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

Report of Inspection

Embassy Islamabad and
Constituent Posts, Pakistan

Report Number ISP-I-10-64, June 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

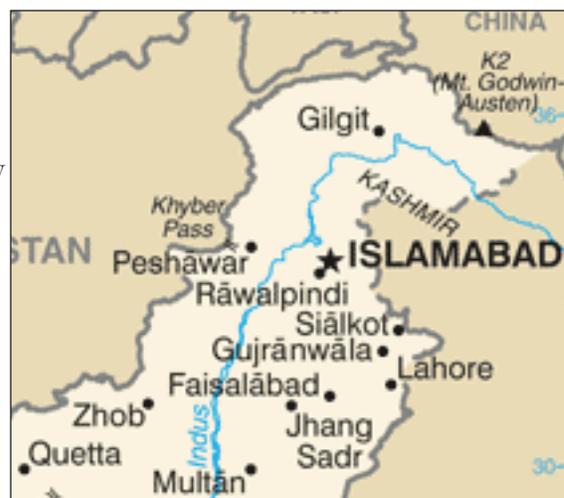
- The staff of Embassy Islamabad and the three constituent posts are dedicated to the success of the President's strategy for Afghanistan and Pakistan, spending long hours and immense physical and intellectual effort to meet the demands of the recent rapid growth in staffing and programs generated by increases in funding.
- Violent extremist organizations, including al-Qaeda, operating in and from Pakistan are committed to destabilizing Pakistan's democratically elected government and attacking the United States and its interests. In almost every decision, embassy leaders balance the imperative to pursue without reserve the President's strategy for Pakistan against the risk to life for mission staff. Risk management is a full-time job.
- Life in Pakistan for U.S. direct-hire employees and locally employed (LE) staff alike is difficult and will remain so for some time. Morale varies throughout the mission. Special compensation and incentives for work in a high-danger environment, together with awareness that employees are contributing to one of the President's most important priorities, is a source of satisfaction for many, but more can be done to keep mission staff informed of plans and policies.
- The rapid pace of embassy growth and demands for new staff to support visitors, reporting, representation, engagement, and other priority tasks leaves mission managers little time to consider whether established procedures or staffing are producing the best results. The management section has taken the time to step back, evaluate, and improve. This is a best practice within this mission.
- Embassy Islamabad and the three consulates general all have space and infrastructure challenges. In Islamabad, the \$1 billion construction plan to replace nearly all facilities may be delayed by problems in land acquisition (b) (2) (b) (2) in Karachi, the consulate has outgrown the new compound before moving in; and in Peshawar, efforts to locate a suitable property have proven difficult although the host nation has offered a new option that will soon be evaluated for feasibility. The consulate in Lahore can accommodate expected growth but needs physical upgrades.

- After a hiatus of more than 13 years, the embassy is considering reestablishing nonimmigrant visa (NIV) services in Lahore in response to interest by the Special Representative for Afghanistan and Pakistan (S/SRAP). The OIG team believes that the embassy should not reinstitute NIV services in Lahore. Further devolution of Pakistan's moderate but complex NIV workload is not in the interest of consistency, efficiency, or management oversight, and would increase security vulnerabilities.
-
- The embassy's political-military function is divided between the political section and the border coordinator's office. Although this arrangement has worked well under the present leadership, the embassy could follow the practice of other embassies with large portfolios of political-military issues by creating a new section that would address all political-military issues.
- Although the mission produces quality reporting, coverage of issues is uneven. Time spent on high-level visitor support has had an adverse impact on the volume of reporting. The embassy needs to reinvigorate its political and economic reporting by consulting Washington agencies and developing achievable, countrywide political and economic reporting plans that reflect policy priorities and user needs.
- The embassy has managed foreign assistance coordination effectively. In the near term, the embassy will need to manage the substantial and growing funding pipeline, increase cooperation between the narcotics affairs section (NAS) and the United States Agency for International Development (USAID), and develop strategies to monitor performance in high-risk areas.
- Embassy Islamabad's public affairs section (PAS) functions very well under difficult circumstances but suffers from a severe shortage of officers and a serious deficit in public diplomacy experience. Until the section is staffed with a full complement of officers with at least some public diplomacy experience, it is unfair to judge the work of the section by all the traditional criteria.
- The management staff is doing a good job despite a crushing workload. At the same time, the effects of one-year tours and the sheer volume of work have left a number of areas where procedures and internal controls need improvement.
- With the mission's rapid growth, agencies have duplicated a number of administrative services, constraining the embassy's ability to support the mission as a whole. The embassy is working to consolidate support services, especially motor pool resources.

The inspection took place in Washington, DC, between January 4 and February 2, 2010; in Islamabad, Pakistan, between February 4 and March 6, 2010; in Karachi and Lahore (two subteams) between February 15 and 20, 2010; and in Peshawar on February 13 and February 23, 2010.

CONTEXT

The 2009 President's Strategic Review for Afghanistan and Pakistan made it clear that sustaining Pakistan as a moderate Islamic republic committed to the fight against militancy and extremism, with a democratically elected civilian government, solid economic growth, and at peace with its neighbors, is a vital U.S. national interest. Yet, Pakistan faces severe challenges that threaten its stability. America's overriding goal in Pakistan is to disrupt, dismantle, and defeat al-Qaeda and its extremist allies. Embassy Islamabad and the three constituent posts focus on these priorities.



Pakistan's economy confronts macroeconomic and structural impediments to sustainable economic growth. With the support of the International Monetary Fund, the government is making efforts to stabilize the economy by taming inflation, reducing the fiscal deficit, and building international reserves. Two-thirds of Pakistanis live on less than \$2 per day. The economy is based on low-productivity manufacturing and service sectors and a stagnant farming sector, and suffers from a lack of investment in infrastructure. To absorb its rapidly growing population, Pakistan must create millions of new jobs annually. Insufficient and irregular energy supplies, a lack of diversification and innovation, low labor productivity, and policy and regulatory bottlenecks impede economic expansion. Moreover, high illiteracy rates, low school enrollment, high child mortality rates, and inadequate health and education services make Pakistan a poor performer in achieving development goals.

Pakistan requires long-term assistance across many sectors. The mission established and filled a foreign assistance coordinator position in FY 2009 whose role includes accelerating civilian disbursements and ensuring that more assistance funds are channeled through Pakistani Government agencies. The Departments of State, Defense, and Treasury, as well as USAID implement assistance programs. The embassy is refocusing foreign assistance programs to address the geographic and thematic areas that most immediately threaten stability and economic development.

The mission's assistance and political-military strategies include a fourfold increase in Department of Defense funding, and a threefold increase in civilian assistance in FY 2010. To respond to this dramatic increase in funding, the mission worked closely with Washington agencies on the development and subsequent refinement of a staffing plan to ensure there will be adequate personnel resources to undertake the major new assistance initiatives. The embassy's requests for increased positions are being met, but many positions remain unfilled due to a combination of insufficient bidders and visa delays. By the end of FY 2011, the embassy expects the number of U.S. direct-hire positions across all agencies to increase from 570 approved positions at the end of FY 2009 to 695 by the end of FY 2011, and the number of locally employed (LE) staff to increase from 1,364 to 1,552.

Because of the difficulties of recruiting for these dangerous assignments, and the limitations on accompanying family members, virtually all U.S. direct-hire personnel are assigned to Pakistan for one year, which is, as in other missions with one-year tours, a serious problem for continuity, program oversight, contact development, the productive use of LE staff, and team building. In addition, the incentives benefit package includes a number of rest and recuperation (R&R) and regional rest breaks¹ that erodes the actual time an officer spends in country on an already short tour. Managing the assignment, transfer, and integration of nearly the entire U.S. staff every 12 months places a heavy burden on management and support staff that is itself turning over every year, and is also dealing with multiphased construction projects at two sites and the effort to identify new premises at two others.

The embassy also devotes a significant portion of its already stretched resources to support high-level administration and congressional visitors. During FY 2009, the embassy hosted almost 700 such travelers, which entailed over 100 preparatory meetings and encumbered over 300 vehicles during a total of 175 days in the country. In addition to these visits, the embassy facilitated the travel, housing, and transportation of over 4000 temporary duty (TDY) staff during the same period. The embassy has taken steps to rationalize the number and frequency of its visitors, but even with tighter planning, visitor support is likely to continue to draw on all sections of the mission for control officers and on the management section, in particular, for logistical support.

As the mission undergoes an increase in staffing to meet the President's agenda, the embassy and all three consulates have space and infrastructure problems. There are plans to augment the embassy compound in Islamabad around the existing offices and to build employee housing on the compound and adjacent land that will

¹ The number of R&R and regional rest breaks depends on the post of assignment.

eventually allow employees now living in leased housing off-compound to move to the relative safety of the diplomatic enclave. A new office building in Karachi is scheduled for occupancy in the summer of 2010, but Government of Pakistan actions resulting in port delays could postpone completion of the Karachi project. Efforts to locate a suitable property for what is arguably the most dangerous U.S. consulate in the world—in Peshawar—have not been successful to date. Efforts to expand operations in Lahore also occupy the embassy’s attention.

