GSM organizational structure contains a number of miscellaneous, discrete functional entities that, apparently, are housed in A/OPR/GSM by default. Many of A/OPR/GSM units work autonomously; the Art Bank, Office of Authentications, and Employee Services Center (ESC) are stand-alone entities that have minimal contact with other GSM units and the Bureau of Administration.
- Some A/OPR/GSM offices perform functions that are closely related to the missions of other Department of State (Department) offices. For instance, the Employee Services Center performs human resources-related functions, the Diplomatic Reception Rooms staff works closely with the Office of Protocol, and A/OPR/GSM employees who provide simultaneous interpretation equipment and support must coordinate with the Office of Language Services.
- Workload distribution within A/OPR/GSM is noticeably uneven; some divisions are challenged to meet Department demands for services, while other divisions are not as stressed.
- Overall, A/OPR/GSM employees, in spite of mixed morale and workload stress in some sections, are committed to providing good customer service. Most staff members have an appreciation of GSM's mission and how their individual efforts provide essential support to Department employees and support larger Department operations and goals.
- Controls over cash receipts need to be established in the Office of Authentications in order to meet regulatory requirements. The division's staffing needs to be increased to meet a continually increasing workload. The Department also should request an exemption from existing regulations that prohibit the Department from retaining about \$1.2 million in authentications collections. These collections now must be credited to General Receipts of the Treasury.
- The Fleet Management and Operations Division provides adequate commercial transportation services to Department officials. However, the division does not provide 100 percent of executive transportation services, per its contract terms, because of a shortage of 14 motor vehicle operators.

The inspection took place in Washington, DC, between September 22 and November 13, 2009.

CONTEXT

A/OPR/GSM manages a diverse array of services to support the Department's domestic operations. It is a customer-oriented organization whose efforts often are performed behind the scenes and whose services are not always recognized. The breadth of A/OPR/GSM responsibilities is reflected in its organizational structure, which comprises six divisions. They are the Divisions of Support Services, Fleet Management and Operations, Video Production, Authentications, and the Diplomatic Reception Rooms, and ESC. Total staffing consists of 93 employees, which includes 46 U.S. direct-hire employees, contractors, when-actually-employed (WAE) staff, and more than 47 positions for motor pool drivers.

Funding for A/OPR/GSM operations comes from three sources. The FY 2010 budget consists of:

- \$5.3 million in Diplomatic and Consular Programs funds;
- \$3.5 million from the Working Capital Fund as payments for various labor services to Department bureaus; and
- \$4.5 million in reimbursements for fleet services to the Department.

A/OPR/GSM has been working with the Bureau of Administration's (A) Executive Office to develop a new, more efficient application in the Working Capital Fund system to process invoices and payments for labor, lock and safe, and cable TV services. However, progress to complete and implement the system has been slow.

OVERVIEW

The A/OPR/GSM organizational structure contains a number of miscellaneous, discrete functional entities that, apparently, are housed in A/OPR/GSM by default. Services provided include art selection and installation, authentications, motor pool services, the parking program, building signs, tours of Diplomatic reception rooms, flags for official functions, mail for transferring employees, classified waste disposal, and video production, to name a few.

Many of A/OPR/GSM units work in isolation and have little contact with other A/OPR/GSM units and infrequent contact with GSM and A bureau management. The Art Bank, Office of Authentications, and ESC are stand-alone entities that could operate independently of the A bureau.

Some A/OPR/GSM offices perform functions that are closely related to the missions and functions of other Department offices. For example, the ESC performs many human resources-related functions, the Diplomatic Reception Rooms staff works closely with the Office of Protocol, and GSM employees who provide simultaneous interpretation equipment work with the Office of Language Services. Many authentications functions relate to those performed by the Bureau of Consular Affairs and the Office of the Legal Adviser. Requests to A/OPR/GSM for lock and safe services must be coordinated with the Bureau of Diplomatic Security.

Housing these functions within the A bureau is due more to the fact that other bureaus do not want to assume these functions than to any intent to create a cohesive organization. However, there is no indication that A/OPR/GSM's functions could be better performed elsewhere or that customer service would be improved. Indeed, there is the possibility that service levels could decline if the services were assigned to different bureaus.

Overall, authorized staffing in the various GSM divisions is adequate, with the exception (described below) of the Authentications Division. However, workload distribution and the pace of operations within GSM are noticeably uneven. Some divisions are challenged to respond to Department demands for services, while other divisions are not as stressed. Last minute requests from the Secretary and Department principals result in frequently shifting priorities, especially for the Operations Support and Audiovisual staffs. Some A/OPR/GSM units have cyclical workload

surges.

To assess A/OPR/GSM's performance, the Office of Inspector General (OIG) team distributed a customer satisfaction questionnaire to the Department's executive directors, requesting that they assess and rate GSM services. The response rate was low, but the responses that were received did not contain any significant complaints. Most responses indicated that the bureaus were very pleased with the services received. A/OPR/GSM regularly seeks feedback from its customers by issuing its own customer satisfaction surveys.

EXECUTIVE DIRECTION

The GSM director brings many years of experience to the job. She has been associated with general services in the Department for more than 43 years. To her credit, the OIG team received few complaints from respondents to OIG's customer satisfaction questionnaire.

OFFICE OF AUTHENTICATIONS

The Office of Authentications provides services to the public and other Federal agencies, primarily the Departments of Justice and Homeland Security. Documents authenticated include adoption papers, extradition papers, powers of attorney, and certificates of incorporation. This function is fairly old. Chapter XIV of the Statutes of September 15, 1789, provided for establishment of a seal office and its use for authentication of records and papers in the office of the Secretary of State. The Statutes also authorized charging fees for authentication.

When the statutes creating the authentications function were enacted, the entire Department comprises Secretary Thomas Jefferson, five clerks, a part-time interpreter of French, and two messengers. Over the centuries since then, the Office of Authentications' personnel strength has barely changed, while workload and volume have increased dramatically. Staffing in FY 2009 consisted of four Civil Service direct-hire employees, two temporary WAEs, and one hourly hire contractor employee. In FY 2010, the non-U.S. direct-hire staffing changed to one WAE and three contractors. In 2009, the division processed over 154,000 authentications for 39,755 customers and received over \$1.2 million in fees for the services provided.

The Office of Authentications is overwhelmed by the volume of documents submitted. In order to keep documents moving, the office needs two additional full-time equivalent positions to maintain the timely processing of services. Customers submit requests for authentication of documents and certificates they need in order to comply with embassy and/or consulate requirements. Due to the unit's staffing shortfall, the wait time for the walk-in customers has increased and the response to mail-in documents has increased by several days. Increased wait times can result in customers missing important deadlines, having adoptions delayed, or embarking on travel without the correct paperwork to conduct business, sign contracts, or handle other legal matters. Customers may lose money on airfare and incur other expenses unnecessarily.

The Office of Authentications hears customers express concerns regarding their inability to speak directly to office staff. Due to the heavy workload, limited staff, and short target turnaround times, employees are forced to use voicemail, which precludes a phone customer's ability to speak to an authentications specialist. If the Office of Authentications were to be authorized to fill two U.S. direct-hire positions with employees trained as authentications clerks, it would facilitate efficient work flow and eliminate the need for the WAE and two hourly hire contractor employees.

Recommendation 1: The Bureau of Administration should request, and the Bureau of Human Resources should authorize and fill, two additional full-time Civil Service employees for the Office of Authentications. (Action: A, in coordination with DGHR)

Cash Controls

Fee collection and control procedures do not meet established requirements. Payment of fees for authentications services may be made in cash or by check, money order, or credit card. Collections had been received and initially processed by all office employees, including the contractors. Approved lock boxes (4 FAM 322 c.) were not used, deposits were not fully reconciled with receipts, and not all employees receiving collections could be designated to make collections (4 FAM 322.2 d.). Until the OIG inspection, neither the A bureau nor the Bureau of Resource Management, which is responsible for approving collection arrangements and procedures (4 FAM 322b), had devoted time or attention to the Office of Authentications. The OIG team discussed these issues with the A/EX financial management director on October 14, 2009. As a result, Bureau of Resource Management and Authentications staff held an initial meeting to determine and implement procedures that would correct any deficiencies.