Security for U.S. Government personnel is among the highest mission priorities. Especially in Peshawar, but also in Islamabad, Karachi, and Lahore, official American and LE staff lives are put at risk every day. Mission leadership and Washington policymakers recognize and accept this risk in order to pursue vital national strategic and security priorities. The security situation also limits the mission’s efforts to monitor assistance and development projects; oversee contracts and grants; conduct broad public diplomacy outreach; and further the person-to-person exchanges across social, economic, and political lines that are the foundations of diplomacy.

As of March 1, 2010, Mission Pakistan had 640 U.S. direct-hire staff and 1,503 LE staff. U.S. nonmilitary assistance in FY 2009 totaled approximately \$1.25 billion.

ISLAMABAD

In the 1960s, the capital of Pakistan moved from Karachi to Rawalpindi, and then to Islamabad once the infrastructure of the new capital was in place. The combined population of Rawalpindi and Islamabad makes the metropolitan area the third largest in Pakistan (after Karachi and Lahore). Although Islamabad was built as the seat of the federal government, it has become a rapidly growing business and commercial center.

Islamabad is not a microcosm of Pakistani society. The population of Islamabad is better educated and better off than the populations of other urban centers. The population is also the most diverse of Pakistan’s major cities, having attracted its bureaucratic workforce from throughout the country. As the region develops as a bureaucratic, educational, commercial, and financial center, it will continue to diverge from the more rural and industrial parts of the country. Moreover, as Pakistan’s knowledge industries grow, proximity to the universities and bureaucracies in Islamabad will make the capital city even more attractive.

KARACHI

Karachi's consular district includes the Sindh and Baluchistan provinces that encompass 30 percent of Pakistan's population and 60 percent of its territory. With upwards of 18 million inhabitants, Karachi is Pakistan's largest city and port, its financial and business capital, the seat of the central bank and stock exchange, and the federal government's financial intelligence unit. The city hosts diplomatic missions from 22 countries. Some 70 firms with business interests in the United States are members of the Karachi-based American Business Council. The political party that governs Karachi is joined in a tempestuous coalition among rivals that holds a governing majority in the federal parliament in Islamabad.

Baluchistan has an active nationalist movement, and both provinces present challenges of overcoming poverty, respecting human rights, and building effective governance. The bulk of supplies to NATO forces in Afghanistan pass through the port of Karachi and proceed overland through Sindh and Baluchistan to the Afghan border. Several members of the Afghan Taliban leadership have taken refuge in Quetta and Karachi; Pakistani authorities have located and arrested some of them. All of Karachi's diplomatic operations take place in the shadow of the 1995 and 2006 attacks that killed U.S. and Pakistani staff and the 2002 bombing of the consulate facility.

LAHORE

At the time of Pakistan's independence, Lahore was the largest and most vibrant city in the western sector of the new country (with the eastern sector breaking off in 1971 to become Bangladesh). While it has been surpassed by Karachi as the country's most populous city and banking and business center and by Islamabad as the seat of national government, Lahore and the province of Punjab constitute over 55 percent of Pakistan's population and nearly 60 percent of its economic output. It is also home province and base for Pakistan's most powerful opposition party.

In the 1990s, the consulate in Lahore underwent a significant contraction in staff, budget, and Washington interest. By mid-2009, there were only five full-time U.S. direct-hire staff whose primary purpose was representation and political reporting. Its status as a consulate general recently restored, Lahore has moved from being a backwater to a frontline contributor to the embassy's strategic and security priorities. U.S. staff numbers have nearly doubled in the past year, and with the arrival of

additional staff, including a significant contingent from USAID in coming months, another doubling is in sight. U.S. engagement, public diplomacy, and assistance program activities are once again substantial.

PESHAWAR

Peshawar is the capital of the North West Frontier Province (NWFP) and the administrative center of the Federally Administered Tribal Areas (FATA). Almost midway between Islamabad and Kabul on the edge of the Khyber Pass, Peshawar is on the eastern side of the Pashtun-dominated areas of Pakistan and Afghanistan and near the Punjabi-dominated areas that surround Islamabad and extend far to the south.

Established as a diplomatic post in 1958 and elevated to a consulate general in February 2009, Peshawar is said to be the most dangerous U.S. diplomatic post anywhere.

The USAID office in Peshawar leads the management and monitoring of the \$750 million FATA Development Program and is responsible for planning and managing more than \$1 billion of new assistance for the NWFP. Peshawar's consular district will receive a major portion of the Pakistan Counterinsurgency Fund (\$400 million) and the Pakistan Counterinsurgency Capability Fund (\$700 million) before the end of FY 2011.

Pakistan is a dangerous place. On February 3, 2010, the day prior to the arrival of the OIG team, a suicide car bomber attacked a Pakistani Frontier Corps convoy including five U.S. Special Operations soldiers. Three U.S. soldiers died. They had been housed in Peshawar and were training with the Frontier Corps. They were friends and colleagues of many serving in Pakistan. At the memorial service honoring them on February 7, 2010, the Ambassador reinforced both the importance of pressing forward with our strategy to help Pakistan eliminate violent extremist organizations and the danger to all mission staff in doing so. These three deaths, added to other attacks, assassinations, bombings, and the daily stream of terrorist threats, place an immeasurable emotional weight on the shoulders of people the United States asks to serve in Pakistan.

Violent extremist organizations, including al-Qaeda, operating in and from Pakistan are committed to destabilizing Pakistan's democratically elected government, and to attacking the United States and its interests. In almost every decision, the Ambassador and DCM balance the imperative to pursue without reserve the President's strategy for Pakistan against the risk to life for mission staff. The embassy tries to operate as a normal diplomatic mission, but the quest for normal operations faces a reality that includes the determination of terrorist groups to kill Americans, a population overwhelmingly hostile to U.S. policies, and a legacy of distrust caused by a widespread belief that the United States neglected the bilateral relationship.

The Department is required to respond to growth in assistance, personnel, and resources and to provide a platform to support all the staff and agencies of the U.S. Government necessary to implement the President's strategy. Current platforms are inadequate: the chancery and the consulates general are too small, built for an earlier era. Plans have been developed for additional facilities to replace or expand existing ones. Despite the best efforts of the embassy executive team and Washington agencies, full implementation has not kept pace with needs (b) (2)(b) (2)(b) (2) (b) (2)(b) (2) in obtaining approvals to purchase land and lease needed office space. In addition to the shortcomings of the physical plant, embassy leadership, supported by Cabinet-level officials, has had to be heavily engaged in trying to (b) (2)(b) (2)(b) (2) obstacles, such as delays in visa issuance and customs clearance, as well as impediments to the import of sufficient numbers of fully armored vehicles.

The Ambassador provides highly respected leadership to a dynamic interagency team. One interagency representative described the Ambassador as “the most effective embodiment of whole-of-government leadership” he has seen in over 20 years at various embassies. The Ambassador chairs thrice-weekly country team meetings and holds both regularly scheduled and ad hoc meetings to disseminate policy guidance and gather information. The embassy coordinates with consulates via weekly, deputy chief of mission (DCM)-chaired digital video conferences, emails, and visits to and from the capital. In her interactions with embassy staff, the Ambassador regularly reiterates both the President’s strategy and the important role of the staff in its implementation. The Ambassador and DCM also rely on section chiefs and agency heads to keep their staffs informed of developments and changes. Most do so well; some can do better.

In addition to frequent country team and other meetings, the embassy has several innovative structures created for this extraordinary situation. Examples include a border coordination office, which reports directly to the Ambassador; a foreign assistance coordinator whose role includes accelerating civilian disbursements and ensuring that more assistance funds are channeled through Pakistani Government agencies; and the Office of the Defense Representative – Pakistan (ODRP), which brings together all resident elements of the Department of Defense and Central Command (CENTCOM) under the leadership of a vice admiral.

In addition to its work on cross border issues affecting Pakistan and Afghanistan, the border coordination office functions as a strategic planning unit for crosscutting issues, an arrangement that works well because of the office head’s prior experience and solid relationship with the Ambassador. The foreign assistance coordinator, who is a former ambassador and is supported by a small staff, has been effective in managing relations among mission and Washington-based agencies, Pakistani institutions, and other donors. The coordinator played an important role in developing the new civilian assistance strategy, which aims to deliver aid through Pakistani entities and build national capacity. The vice admiral is the first U.S. officer in Pakistan to hold the title of Senior Defense Official/Defense attaché. In this capacity, he commands the traditional Defense attaché and security assistance offices. As the representative of the commander of CENTCOM, he also has a small joint military staff. This arrangement has proven effective as the United States works by, with, and through Pakistan’s security organizations to disrupt, dismantle, and destroy violent extremist organizations as the United States has neither the military presence nor invitation to operate in Pakistan as in Afghanistan.

All resident U.S. national security agencies assist Pakistan in strengthening counterinsurgency capabilities so that national authorities can use traditional developmental assistance better to extend the government’s writ and demonstrate its ability to

provide security and services. There is a link between the Pakistani Government's increasing ability and willingness to carry out a counterinsurgency plan and the advice and assistance that the Ambassador's tight-knit team, including interagency representatives, has delivered to the government.

The embassy also has 10 working groups including, but not limited to, economic, public diplomacy, humanitarian assistance, and law enforcement issues. Some working groups, such as that formed to respond to the internally displaced persons crises in 2008/2009, have been action-oriented, Ambassador- or DCM-led, and effective. Others have been less productive, especially when the working group is expected to move from information exchange to action-taking. Some groups are ad hoc, but ongoing, suggesting that formalizing them may be in order.