Recommendation 2: The Bureau of Resource Management, in coordination with the Bureau of Administration, should establish and implement required collection arrangements and procedures in the Office of Authentications. (Action: RM, in coordination with A)

Funds Retention

The funds collected by the Office of Authentications are credited to general receipts and deposited in a Department of the Treasury account. Thus, the Department incurs the costs for salaries and other expenses for office operations (such as armored car service), but it does not retain collection proceeds. The Office of Management and Budget (OMB) provides guidance addressing the retention of collections (OMB Budget Circular A-25, "Disposition of Collections," paragraph 9). The Circular states: "Legislative proposals to permit the collections to be retained by the agency may be appropriate in certain circumstances." There is no documentation showing the Department ever sought the authority to retain the collections. The OIG team estimates that, at the present and forecasted rates of collection, the fees received should pay for the costs of operating the Office of Authentications, including the additional staff recommended above.

Recommendation 3: The Bureau of Administration, in coordination with the Office of the Legal Adviser and the Bureau of Legislative Affairs, should request an exception to legislation that would permit the Department to retain the fees received for authentication services. (Action: A, in coordination with L and H)

FLEET MANAGEMENT AND OPERATIONS DIVISION

Bureau	Owned Vehicles	Government Services Administration Leased	Commercial Leased	Total Fleet
Bureau of Diplomatic Security (domestic fleet)	135	679	74	888
Fleet Management and Operations Office	22	159	18	199
International Boundary & Water Commission	51	82	0	133
Overseas Vehicle Fleet (includes ICASS vehicles)	8,971	0	0	8,971
Total	9,179	920	92	10,191

The Fleet Management and Operations Division (FMO) is well-run. Staff members are trained and responsive to customer requests. Most staff are well-qualified, having prior logistical experience and/or having worked at the Department for a number of years. FMO has general oversight responsibility for all aspects of the Department's motor vehicle fleet. This includes logistical responsibilities, such as leasing vehicles, for numerous Department bureaus. Operationally, however, because there are several sub-fleets in the Department that are managed independently, there is no central office for managing and accounting for the Department's motor vehicle fleet program.

The Bureau of Diplomatic Security (DS) and the A bureau's Office of Logistics Management (A/LM) manage the two largest motor vehicle fleets not under the control of FMO. DS controls the vehicles it uses to carry out its law enforcement mission, investigations, and protective services. Likewise, A/LM regulates vehicles under the control of the Department's 260 overseas missions. Consequently, lacking any real clout, FMO's function primarily is one of reporting. As the chart above illustrates, the number of vehicles controlled by FMO is much smaller than the number of vehicles under the management of both DS and A/LM. The Omnibus Budget Reconciliation Act of 1985 (40 USC Sec. 17502) directs the head of each executive agency to designate one office, officer, or employee of the agency to establish and operate a central monitoring system for, and provide oversight of, the motor ve-

hicle operations of the agency, related activities, and related reporting requirements. This has not occurred in the Department because of the special requirements and needs cited by both DS and A/LM.

In 2007, A/OPR took the initiative to establish a Fleet Management Council, comprising all Department overseas and domestic motor vehicle stakeholders, with the goal of improving the Department's fleet management policy and complying with the appropriate laws. Due to the lack of resources and the inherent difficulty in changing the status quo, progress of the FMC has been slow. In an attempt to improve the A bureau's responsibilities for management of the Department's motor vehicle fleet and meet 40 USC Sec. 17502(1) and (2) and appropriate Executive Orders, the Acting Assistant Secretary for Administration is establishing a Fleet Policy Office that reports directly to the Deputy Assistant Secretary for Operations. The Department, however, is a foreign affairs agency with a unique mission overseas and domestically, and it would be difficult to comply with the mandate.