Embassy Islamabad reports directly to S/SRAP and no longer to the Assistant Secretary for the Bureau of South and Central Asian Affairs (SCA). However, it continues to receive administrative and public diplomacy support from SCA's executive and public diplomacy offices. The embassy has worked with S/SRAP in the development of various plans and strategies over the past fall and early winter. The embassy took direct responsibility for writing assistance and civil-military plans in coordination with CENTCOM. Other plans, such as the Pakistan Communications Plan, were developed primarily in the Department.

There is constant interaction between the embassy and staff of S/SRAP, the official conduit for nearly all embassy communications with Department offices and bureaus. The Special Representative for Afghanistan and Pakistan visits Pakistan often. Until her departure for leave on February 28, 2010, the Ambassador had not been to Washington since August 2009, although she has frequent contact with senior policy officials through regular secure video teleconferences and during their visits to Pakistan.

Planning offices in Washington characterized Islamabad's Mission Strategic Plans (MSP)² since 2005 as "unrealistic." Goals not achieved one year rolled over to the next, the tone oversimplified the achievement of U.S. goals, and the plan presupposed Government of Pakistan agreement to increases in assistance and staffing. S/SRAP did not participate in the review process. Since preparation of the last MSP, numerous (and overlapping) strategies, staffing plans, and budget proposals have been developed outside of the regular processes. The FY 2012 Mission Strategic Resource Plan presents an opportunity for embassy leadership to bring these separate threads back together.

² The inspection coincides with the Department's initiation of its FY 2012 strategic and budget planning processes, including the revision of the MSP as the Mission Strategic Resource Plan.

Providing control officers, note takers, control room staff, cars, drivers, and beds for so many official visitors puts an enormous strain on a mission where approved staff levels have yet to be reached. In December 2009, recognizing the burden visitors impose, embassy leaders informed Washington that they would henceforth be more selective in granting country clearances for official visits. Congressional visitors were excepted because the embassy believed exposure to senior Pakistani officials was crucial to continued congressional support for the President's strategy.

The Ambassador and DCM have been more rigorous in the first months of 2010 in evaluating proposed executive branch visits, in some cases insisting that delegation numbers be pared. However, the pace is still wearing; the third week of February saw two congressional delegations (a third having cancelled at the last minute), as well as two executive branch delegations — with a third departing just ahead of the first congressional delegation and a fourth arriving just after the previous one.

Large numbers of high-level visits are a fact of life when U.S. national interests are as deeply engaged as they are in Pakistan. The embassy manages these visits well. However, many of the same reporting and public diplomacy officers who are expected to meet Washington's voracious reporting and outreach requirements find that substantial parts of their time must be devoted to visits while contact work and reporting languish.

The Ambassador and DCM support the embassy's Equal Employment Opportunity (EEO) program. The DCM has participated in the weekly orientation program for new arrivals and spoken on the embassy's zero tolerance for sexual harassment as well as the Ambassador's and his expectations that employees treat all mission personnel with professionalism and courtesy.

To make expanded reporting, representation, outreach, and support services possible, the Department has authorized substantial personnel growth. However, with growth in numbers and increased terrorist threats, some staff members arrive to find very different jobs or circumstances than they anticipated. The most dramatic example occurred in the early fall of 2008, after the assassination of a USAID contractor in Peshawar, the embassy and consulate decided de facto to safe haven some staff in Islamabad. Others arriving in the summer of 2009 stayed in the capital. These so-called "Peshugees" were, with only a few exceptions, shortchanged on housing, allowances, access to their household effects, and jobs. Embassy leadership, working with the Department, has found a way to accommodate the "Peshugees," but their experiences exemplify the difficulties inherent in managing rapid staff expansion in a high-stress, dangerous environment. (See human resources section of this report for further discussion of the Peshawar issue.)

The 2005 inspection report for Embassy Islamabad spoke at length about problems caused by one-year tours. Those problems continue and include insufficient time to develop contacts or job expertise and LE staff that are underutilized and underappreciated. Embassy leaders have made commendable efforts to increase the number of staff who stay for two years, and the Department and the embassy continue to explore ways to enhance incentives for extended service.

Another facet of one-year, unaccompanied, danger and hardship pay tours of duty is that many officers are serving in positions graded higher than their own rank. At the managerial level, as outstanding as officers may be in their specialty, some do not have the experience or preparation to give their less experienced subordinates the guidance they need. Moreover, in reporting sections, more seasoned officers must balance demands for their own reporting against the need to develop less experienced staff. Many mid-level positions are also filled by officers serving in a cone for the first time or for the first time after extended service in other specialties. To expect officers on a one-year tour to learn both what the job entails and how to perform that job well in Pakistan has not proven to be realistic.

Embassy Islamabad staff work long hours and often, seven-day weeks. Embassy policy permits scheduling of formal meetings on Saturdays, but not on Sundays. On Sundays, many officers strive to catch up on outstanding work or prepare for coming events. Embassy leadership is aware of the need for staff to feel that they can take some personal time off each week, and they demonstrate this by example: they go to the gym or play tennis. They have also insisted that staff take authorized R&R, even when visa uncertainties may result in prolonged absences. However, because both the Ambassador and DCM maintain seven-day, no-holiday schedules, many staff follow their lead.

The DCM takes his mentoring and professional development responsibilities for entry-level officers (ELO) seriously, meeting with those newly arrived and preparing reviewing statements for all untenured officers. Section chiefs have developed a list of special projects for ELOs and ELOs are asked to work on high-level visits, although there is a perception among some ELOs that those opportunities may not be shared equitably. The Ambassador advised the Director General that she believes first-tour ELOs lack the experience and seasoning to work effectively in Pakistan's dangerous and high-stress environment. The Bureau of Human Resources has tried to accommodate the Ambassador with second-tour officers insofar as possible.

People seek assignments in Pakistan for many reasons. Most of those employees that the OIG team interviewed showed a sense of mission and personal commitment. The embassy's leaders believe that they boost such attitudes through their

words and actions. Where they succeed, individuals are least preoccupied with separation from family, heavy workloads, long hours, Spartan working and living conditions, and danger.

Responses to pre-inspection personal questionnaires indicated individual morale across the mission was mixed. The OIG team's direct observation and interview results generally confirm this picture. The Ambassador and DCM are both riveted on policy issues. The Ambassador acknowledges morale may not be as high as she would like in some parts of the mission. She also believes the opportunity to support one of the highest foreign policy priorities of the U.S. Government by working in Pakistan should inspire all staff.

The Ambassador and DCM were not as aware as they should have been of mid-level managers who are not providing the guidance and professional development their subordinates deserve. They have also let some personnel issues that detract from overall mission performance go unresolved.

Morale in the embassy varies across sections and agencies, but broadly speaking, it is good. Most staff live outside the embassy compound and drive personal vehicles. While some are uncomfortable with the responsibility that goes with managing personal security decisions, most appreciate that they are given the information needed to make smart choices.

In general, morale in the consulates is higher than in the embassy. Despite working in a converted warehouse with low ceilings and little privacy, Consulate General Karachi staff is motivated, dedicated, and undeterred by a history of violent attacks against American interests in the city. Consulate General Lahore staff also have good morale, not least because they have greater freedom than many of their counterparts throughout Pakistan to meet and engage with Pakistanis. Both consulates general are well led. Consulate General Peshawar operates under constant threat. The minimal U.S. staff there understands exactly why they are in harm's way and generally have an expeditionary spirit that is rarely called for in the Foreign Service. By putting herself forward to engage Pakistanis outside consulate walls, despite the dangers, the principal officer in Peshawar provides her staff with an example of extraordinary bravery.

RIGHTSIZING

It is not possible to evaluate rightsizing at Embassy Islamabad as one would at other U.S. embassies. Embassy leadership in 2009 went through what they characterize as a rigorous National Security Decision Directive-38 evaluative process to ensure

that other agency growth in Pakistan was necessary to effect the President's strategy. To make expanded reporting, representation, outreach, and support services possible, the embassy, working with SCA's executive office, developed a staffing plan that attempted to identify staffing requirements through FY 2011. Responding to these efforts, the Department authorized substantial personnel growth, both U.S. direct-hire and LE staff, in all elements of the embassy and consulates.

These embassy efforts are laudable. However, the lack of clarity about who is coming, when, and for what purpose is troubling. Department elements, for example, are growing constantly. Work portfolios are being redesigned continuously. The crush of visitors and other urgent work leaves little time for managers to step back and consider how to organize sections to take advantage of new officers or LE staff. In the case of political-military work, which is growing rapidly as the U.S. military-to-military relationship with Pakistan improves, there has been no formal effort to date to determine which embassy officers should engage with relevant Pakistani officials or even with ODRP's staff of more than 150 personnel. (See the political-military section for further discussion of the political-military affairs function.)

Due to the urgency to carry out the President's strategy, including a desire to demonstrate a normal bilateral relationship with Pakistan as well as normal embassy operations, Washington has not always taken into account work space, security, housing, and other requirements to allow new staff to achieve their tasks. There have also been some lapses in good management practices, an issue developed in the resource section of this report.