Recommendation 4: The Bureau of Administration should comply with 40 USC Sec. 17502(1) and (2) regarding the management, accountability, monitoring, and cost-effectiveness of the Department's motor vehicle operations, or seek an exemption. (Action: A)

Commercial Transportation Services

The intent of OMB's Circular Number A-76, "Performance of Commercial Activities," is to ensure that the U.S. Government awards contracts for commercial services to the most economical service provider. In a competition between FMO and commercial contractors, FMO proposed the most economical transportation services to the Department. FMO provides the four primary services identified in the performance work statement. These include: executive VIP transport and courier services; scheduled shuttle services; group and cargo transportation; and self-drive motor pool services. In FY 2009, the fleet made approximately 11,000 executive and general transportation trips, and 35,377 shuttle bus trips that carried over 800,000 passengers.

The performance of these services would be much improved if the required resources were available to support them. Presently, the executive VIP transport and courier services lack sufficient motor vehicle drivers to provide 100 percent of the transportation services mandated by the contract. During periods of high demand, VIP requestors have to take alternative transportation, such as commercial

taxis. FMO turns down about 20 to 25 transportation requests weekly. Similarly, the scheduled shuttle bus services are understaffed. In this instance, commercial contractors are used to meet daily demands. Large group transportation (requiring more than one bus) and cargo service requirements are most often met through the use of outside contractors. There are enough vehicles on hand to meet the need for you-drive-it vehicles, since the demand is quite low.

A challenge for the office is expediting the movement of selected motor vehicle operator recruits through Department personnel and security clearance procedures. It takes a minimum of 3 months to identify and screen a candidate for selection, followed by a security clearance process that takes another 3 months or longer. The length of time it takes to recruit for these positions consumes a lot of Department resources, while discouraging selected candidates who may seek employment elsewhere.

Because this is a contract, FMO has to provide various reports to the contracting officer. Interviews with the contracting officer made clear that FMO is fulfilling all contractual obligations. The only problem identified by the contracting officer is the time it takes to recruit personnel, which is essentially a resource issue. FMO has 32 motor vehicle operators and plans to hire 14 motor vehicle operators. With these additional staff, FMO believes it can meet all customer demand for motor vehicle services. FMO has selected 13 vehicle operators for the 14 positions to be filled, and these individuals are going through the security clearance process.

As part of the contract, FMO must meet high standards, which is done through a quality assurance program. The efforts made by FMO to meet these standards are impressive. There are customer service satisfaction reports. Random spot checks of fleet vehicles are routine. Motor vehicle operators are monitored periodically. Motor vehicle operators are required to properly maintain their vehicles and must complete daily safety checklists. Operators must take driver's training and undergo regular medical checkups, including eye exams. Fuel usage is monitored. Responsible personnel are diligent in carrying out their responsibilities.

Alternative Fuels

FMO is also responsible for tracking the Department's compliance with Executive Order, Environmental Protection Agency, and Department of Energy requirements for the usage of alternative fuels. As the chart below shows, the most recent report on Fleet Alternative Fuel compliance (FY 2008) states that the fleet is compliant on two measures and noncompliant on two other measures. Motor vehicles used for law enforcement purposes are exempt from these requirements.

The main reason for noncompliance with the requirement to operate all flex and dual fuel vehicles on alternative fuels is the lack of availability and convenience of stations in the Washington area. There are only three or four stations in the Washington metropolitan area that sell alternative fuels, such as compressed natural gas, bio diesel, and E85 (a fuel blend of 85 percent ethanol and 15 percent gasoline). Also, U.S. manufacturers have stopped making vehicles that operate on compressed natural gas. In addition, actual use of alternative fuels is difficult to measure, due to vendor coding problems. FMO complies with this requirement; however, some Department bureaus do not. FMO regularly sends out reminders to bureaus emphasizing the importance using alternative fuels. For example, OIG was one of many bureaus not in compliance. The Acting Inspector General sent out a notice reminding staff of the importance of using alternative fuels.

Actual compliance is also difficult to measure because of point-of-purchase coding problems. For example, at one station, E85 purchases are erroneously coded as unleaded gasoline when billing statements are sent out. FMO personnel stated that station managers cannot afford the software necessary to correct this problem. Actual consumption will continue to be difficult to track until industry-wide fuel coding problems are rectified.

Department of State Performance – EPA Act/
E.O. Requirements FY 2008

Authority/or Mandate	Performance Measures	Requirement	DOS Performance in FY 2008
EPA Act 1992	Alternative Fuel Vehicle (AFV) acquisitions	75 percent of the 44 covered fleet motor vehicle acquisitions must be AFVs.	Accumulated 156 AFV credits (355 percent of covered acquisitions). COMPLIANT
EO 13423	Reduce annual covered petroleum consumption	Reduce petroleum consumption of covered vehicles by two percent annually by end of FY 2015 from FY 2005 baseline of 278,985 gasoline gallon equivalents (GGEs).	Consumed 208,684 GGEs, a decrease of 25 percent from baseline (far exceeding the target of a six percent decrease [262,245 GGEs total] by end of FY 2008). COMPLIANT

EO 13423	Increase annual alternative fuel (AF) consumption	Equal or exceed the FY 2008 AF usage target of 37,906 GGEs, based on a compounded 10 percent annual rate of increase over the FY 2005 baseline of 28,480 GGEs.	Used 13,192 GGEs, which is only 35 percent of the FY 2008 target. However, it is an increase of 5.9 percent over the previous year. NONCOMPLIANT
EPA Act 2005, Sect. 701	Operate all dual-fuel nonwaived AFVs on AF	AF use must comprise 95 percent or more of fuel used in non-waived dual-fuel AFVs.	Actual usage is about five percent. NONCOMPLIANT

SUPPORT SERVICES DIVISION

With more than one-half of GSM's U.S. direct-hire employees, the Support Services Division (SSD) is the largest GSM component, and it carries out the widest range of functions in GSM. To illustrate, SSD is responsible for functions as diverse as the parking program, scheduling and coordinating use of conference rooms, overseeing destruction of classified waste, providing audiovisual services, selecting and installing art, and managing the cafeteria patrons committee. The Operations Support Branch (OSB) in SSD is responsible for the parking program and most of the "miscellaneous" functions carried out by GSM. Until this year, OSB was understaffed, but the addition of three employees brings OSB to its full staffing level. Some OSB subunits and employees continue to be overloaded, especially during peak activity periods. The OIG team advised the SSD division chief to review operations in order to identify opportunities for workload reallocation and to ensure that supervisors are prioritizing and delegating tasks effectively.

Parking Permit Program

Parking is an important perk, and it is a benefit that has had a history of abuse. For this reason, OSB works diligently to operate a transparent parking program with strong management controls. To further strengthen management controls, OSD has changed to a computerized parking permit program. Permits issued for the November 1, 2009, open parking season inaugurated the new computerized parking program. An estimated \$120,000 was spent developing this program. OSD anticipates that this system will cost less than \$20,000 to operate annually and reduce their

overhead costs and staff time. A total of 1,760 permits are allocated to Department employees (car pool 113, handicapped 70, reserved 65, and open 1,512) for the Harry S Truman (HST) building, plus all annexes.

OSB delegated its parking permit fee collection to the Foreign Affairs Recreation Association (FARA). A memorandum of agreement is in place and works well. FARA collects nearly \$400,000 annually for about 1,100 parking spaces in HST and SA-6. FARA hires parking attendants commercially and charges a 5 percent fee for handling the assignment of parking permits. These fees pay for parking decals and the cost of parking attendants.

A minimal of \$36 per month is charged to cover the cost of parking attendants. Because parking fee charges are modest in comparison to commercial rates of \$15 to \$20 per day, double dipping (receiving Metro Checks and a parking pass) is a constant concern. To prevent double dipping, the Bureau of Human Resources, Office of Employee Relations, compares the list of employees who are issued parking permits with the list employees who are issued Metro Checks. Double dippers are given an opportunity to identify the benefit they would like to maintain. In the past, some violations were referred to OIG for investigation.