Moreover, the press to bring in people and start programs before the support platform is ready has been based on an expansion of resources through supplemental funding incorporated into both the FY 2010 budget and the FY 2011 budget request. The mission will be dependent on regularly appropriated program funding in the future and will be required to evaluate the affordability of its activities carefully. Already, constituent posts are clamoring for additional representation funds, for instance, which do not come from supplemental funding. The MSP will be the appropriate vehicle to incorporate Embassy Islamabad's resource needs into the Department's long-term budget planning.

POLICY AND PROGRAM IMPLEMENTATION

POLITICAL, ECONOMIC, AND COMMERCIAL AFFAIRS

The mission's reporting on Pakistan's political life, economy, and society reflect wide-ranging U.S. interests. Issues that have commanded the attention of the mission's political sections include relationships among Pakistan's leading politicians and the plight of trafficked persons, especially bonded laborers. The economic section has reported extensively on Afghanistan-Pakistan transit trade and the energy sector, and has pressed the government to strengthen protection of pharmaceutical patents and combat money laundering. The broad economic-commercial team, including the Ambassador and DCM, has been active in supporting U.S. companies.

Structure and Staffing

Political and economic staffing is growing substantially, like that of the broader mission. Officers work long hours, six or seven days a week. Because of the constant stream of visitors, at any given time some staff members are engaged exclusively, and others partially, in visitor support. As in other mission offices, one-year tours hinder the development of expertise and relationships. Although officers generally have good access to Pakistani officials, experience is not uniform and depends on the issue.

Managing an operation with elements as far-flung and disparate as this embassy and its constituent posts would be a challenge under the best of circumstances. The inspection team found that information flow within the embassy, and with the constituent posts, could be improved and made a number of informal recommendations to address the situation.

Because English is the language of the educated and business classes in Pakistan, it is possible to conduct much of the U.S. Government's business without knowledge of local languages. Several political officer positions are language designated, and the incumbents received about six months' language training; they confirm its utility as an icebreaker, to converse with non-English speakers, and to review local media. No economic officer positions are language designated, although a few officers have

limited Urdu proficiency. Since most contacts are government officials or business leaders, and since LE staff is available for interpretation and translation, economic officers are able to work effectively in English.

The political section's structure has not kept pace with staffing levels and the complexity of the mission. All the officers and LE staff report to the deputy political counselor and through him to the counselor. While this frees up the counselor to collaborate more directly with the Ambassador, the deputy is forced to assume enormous responsibilities with little real authority (and a reporting portfolio which of necessity suffers). The inspection team made several informal recommendations regarding structure and division of portfolios. (See sections below on human rights and labor and political-military affairs for related discussions.)

The mission's economic and commercial team includes economic officers and LE staff in the embassy and the consulates, the usual agency representation, the foreign assistance coordinator and her staff (with support from the economic section), and a Treasury attaché embedded in the economic section in Islamabad. The team shares information or coordinates activities through thematic working groups chaired by the DCM, the foreign assistance coordinator, or the section head with lead responsibility for the issue.

The U.S. and Foreign Commercial Service (FCS) created a U.S. direct-hire position in Islamabad in 2008, several years after a Karachi-based position was abolished. With no FCS officer and only one LE staff in Karachi, the economic officer takes on much of the trade and investment promotion and visitor support functions for which FCS has principal responsibility globally. Karachi's small economic staff is unable to respond to all trade inquiries. In both Karachi and Lahore, the economic officer handles most trade promotion visits, supported by the FCS LE staff. The OIG team endorses FCS efforts to establish and fill two new LE staff positions in Karachi for which there is an immediate need.

Coordination and Collaboration

Technological barriers and security issues often prevent the constituent posts from timely exchanges with the embassy. Although the embassy creates a notional travel plan so that its officers can visit the consulates, implementation is uneven. At the same time, the inspectors received several complaints that e-country clearances were withheld unreasonably by some constituent posts and that there was imperfect comprehension of the advance travel notification and permission requirements imposed by the Government of Pakistan, which are not mentioned in the Management Notice regarding in-country travel. The inspectors made an informal recommendation to address this issue.

Locally Employed Staff

As is the rule worldwide, political and economic section LE staff are physically separate from the officers,

The inspectors reviewed samples of LE staff work and found that much of it could be the core of reporting cables—with proper training and guidance. At present, their written efforts are confined primarily to biographic reporting, emailed answers to queries, and reports of meetings. The OIG team made several informal recommendations to clarify supervision, enhance productivity,

Of the roughly 23 political and economic LE staff scheduled to be on board by year-end, only four will have more than a year's experience and two will have received training at the Foreign Service Institute. Supervisors told the OIG team that they intend to send LE staff for training as soon as possible, but since the annual relevant Foreign Service Institute courses can accommodate a very limited number of students worldwide³, this will clearly not be a quick solution.

Recommendation 1: Embassy Islamabad, in coordination with the Bureau of South and Central Asian Affairs and the Foreign Service Institute, should arrange in-country training of its political and economic locally employed staff by the end of FY 2010. (Action: Embassy Islamabad, in coordination with SCA and FSI)

The OIG team concluded that there is some risk of overly ambitious political and economic LE staffing growth in Karachi through the end of 2010. Several considerations argue for a pause to assess staffing size against needs. First, by the fall of 2010, political and economic staffing levels, both U.S. direct-hire and LE staff, will be more than double the level of a year earlier and would be more than triple that level if all vacancies are eventually filled. Second, the new consulate building does not have office space identified for even the current number of political and economic staff. Third, the likely addition of FCS LE staff will reduce the commercial workload for economic section employees. Fourth, less support for USAID visits will be required when USAID establishes a permanent presence in the consulate general.

³ One Islamabad LE staff member is scheduled to attend Foreign Service Institute courses in FY 2010.

Recommendation 2: Embassy Islamabad should suspend recruitment for four new locally employed staff positions in Karachi (two in the political section, two in the economic section) at least through FY 2011 in order to give management time to assess workloads and staff needs. (Action: Embassy Islamabad)

Representation Funds and Activities

Embassy Pakistan receives ample representation funds (over \$48,000 in both FY 2009 and FY 2010), and the Ambassador and DCM take full advantage of their residences and the residence staff to maintain a busy representation schedule. A significant portion of this entertaining was at the behest of visiting Congressional delegations, which usually have their own representation funds available; the inspection team estimated that several thousand dollars could be recovered from visiting delegations.

Recommendation 3: Embassy Islamabad should establish a system for recovering from visiting delegations the costs of representation events held for their benefit. (Action: Embassy Islamabad)

The record of other sections of the embassy is more problematic. Most officers reported hosting no events at all, citing workload, contacts' preference to meet in their own homes and offices, and security concerns. In contrast, the consulates general in Lahore and Karachi have vibrant representation schedules, although officers often use their own funds to supplement the embassy's allotment. Both principal officers have made their residences and staffs available to other officers to host events, thus broadening those officers' experience and enhancing the U.S. Government's local profile. These two consulates, plus Consulate General Peshawar, believe that they have insufficient representation funds given the increase in staffing, programs, and outreach generated by the President's Pakistan strategy. The OIG inspectors made two informal recommendations on representation.

Contacts Management

Contact management is the lifeblood of any organization, especially when the U.S. direct-hire staff experiences almost a complete turnover every year. In Islamabad, the executive office, political section, economic section, and public affairs

reports are prepared primarily by LE staff, and the OIG team's review found them of good quality. During the pre-inspection survey, some Washington agencies told the OIG team that they would like better access to biographic reporting. The mission's work is largely inaccessible to non-Department end-users in Washington, however, because the political sections forward the biographies to Washington on an ad hoc basis or in response to a specific request.

Recommendation 4: Embassy Islamabad should establish a written transition plan for shifting biographic reports from the embassy and the consulates to Diplopedia. (Action: Embassy Islamabad)

Leahy Vetting

Section 563 of the Foreign Operations Appropriations Act (PL 106-429) bars the U.S. Government from providing training and equipment “to any unit of the security forces of a foreign country if the Secretary of State has credible evidence that such unit has committed gross violations of human rights...” Determining whether such “credible evidence” exists is accomplished by the Leahy vetting process, which is often politically sensitive in both the recipient country and in the United States. Unfortunately, overseas posts carry out this process under ambiguous and outdated guidance. The Department's last general instruction to the field was in a 2003 cable,⁴ and an informal handbook produced by the Bureau of Democracy, Human Rights, and Labor (DRL) has not been updated since 2007. No standard template for the data to be included in Leahy vetting cables exists; the embassy in Islamabad received several informal suggestions from the Department for revisions to formats and data during the inspection.

Recommendation 5: The Bureau of Democracy, Human Rights, and Labor, in coordination with the Bureau of Political-Military Affairs, the Office of the Legal Adviser, and the regional bureaus, should revise and reissue the worldwide guidance on Leahy vetting. (Action: DRL, in coordination with PM, L, EUR, WHA, NEA, SCA, AF, EAP)

In Pakistan, the DCM's office management specialist coordinates Leahy vetting. She receives information from various embassy elements regarding candidates and circulates it for internal review; prepares and transmits cables to the Department; and

⁴ 03 State 34981

maintains a database of candidates submitted, cleared, and not cleared. Leahy vetting is logically a political-military function and usually resides in the political section. In addition, Leahy vetting is a potential friction point in the bilateral relationship that will require ongoing policy level attention. Assigning this responsibility to an office management specialist in the executive office made sense in a less-well-staffed mission but is no longer appropriate.

Recommendation 6: Embassy Islamabad should reassign policy responsibility for Leahy vetting coordination to the embassy's political-military element. (Action: Embassy Islamabad)

Human Rights, Trafficking in Persons, and Religious Freedom

Issues related to human rights, trafficking in persons, and religious freedom figure significantly in the reporting workload of the embassy and its constituent posts, and the embassy has done good work in these areas.

The creation of a new position in the political section in summer 2009 allowed two separate officers to be assigned to the human rights, religious freedom, labor, and trafficking-in-persons portfolios, which enhanced reporting productivity, responsiveness to Washington inquiries, and effectiveness on the ground. In addition, an officer in the economic section follows trade-related labor issues.

DRL and the Office to Monitor and Combat Trafficking in Persons (G/TIP) have been pleased with the embassy's reporting and responsiveness to their interests. Most notably, the embassy intervened in a high-profile bonded labor case in fall 2009, resulting in freedom for 150 laborers and underscoring the importance of judicial action to reduce such abuses. The Secretary sent the Ambassador a cable praising the mission's trafficking-in-persons efforts and singling out the responsible officer by name.

Both DRL and G/TIP have extended grants to entities in Pakistan; the grants are managed in Washington, but personnel at the embassy or relevant consulates would normally monitor the program activities on the ground. This has not been possible because of travel restrictions. Pre-award consultation with the embassy and consulates helps avoid some oversight difficulties, but despite best efforts, at least one grant is in serious danger of nonperformance.

Notwithstanding the strong performance in the human rights and trafficking portfolios, the OIG team concluded that there may be an overly generous allocation of embassy resources to these portfolios given overall U.S. Government priorities and gaps in coverage elsewhere. The team made an informal recommendation in this regard.

THE POLITICAL-MILITARY FUNCTION

Two components of the embassy cover political-military issues: elements of the political section, and a border coordination office created in August 2008 to coordinate the full range of transborder issues between Afghanistan and Pakistan. These components interact continuously with the ODRP, which encompasses the traditional embassy Defense attaché and security assistance functions, and represents CENTCOM's forward presence in Pakistan.

Washington officials praised the quality of reporting on political-military issues; the OIG team found the quality was good, and sometimes excellent. However, those same Washington officials expressed a need for far more information. The embassy's reporting plan calls for only two political-military analytical pieces from the embassy and one from Karachi in the first six months of 2010, plus ongoing reporting on military operations in the Peshawar consular district.

Although some embassy officers said their access to Pakistani officials was good, the embassy's two political-military officers do not have established or formalized relationships with either Pakistani officials or even with ODRP's staff of more than 150.

The political-military aspects of the U.S.-Pakistan relationship, and the burdens they place upon the embassy, will only increase in the foreseeable future. The shift of funding authorities for security assistance from the Department of Defense to the Department of State beginning in FY 2011 will increase the policy and managerial burdens on the Department, both in Pakistan and in Washington, with very high stakes. The OIG inspectors believe that the structure and staffing envisaged for the political-military function are unlikely to be adequate to the task. It has been a general practice within the Department to create political-military sections in embassies with a wide-ranging, complex military relationship with the United States, and that is certainly the case in Pakistan.

Recommendation 7: Embassy Islamabad should create a political-military section separate from the political section and work with the Bureau of Human Resources to accurately describe in bidding tools the positions assigned to political-military functions. (Action: Embassy Islamabad, in coordination with DGHR)

The OIG inspectors discussed with the political-military team strategies to enhance its effectiveness as it carves out its role in Islamabad and made an informal recommendation.

The border coordination office has been effective in large part because it enjoys the Ambassador's full faith and confidence. The office performs valuable functions in support of the executive office that are not of a political-military nature. In many embassies, however, most of its functions would be placed in a political-military section. It is not clear that the success it has enjoyed to date can be replicated after the upcoming change of embassy and border coordinator office leadership.

Recommendation 8: Embassy Islamabad should merge positions in the office of the border coordinator that have substantial political-military responsibilities into the newly formed political-military affairs section. (Action: Embassy Islamabad)

FOREIGN ASSISTANCE

Assistance Coordination

Embassy Islamabad recently established the position of coordinator for economic and development assistance, modeled on a similar office at Embassy Kabul. Headed by a senior officer with extensive regional experience, the coordinator works under the direct supervision of the Ambassador and the DCM. The office coordinates the efforts of all agencies and offices providing civilian assistance to ensure that assistance programs work more directly with Pakistani institutions to develop capacity and ensure long-term sustainability and that outcomes are measured insofar as possible. Agencies and offices providing civilian assistance include USAID, the Bureau of International Narcotics and Law Enforcement Affairs (INL), the Bureau of Population, Refugees, and Migration (PRM), and the Departments of Commerce, Treasury, and Defense.

ment of Defense to the Department of State. Both departments are still working on the administrative arrangements for the transfer and the manner in which the Department will administer these funds. This transfer may impose an additional workload on the political-military officers in the embassy, but the dimensions of this burden are as yet unclear.

Humanitarian Assistance

The mission's response to a large-scale humanitarian crisis in 2009 saved lives and strengthened relations between the U.S. and Pakistan's Government and people. Militants' incursion into Swat and nearby districts, and fighting that ensued as the authorities launched an offensive to expel them, led to rapid displacement of some two million people. During the preparations for the inspection, Department representatives lauded the embassy's concerted response and effective communication with Washington under the Ambassador's leadership. The mission's constructive relationships on the ground enabled the United States to mobilize ample assistance.

Several mission elements provide humanitarian assistance and compose the core of the mission's humanitarian working group, led by the Ambassador. A refugee coordinator, assisted by one LE staff member, oversees the Bureau of Population, Refugees, and Migration's (PRM) humanitarian assistance for internally displaced people (IDP) and refugees (mostly Afghans). In this capacity, she manages embassy's relations with the PRM's implementing partners—the office of the United Nations High Commissioner for Refugees (UNHCR) and the International Committee of the Red Cross (ICRC).⁵ The refugee coordinator is embedded in the embassy's political section but is rated by the DCM, an arrangement that the OIG team considers workable in view of the constructive relationships among the officers involved.

Two other mission elements provide humanitarian assistance for IDPs. They are ODRP and USAID's Office of Foreign Disaster Assistance (OFDA). OFDA funds Pakistan-based international nongovernmental organizations (NGO) and UN agencies, and ODRP supplies equipment and training to the Pakistani military. In addition, both OFDA and USAID's Office of Transition Initiatives (OTI) fund small-scale repairs to infrastructure and income restoration projects in conflict areas where some of the population continue to receive humanitarian assistance. This type of assistance supports the transition from relief to development, and affects the scale and duration of emergency humanitarian needs.

⁵ The Office of Inspector General, Middle East Regional Office (MERO) is undertaking a performance audit of PRM's management of humanitarian assistance to ISPs through its implementing partners, UNHCR and ICRC.

During the IDP crisis, the refugee coordinator had lead responsibility for reporting on the situation to the Department, as well as coordinating activities with UNHCR and ICRC. OFDA deployed a disaster assistance response team to Pakistan for several weeks, and ODRP coordinated delivery of relief supplies from the Department of Defense to the Pakistani military.

Although the crisis has passed, Pakistan continues to need humanitarian assistance. Many people remain displaced. New displacements have arisen in connection with sporadic fighting. Returnees need relief supplies as well as programs to help restore infrastructure and incomes. PRM, OFDA, ODRP, and OTI continue to supply humanitarian assistance to displaced people.

As the humanitarian situation has become less acute, the humanitarian working group has met less frequently. Various elements are not always fully informed about the others' humanitarian and early recovery activities, and this poses some risk of lack of coordination in directing assistance to IDPs and returnees. The OIG team made an informal recommendation to redress this deficiency.

Despite large-scale repatriation of Afghan refugees beginning in 2002, about 1.7 million registered Afghan refugees remain in Pakistan. PRM funds assistance to them principally through contributions to UNHCR and secondarily through cooperative agreements with international NGOs that provide complementary assistance not handled directly by the UN or the Government of Pakistan. These NGOs provide health services and livelihoods training, and mitigate gender-based violence, among other kinds of support. Although PRM funding to NGOs accounted for only about \$6 million among approximately \$116 million in total support for Pakistani IDPs and Afghan refugees last fiscal year, the refugee coordinator and LE staff spend a disproportionate amount on monitoring some 15 projects among nine NGOs. Limited access to project sites hinders oversight. Security risks prevent the refugee coordinator from visiting most project sites, although the LE staff member has better access. The refugee coordinator and LE staff member monitor projects by email and phone contact with NGO implementing partners and by periodic meetings in Islamabad. They also participate in PRM-organized panel reviews in Washington to evaluate competing NGO project proposals submitted to PRM for funding.