OTHER OPERATIONS SUPPORT FUNCTIONS

Classified Waste Disposal Program

OSB has both supervisory and contract responsibility for the Department's classified waste disposal program. There are newly installed disintegrators, which are individually designed to shred and pulverize paper, plastics, metals, and computer hard drives. There is also a demagnetizing device (degausser) used to erase the memory of computer hard-drives memory prior to its shredding them. The disposal program is consistent with the U.S. Government's "Go Green" initiative. The final product is a compressed disk on pulverized paper that is recycled. All equipment is housed in a Sensitive Compartmented Information (SCI) facility, which was recently renovated and reaccredited by DS in June 2009. The facility meets all physical and procedural security requirements spelled out in the Director of Central Intelligence Directive 6/9. The operation is staffed by a team of seven contractor personnel.

In FY 2009, the classified waste disposal operation disintegrated 404,536 pounds of paper products. Classified waste is delivered by appointment on workdays between 7:00 a.m. and 12:00 p.m. Machine maintenance and housekeeping are conducted in the afternoons.

Due to the sheer quantity of material received for destruction, SSD cannot provide receipts for Top Secret (TS) and SCI material. Paper material that is classified as Secret or below (including Sensitive But Unclassified) is separated from higher levels of classified material and weighed. TS and SCI material must be destroyed by the end of the day, unless an exception is given by the Bureau of Intelligence and Research. However, when receipts are not provided, problems surface with maintaining accountability surface.

In accordance with 12 FAM 539.5, when transferred or destroyed, TS material must have a control sheet (DS1902) that is completed and signed by the person conducting the destruction, as well as the signature of a witness. This policy most likely is being adhered to by the individual bureaus prior to their delivery of the TS material; however, completion of the DS 1902 may be premature, since the material as yet has not actually been destroyed. The OIG team discussed this with DS, which agreed with the team's observation that transferred TS collateral information destined for destruction may have direct accountability problems. DS has agreed that future training of bureau security officers will include the following possible alternatives:

- Marking DS 1902 (Access Control Sheet, Top Secret Information) as transferred to Special Services Division, with a side note that it was transferred for destruction;
- Having the OF-116 (Record of Top Secret Material) accompany the TS material that is transferred to Special Support Services, and having the receiving personnel note in the log that the TS material was transferred to them for destruction; and
- Destroying the TS material within the bureau and completing the DS 1902 as required.

Recommendation 5: The Bureau of Diplomatic Security, in coordination with the Bureau of Administration, should provide policy and training to bureau Top Secret control officers that will ensure collateral Top Secret material destined for destruction is provided direct accountability. (Action: DS, in coordination with A)

Discussions with SSD personnel revealed a possible procedural security vulnerability regarding the labeling of "burn bags" containing varying levels of classified material destined for destruction. A/OPR/GSM and the bureau security officer took actions to correct this deficiency.

EMPLOYEE SERVICES CENTER DIVISION

ESC provides services to Foreign Service employees relating to transfers, the payroll system, assistance with forms, and other services that help employees transferring between duty stations. While much of ESC's work is related to functions carried out by the Bureau of Human Resources, ESC performs well as part of the A bureau. ESC counselors see more than 1,500 employees annually, most during the summer transfer season. This figure does not include the number of family members visiting the ESC or visitors to the passport/visa counter, housing office, lounge, and communications center, all of which are colocated in the ESC.

AUDIO-VISUAL SERVICES AND VIDEO PRODUCTION

Within GSM, the audio-visual and video functions are located in separate divisions. The audio-visual services branch has a staff of 12 employees: a chief, eight technicians, and two photographers, plus a cable television specialist contractor. The branch is responsible for providing simultaneous interpreting equipment, microphones, podiums, lecterns, and audio and video projection for meetings and conferences in the Department, as well as other locations in the Washington, DC area, elsewhere in the United States, and worldwide when needed. For instance, technicians provided support for the G-20 Conference in Pittsburgh, and at the United Nations General Assembly, and accompanied the President on his visit to Asian countries in November 2009. Photography services include a studio for official photos as well as coverage of special events. Cable television service includes maintenance of satellite dishes and cable lines for service to the Department and its annexes.

The video production unit is staffed by four direct-hire employees. The unit provides a full range of production script writing, video duplication, editing, graphics, and special effects. In addition, it provides live camera coverage, teleprompter services and videotaping of messages by the Secretary and others for distribution and viewing.