PRM has begun to consolidate certain distinct projects into larger projects with multiple objectives and, in one case, to end support for a project that had accomplished its goals and turned over management from an international NGO to a Pakistani Government entity. At the same time, PRM has begun to fund a program jointly sponsored by UNHCR, the United Nations Development Program, and the Government of Pakistan to provide support to communities that host Afghan

refugee populations. Consolidating projects and reducing the number of cooperative agreements, without disrupting services to refugees, will reduce the time spent and the risks associated with evaluating project proposals and monitoring projects, while promoting sustainable transitions to local implementation.

A key principle of the U.S. civilian assistance strategy is to build national capacity by empowering Pakistani entities to implement U.S.-funded projects. The mission has not evaluated to what extent this principle should apply to U.S. humanitarian assistance. The OIG team made an informal recommendation on this issue.

Narcotics Assistance and Law Enforcement

NAS administers a budget which nearly doubled in FY 2010 to \$193 million, under a letter of agreement with the Pakistani Government dating from 1982 and amended 72 times since then but never completely revised. Its programs are organized into three primary areas: border security, law enforcement and criminal justice, and counternarcotics. Some of these include training activities performed by several other U.S. Government agencies but funded by NAS. In addition, ODRP has an FY 2010 budget of \$100 million for counternarcotics activities with the Pakistani military, and the Department's Anti-Terrorism Assistance program for FY 2009 provided \$20 million in training and assistance to the Pakistan security services.

Most law enforcement training has been suspended since June 2009 due to the inability of trainers to obtain Pakistani visas and Government of Pakistan restrictions on access to U.S.-built training facilities. At the time of the inspection, the embassy was pushing a resolution. If these issues are not resolved soon, it will be difficult to justify funding increases for a program that the Government of Pakistan has suspended.

The law enforcement working group (LEWG) meets monthly under the chairmanship of the NAS director, rather than the DCM (a common practice where multiple law enforcement agencies are present). The minutes of the meeting are sent to the executive office for information and, where necessary, approval. The meetings appear to focus upon coordination of training activities and high-level visits. Some members of the group noted that the LEWG is not serving as a clearinghouse for investigative activities. During the inspection, the DCM convened the LEWG members to determine how meetings might best be structured to meet participants' needs.

For many years, NAS was one of the few U.S. vehicles for managing programmatic activities in Pakistan. As a result, it carried out many projects that would ordinarily fall to other agencies and programs, such as road construction. With the

new civilian assistance strategy focused on NWFP and FATA, and given NAS' track record, experience, and access to remote areas of the country, the embassy would like to see NAS continue in that role. The OIG inspection team supports this only as a short-term exigency until more traditional development mechanisms move into place.

United States Agency for International Development

USAID's assistance program in Pakistan will increase from \$330 million in FY 2009 to \$1.2 billion in FY 2010, encompassing about 80 percent of all FY 2010 U.S. nonmilitary assistance to Pakistan. To manage the expansion, USAID plans to increase staff by about two-thirds through FY 2011, for a total of approximately 335 American and LE staff countrywide. Given the important role that Pakistan's provincial governments will play in implementing U.S. assistance programs, USAID plans to establish offices at the consulates general in Karachi and Lahore in addition to increasing staff in Islamabad and Peshawar. USAID's large and rapid growth presents challenges for management support and consolidation that this report addresses in the management section.

The civilian assistance strategy adopted in Washington in December 2009 contemplates working principally through Pakistani entities—both government and non-government—to implement assistance programs. This entails a fundamental change in the way that USAID operates in Pakistan. To implement the new strategy, USAID assigned a new mission director and several new senior staff. The leadership is making progress in gaining staff acceptance of the strategy, and is confident that some 75 percent of its assistance program will use Pakistani implementers in FY 2010, with further gains in FY 2011.

Working with national implementers, many of which are new partners for USAID, presents risks related to the effectiveness of their internal controls, procurement practices, and implementation capacity. USAID leadership is working to minimize risks by setting conditions precedent to disbursement and by engaging Pakistani audit firms to prequalify its implementing partners and monitor and train where there are deficiencies. The USAID Inspector General has recently established an office in Islamabad.

Assistance to conflict-affected frontier regions is helping to address basic needs, restore damaged infrastructure, improve health and education, increase economic opportunities, and strengthen the local governments' capacities to deliver services. USAID is increasing funding substantially in frontier regions, having concluded

agreements for more than \$100 million since December 2009. Working in the frontier region, however, presents additional security risks, and limited or no access to monitor assistance projects.

PUBLIC AFFAIRS

One year ago, PAS Pakistan managed a program budget of about \$1.5 million. Today, PAS directly manages more than \$30 million, one of the largest public diplomacy (PD) programs in the world. This year, the international visitor leadership program will bring nearly 200 Pakistanis to the United States; the Fulbright program will bring hundreds of undergraduate and graduate students and scholars to the United States; and other exchange programs will bring hundreds more.⁶ Moreover, Embassy Islamabad has one of the heaviest visitor loads in the world, works in the face of a hostile public and media, and suffers under the problems inherent in one-year tours.

PAS Islamabad is performing very well in this challenging environment. However, the crushing workload makes it difficult to have a fully effective public diplomacy program without regular, extensive outreach work. Each officer the OIG team spoke with admitted that he or she had done insufficient contact work. With current staffing levels, PAS Islamabad is not able to accomplish the frequent taskings from within the embassy and from the Department, organize events for visiting officials, manage the exchange programs, and still carry out contact work. (A recommendation addressing this issue follows below.)

The issue of outreach is more than unusually difficult in Pakistan. The security environment precludes the easy meetings and invitations common in friendlier and safer locales. PD officers in Karachi and Lahore have been able to manage more extensive outreach efforts than officers in Islamabad because the former are not tied down by the reporting requirements and visitor loads of those in Islamabad.

In effect, security concerns have taken the public out of public diplomacy: American Centers closed and all PAS American and LE staff moved to secure—but forbidding—buildings. American Corners, staffed by Pakistanis, replaced American

⁶ In 2009, OIG issued a Memorandum Report on the Limited Scope Review of Management and Internal Controls over the J. William Fulbright Scholarship Fund in Pakistan (MERO I-09-07). Embassy Islamabad was addressing the recommendations in that report at the time inspection. The embassy hired a new auditor for the United States Educational Foundation in Pakistan to ensure compliance with sound financial practices and was in the process of selecting a new executive director for the foundation.

Centers and they have had some success, but they are a success only because there is no alternative to American Corners at present. The four American Corners reported approximately 28,000 Pakistani visitors in 2009, but almost none of those visitors met an American and few participated in a program that would lead to a better understanding of the United States and U.S. policies.

Embassy Islamabad has asked the Department to support the reestablishment of American Centers in Pakistan. While it is too early to know what form the centers might take, whether or not security requirements would be so off-putting as to prevent Pakistanis from entering the premises, and how much these new centers would cost, the OIG team believes that it is worth exploring the issue.

The Department recognized that the increase in resources described above required a plan that would spend these resources well and that would include rigorous evaluation to determine which programs were most effective in Pakistan. The Office of the Under Secretary for Public Diplomacy and Public Affairs convened a working group that created the Pakistan Communications Plan, which details the public diplomacy challenges, the programs recommended to meet those challenges, and the performance indicators to be used to evaluate those programs.

Several of the goals required the completion of sub-plans prior to the arrival of the OIG team. These have not been created. Some goals require that baseline measurements be established so that progress can be measured against a starting point. No such benchmarks existed at the time of the OIG team's visit. Some performance indicators require clarification or refinement before they can be used. Addressing these problems may require temporary duty expertise in polling and research based at Embassy Islamabad so that the revisions are informed by Pakistani expertise. Unless these issues are addressed soon, millions of dollars will have been spent and there will be no way to measure the effectiveness of the programs.

Recommendation 9: The Under Secretary for Public Diplomacy and Public Affairs, in coordination with the Bureau of Intelligence and Research, should revise the Pakistan Communications Plan so that all elements are clear, that baseline measurements are established, and that performance indicators are appropriate. (Action: R, in coordination with INR)

The communications plan also calls for PAS Islamabad staffing above current levels so that the plan's programs may be carried out. There are currently six PD officers in the embassy's PAS: one senior PD-cone Foreign Service officer with approximately 25 years of experience, two PD-cone officers on their first PD assignment, one political-cone officer in his first PD assignment, one Civil Service employee on an excursion tour, and one American contractor on a one-year contract. The public affairs officer (PAO) has 25 years of experience in PD work; the five others—in total—have less than five years of PD experience.

With the exception of the PAO, the staff has been sent to Islamabad on its first PD tour and expected to implement one of the largest and most complex PD programs in the world. To expect an understaffed, inexperienced (albeit hard-working and willing) staff to implement a large, complicated, and important PAS program is not good management.

The current staffing chart shows 11 PD officer positions—PAS Islamabad is operating with five of 11 positions unfilled. Until these positions are filled, the Pakistan Communications Plan will not be implemented as envisioned.

Recommendation 10: The Bureau of Human Resources, in coordination with the Bureau of South and Central Asian Affairs, should assign experienced public diplomacy officers (either active-duty Foreign Service officers on a temporary-duty or when-actually-employed basis) to fill the authorized positions until the arrival of permanent incumbents. (Action: DGHR, in coordination with SCA)

In the 2005 OIG inspection of Pakistan, the OIG team recommended that the Bureau of International Information Programs (IIP) begin translating speeches and important documents into Urdu for use by PAS Islamabad. This recommendation was never implemented: PAS stated that there were technical issues that prevented its implementation. In discussions during this inspection, PAS officers welcomed the idea.