DIPLOMATIC RECEPTION ROOMS

The Diplomatic Reception Rooms in the Harry S Truman building are ceremonial rooms furnished entirely with 18th and early 19th century antiques that have been acquired via loans and private citizens' donations. GSM provides guidance for all

aspects of events held in these rooms. It also is responsible for the oversight, maintenance, and security of the rooms. The planning and complex logistical support required for events is well orchestrated by the staff. The staff works closely with the Office of Protocol. During FY 2009, the rooms accommodated 338 functions, attended by approximately 32,000 guests.

The operation of the rooms is funded entirely by client fees. High-level U.S. Government officials (e.g., the President, Vice-President, and Secretary of State) do not pay fees for using the rooms. However, other clients are charged a flat fee or the actual cost of services. In the past, the amount of fees received annually was approximately \$150,000. Due to increased use of the rooms by the new Secretary of State, the amount of fees received will be decreased. The rooms' manager estimates that if revenues fall below \$90,000, the fees charged to paying clients will have to be increased.

ART BANK

The Art Bank is a unique, stand-alone entity that was established in 1984 to manage the Department's domestic fine arts inventory. It has a permanent collection of more than 2,000 contemporary American works on paper, which span a range of styles, subject matter, and techniques. The collection has been appraised at \$2.5 million. The art works are exhibited in Department offices and public areas in the HST building and annexes, and in USAID facilities. The Art Bank is funded through fees paid by Department bureaus, plus a small operating budget. Internal controls over the collection are good; inventory of all pieces is conducted twice a year. This year, the Art Bank held an inaugural exhibit in the newly renovated Marshall wing of the HST building; and it was honored, for the first time, to assist the Secretary of State in selecting pieces for her office.

LIST OF RECOMMENDATIONS

Recommendation 1: The Bureau of Administration should request, and the Bureau of Human Resources should authorize and fill, two additional full-time Civil Service employees for the Office of Authentications. (Action: A, in coordination with DGHR)

Recommendation 2: The Bureau of Resource Management, in coordination with the Bureau of Administration, should establish and implement required collection arrangements and procedures in the Office of Authentications. (Action: RM, in coordination with A)

Recommendation 3: The Bureau of Administration, in coordination with the Office of the Legal Adviser and the Bureau of Legislative Affairs, should request an exception to legislation that would permit the Department to retain the fees received for authentication services. (Action: A, in coordination with L and H)

Recommendation 4: The Bureau of Administration should comply with 40 USC Sec. 17502(1) and (2) regarding the management, accountability, monitoring, and cost-effectiveness of the Department's motor vehicle operations, or seek an exemption. (Action: A)

Recommendation 5: The Bureau of Diplomatic Security, in coordination with the Bureau of Administration, should provide policy and training to bureau Top Secret control officers that will ensure collateral Top Secret material destined for destruction is provided direct accountability. (Action: DS, in coordination with A)

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PRINCIPAL OFFICIALS

	Name	Arrival Date
Office of General Services Management Director	Shirley Beard	July 2005
Office Directors		
Support Services	Birgitta Drewes	November 2005
Fleet Management	Barry Shpil	April 2003
Video Production	Meg Ravenholt-Hankin	August 1998
Authentications	Denitra Hawkins	September 1996
Diplomatic Reception Rooms	Janet Freer	December 2007
Employee Services Center	Jacqueline Pridgen	July 2005

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ABBREVIATIONS

A	Bureau of Administration
A/LM	Bureau of Administration, Office of Logistics Management
A/OPR/GSM	Office of General Services Management
Department	Department of State
DS	Bureau of Diplomatic Security
ESC	Employee Services Center
FARA	Foreign Affairs Recreation Association
FMO	Fleet Management and Operations
HST	Harry S Truman
OIG	Office of Inspector General
OMB	Office of Management and Budget
OSB	Operations Support Branch
SCI	Sensitive Compartmented Information
SSD	Support Services Division
TS	Top Secret
WAE	when-actually-employed

FRAUD, WASTE, ABUSE, OR MISMANAGEMENT
of Federal programs
and resources hurts everyone.

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