Currently, PAS staff translates and edits key speeches, texts, and documents themselves, but they are not always able to get them out on the same day. Failure to provide these materials on a timely basis frequently means that the materials sent become background materials for the recipients—too old to be news. Thus, they may be read, but they are no longer considered for use in newspapers or on news broadcasts.

Recommendation 11: The Bureau of International Information Programs should establish an Urdu language translation capability to include translating materials daily and in time for immediate dissemination upon the opening of business in Islamabad. (Action: IIP)

The head of all Embassy Islamabad PD programs is the strategic communications coordinator (at the time of the inspection, the incumbent was also the acting PAO and acting cultural affairs officer). The coordinator is charged with oversight of the information programs of PAS, USAID, ODRP, and the military information support team. The leaders of these programs meet once a week to discuss upcoming plans and programs, e.g. press releases, opening ceremonies, media events, and publications. All the leaders told the OIG team that they cleared plans and materials with the coordinator. However, one of the program leaders told the OIG team that “the system worked well,” but that, at present, it was “personality and relationship dependent.”

There is no written guidance establishing the responsibilities and authorities of the strategic communications coordinator. Without formal guidance, future incumbents could redefine responsibilities in such a way that there is no central coordination of the embassy’s public affairs programs. This could lead to ineffective or even contradictory efforts.

Recommendation 12: Embassy Islamabad should issue a memorandum detailing the responsibilities and authorities of the strategic communications coordinator. (Action: Embassy Islamabad)

The OIG team made informal recommendations about several administrative issues.

CONSULAR OPERATIONS

Overview

Three of the four U.S. diplomatic facilities in Pakistan currently provide consular services. Islamabad provides the full range of visa and American citizen services (ACS); Karachi and Lahore both have ACS units. In November 2009, Karachi re-

sumed processing a limited number of nonimmigrant visas (NIV) pending the move to a new compound with sufficient space to resume full NIV operations. Due to the security situation, the incumbent of the Peshawar consular position is actually resident in Islamabad, although Peshawar has a trained officer in another section who can provide emergency services for Americans in that district.

Visa operations, both NIV and immigrant visas (IV), dominate the attention of consular managers and spawn the majority of their communications with the Bureau of Consular Affairs (CA). The burden of processing security advisory opinions (SAO) in a country where a significant percentage of the male population shares a handful of common names affects staffing, efficiency, overtime, morale, and ELO development. SAO processing has paralyzed the issuance of both IVs and NIVs in the past. The consular sections in Islamabad and Karachi are managing their visa workloads well, primarily because they have adapted SAO processing to Pakistan ethnic realities. SAOs are discussed in detail in the classified annex to this report, and the OIG team made a recommendation to address processing particularities.

Consular Management

One-year tours of duty tax even the most experienced consular managers. In Islamabad, two of the three managers had not done visa work since September 11, 2001, when the SAO processes changed markedly, affecting work flow and processing times. Both opted to continue the SAO processes their predecessors had designed while trying to advance the discussion over the SAO conundrum with CA. Islamabad's consular managers are committed to excellence in the workplace, and they welcomed several informal OIG recommendations regarding customer service, efficient work flow, and personnel development. Consular management fosters a generally positive work environment despite the crushing SAO workload and an outdated facility that provides limited privacy and work space.

One of the simplest steps that Islamabad can take to improve customer service involves the appointment system. Although the embassy uses an offsite contractor to make all visa appointments in both Islamabad and Karachi, virtually all of Islamabad's NIV and IV applicants are given appointments for 7:30 a.m., which causes overcrowding in the limited indoor waiting area and discomfort to the overflow crowd in the partially covered exterior waiting room. At the OIG team's suggestion, the embassy adjusted its appointment times to reduce pressure on its waiting room and limit the number of hours applicants have to wait before being interviewed. Management in Karachi also understands the importance of calibrating appointments and staggering the times of NIV and ACS services when they move to their

new premises, which have adequate waiting space for a maximum of 20 persons and an anticipated, initial NIV interview load of over 100 per day.

The consul general in Islamabad does not provide close oversight and coordination for consular operations countrywide. As the senior officer in the largest consular section in the country, the consul general obviously spends most of his time on Islamabad issues. At present, Karachi's sole consular officer is an FS-03, and Lahore's is currently an FS-04 who doubles as the general services officer. Both organize their operations relatively independently. The consular sections in Islamabad and Karachi, for example, use two different protocols for processing NIVs once they have received the SAO clearances from CA. Karachi's process may not be feasible when their workload increases, but at present, it is more in line with the standard SAO process worldwide than Islamabad's process. With the imminent transfer of approximately 30 percent of the NIV caseload to Karachi, the Islamabad consul general's coordination will be essential to ensure standardization and internal controls as well as to reduce duplication of effort.

Although the consul general's work requirements statement includes responsibility for countrywide coordination and oversight, the most recent evaluation itself does not address performance in this area. Unless the coordination role is given prominence in the work requirements statements of future consuls general, the temptation to focus on the complex Islamabad workload will be perpetuated.

Recommendation 13: Embassy Islamabad should emphasize the consul general's responsibilities as the coordinator of consular operations countrywide in the standard work requirements statement and emphasize performance in that area in the annual performance evaluation. (Action: Embassy Islamabad)

Consular officers, notably the ELOs in the two Islamabad visa units, work substantial overtime to complete SAO clearance submissions on the same day that the applicant has been interviewed and to process SAO responses from CA for applicants interviewed days, weeks, or months earlier. As discussed in the classified annex, SAO processing in Pakistan is onerous and certainly cannot be completed in the normal work day, but consular management has not been pre-authorizing and justifying untenured ELO overtime as required by regulation.⁷ Once Karachi begins full service NIV processing, the demand for ELO overtime may become an issue there as well.

⁷ The Pakistan service recognition package already includes 20 percent premium pay for all tenured offices to compensate for the unusually long hours required to meet the mission's goals.

Recommendation 14: Embassy Islamabad should pre-approve and justify consular overtime countrywide in accordance with regulations. (Action: Embassy Islamabad)

The consular section is located in an unclassified annex several minutes walk from the chancery. The chancery has a small room with three classified terminals for offices that do not have access to classified processing in their work spaces. The consul general regularly checks classified cable traffic for material of interest to the section, but other officers rarely check cable traffic or classified email. During the preparation phase of the inspection, CA personnel noted that officers occasionally fail to respond to classified emails relating to SAO processing, losing valuable time in resolving cases. The relentless pace of the visa work means that this situation is unlikely to be resolved in the near future. Even if one officer reads classified communications, it does not mean that a message to another officer about a specific visa case will receive timely attention. The OIG team made an informal recommendation that the embassy set up a classified, collective email address for the consular section, advise relevant CA offices about the new collective address, and set up a daily rotation of consular officers to read cable traffic and check the consular email box.

Consular management does not have a systematic training program for either officers or LE staff, apart from the initial ELO training in post-specific workflow and processing. There are four Islamabad NIV LE staff members, for example, who have started work in the past two years but have not yet taken the basic online visa training, allegedly due to the press of work. They are required to prepare SAO drafts every day without understanding the context for their work. Similarly, they know that H and L visas both apply to persons intending to work, but not the difference between the two.

Management has established regular administrative days for the consular section—an excellent idea. However, these administrative days do not include a regular training component for either officers or LE staff. In Karachi, all the LE staff, including the newest employees, has taken online basic training and a number of additional distance learning courses. The OIG team made two informal recommendations relating to training.

Visa Processing

Although NIV demand is only about half of the pre-2001 figures, the workload has increased from the precipitous decline after the events of September 11, 2001. IV numbers have increased significantly in the past ten years. There were no inter-

view backlogs in either the NIV or IV unit at the time of the inspection. The IV unit has been whittling away at a 300-case asylee follow-to-join backlog left by the departure of the U.S. Citizenship and Immigration Services office in 2007. Before they could begin work on the backlog, IV staff members had to design a process to address the caseload. Since January 2010, progress has been steady, and all refugee interviews should be completed by April 2010.

Both the NIV and the IV visa units work well. The officers interview carefully, and with cultural sensitivity. There are a growing number of useful standard operating procedures (SOP), although a recent consular management assistance team (CMAT) recommended that management pay even closer attention to updating existing SOPs or producing additional ones. Two eligible family members, both consular associates, are experienced and well integrated into the units. Work flow is rational, and the NIV unit is adapting its processes to the new online application process. It is too early to comment on Karachi's NIV unit because, at present, Karachi does not have a full-time consular officer and processes a limited number of business travelers. Karachi has hired three NIV LE staff in anticipation of the resumption of full NIV services, but there has been no firm date yet set for the move to the new office compound, which will determine when full services can begin.

In the 1980s, Karachi halted IV processing and transferred several thousand pending IV files to Islamabad. This transfer predated the modern computer systems or the establishment of the National Visa Center, and if applicants did not contact Embassy Islamabad to inquire about their pending visa applications, there was no way to track these cases. Now, 30 years later, either the petitioners have filed new applications for their relatives or the applicants have lost any interest in immigrating, and the thousands of cases are taking much-needed room in Islamabad's limited consular space. The National Visa Center is prepared to follow up on these cases if Islamabad can send them the estimated 140 cartons after having verified if any applicants already appear in the IV system. Years ago, Islamabad integrated these cases, along with hundreds of other "old" cases, into their regular IV new case files. The process of culling thousands of cases and verifying them in the IV system will require weeks of intensive work, and Islamabad's consular officers and LE staff are already working long hours. Karachi's three NIV LE staff, however, will not be fully employed until regular NIV services begin sometime in the late summer. The OIG team made an informal recommendation that Islamabad explore funding the TDYs of two of the Karachi LE consular staff to complete this project.

As mentioned earlier, SAO processing occupies well over half the work week for officers in the visa units. In recognition of the complexity of visa work in Pakistan, the Department has assigned more officers to Islamabad than its case load would

warrant normally. OIG's 2005 inspection report enjoined CA to address the problem of interminable rounds of SAOs, but no sustainable solutions have been forthcoming. The embassy's innovative but unsanctioned efforts to manage the SAO workload are detailed in the classified annex along with a recommendation to CA to resolve the Pakistan conundrum once and for all. The nexus between the visa units and the fraud prevention unit is discussed in the fraud prevention section of the report.

The visa referral program appeared to be working well and following CA guidelines. The classified annex discusses the Visas Viper program.

Expanding Visa Services in Pakistan

During the inspection, the embassy was preparing a proposal to the Department to resume NIV processing in Lahore in response to an earlier S/SRAP statement that NIVs would return to all of the consulates in Pakistan. The OIG team considered this proposal carefully and does not recommend the further devolution of NIV processing in Pakistan.

CA consolidated NIV processing in Pakistan in 1997. This was not done as a response to any security concerns but as part of CA's worldwide effort to achieve economies of scale and ensure senior management oversight of its operations. Even during the pre-2001 visa heyday, for example, the combined NIV workload from Islamabad, Karachi, and Lahore was roughly equal to Seoul's FY 2009 NIV caseload. Breaking Pakistan's 70,000-case NIV applicant pool into three smaller pools of 25,000 each simply does not make sense. Consolidation of three operations headed by relatively inexperienced officers into one medium-sized operation headed by a more experienced officer was a good management decision in 1997, and it still is. However, the OIG team does support the embassy's initiative to assign a full-time, mid-level consular officer to Lahore to manage its ACS and fraud workloads. (See ACS section of the report.)

Following the events of September 11, 2001, it is even more important that the visa process be overseen by senior managers and that it is consistent worldwide. Because of Pakistan's nexus with Taliban and Al-Qaeda activity, DHS chose Islamabad as the site of one of its first visa security units (VSU), and that program has been reviewing the totality of approved NIV applications in Pakistan for several years and interviewing applicants as necessary. DHS has already determined that it cannot expand its coverage to include the new NIV operation in Karachi. Siphoning off additional NIV workload to Lahore would decrease even further the percentage of cases scrutinized by the VSU, undermining the rationale for putting one of the VSUs in Pakistan in the first place.

If the new office compound in Karachi were not already so close to completion and had partial NIV services there not already resumed to great fanfare, the OIG team would not have recommended that NIVs move back to Karachi either. Airline connections between Karachi or Lahore and Islamabad are regular and affordable for qualified visa applicants. The only other diplomatic mission in Lahore is that of Iran, and Pakistanis travel to Islamabad for visas for all other countries.

Recommendation 15: Embassy Islamabad should cease efforts to resume nonimmigrant visa processing in Lahore. (Action: Embassy Islamabad)

American Citizen Services

ACS work in Pakistan is difficult due to a number of factors. Routine ACS services, such as passports and consular reports of birth, can be unusually complicated due to the high incidence of attempted fraud, the unreliability of civil documents, Welfare and whereabouts cases include battered spouses seeking to escape abusive relationships or American women lured to Pakistan for arranged marriages without their informed consent. Such cases, as well as arrest and detention cases, are made even more difficult than usual because of strained relations between the embassy and the local authorities and the difficulties in building effective relationships with those authorities during one-year tours of duty. All four consular sections in Pakistan provide services to American citizens, but Peshawar's consular officer is actually working out of Islamabad due to the security situation; he travels once a month to Peshawar to provide services.

Islamabad's ACS unit is currently inadequate to meet demand. At the onset of the inspection, the FS-03 ACS unit chief was serving concurrently as the fraud prevention manager (FPM), and a first-tour ELO was providing the bulk of the ACS services. As the result of the recent CMAT visit and OIG's 2005 inspection report, both of which recommended an independent FPM, consular management transferred responsibility for ACS oversight to the IV chief and made the former ACS chief into a full-time FPM. In light of this restructuring, even more of the ACS workload falls to the ELO and the two LE staff.

During the inspection, the OIG team witnessed a situation where the ACS ELO and one LE staff traveled several hours to see prisoners in a distant prison, having received approval to do so after close of business the previous evening. At the same

time, the IV chief and the second LE staff received last-minute permission to close the casket and finalize the shipment of remains for a deceased American citizen. There was no ACS staff left at the embassy to deal with routine requests for service.

The situation in Pakistan also requires Islamabad to assume greater responsibility for countrywide ACS services than in most countries with constituent posts. ACS services in Lahore and Peshawar are provided by relatively inexperienced, part-time consular officers. Islamabad assumed responsibility for a recent, high-profile arrest case from Lahore's district, for example, in order to provide the attention and expertise it required. If Islamabad had a full-time, mid-level ACS officer along with the existing ELO position, it could manage the complicated embassy workload, provide expertise to the consulates when needed, and provide TDY assistance when the ACS officers at the consulates are on R&R. In February 2010, CA recommended the creation of an additional FS-03 unit chief position in Islamabad. On approval of the pending National Security Decision Directive-38 (NSDD-38), the Department will recruit for the ACS chief position.

Both the Karachi and Lahore consular sections schedule appointments for their routine ACS clients. Karachi has two LE staff handling ACS work, one of whom also serves as cashier. His position appears to be graded significantly lower than the level of work warrants despite his considerable ACS responsibilities; he, in fact, is in a lower graded position than the LE receptionist-secretary. The OIG team made an informal recommendation to review this position description as soon as possible.

The Lahore consular section is staffed by an ELO who also doubles as the consulate's sole general services officer. The consular officer is supervised by the management officer, who is also the backup consular officer. The demands of general services work compete with consular duties and limit the time available for consular work. If the consulate were required to put its emergency action plan into effect, particularly if it involved the departure of large numbers of American citizens, the combined management and consular roles would be impossible for the officer to sustain. The embassy and the Department have acknowledged the need for an experienced consular officer position in Lahore, and a position is currently on the bid list for FY 2011. In the meantime, the OIG informally recommended that the backup to the new part-time consular officer come from one of the political or economic officers rather than drawing from the management section.

Fraud Prevention

Islamabad's FPM, who, as discussed earlier, was also the ACS chief at the onset of the inspection, had been struggling to devote the necessary time to fraud prevention. Consular fraud in Pakistan is pervasive. It includes the complete range of visa fraud (i.e., document fraud, marriage fraud, and educational credentials fraud), birth fraud in claims to U.S. citizenship, and adoption fraud. The sophistication of the fraud, official corruption, the potential for links between fraud and international terrorism, and the pull of the U.S. economy for economic migrants combine to make fraud prevention work in Pakistan challenging and demanding. The lack of full-time fraud prevention officers in the consulates also limits overall fraud detection and prevention efforts.

OIG's 2005 inspection report recommended a full-time FPM mid-level position in Islamabad. Since that report, CA established the position; then consular management merged it with the ACS position; and finally, in response to a recent CMAT visit, consular management re-established a dedicated FPM position (separating ACS and FPM duties—see earlier ACS section for the effect of this change on ACS operations.) Given the rapid turnover of consular managers as a result of one-year tours, the Islamabad consular section will probably revisit its management structure regularly. In the absence of documentation explaining the necessity for the independent FPM position, it is possible that the FPM position will be found subordinate once again to some other required consular function in a few years. The OIG team made an informal recommendation calling for documentation of the background of the independent FPM position, including the relevant OIG and CMAT reports, and making this documentation, and the position description, part of the fraud prevention unit archives.

Embassy Islamabad has an assistant regional security officer for investigations (ARSO-I); the ARSO-I will have a dedicated LE investigator shortly. Neither the FPM nor the ARSO-I is allowed to accompany the LE investigators when the investigators conduct field work due to the security situation. Consequently, the investigators have developed ways to document their work, including recording interviews and photographing subjects, so that the FPM and ARSO-I can audit their activities. Nevertheless, the inability to undertake field investigations severely limits the work of both officers. The high level of corruption makes investigation and prosecution of fraud extremely difficult. There have been, however, some notable successes, such as a recent fraudulent adoption case developed jointly by the FPM and ARSO-I that resulted in local arrests and may lead to prosecution in the United States.

While the FPM and ARSO-I have done a good job in some major investigations, other elements of the unit's work have not been addressed with the same vigor. The fraud prevention unit has overseen only one visa validation study in the last two years, and that was of the usually qualified visa referral applicant pool. An overly ambitious study of student visas was never completed. The fraud prevention unit has not made use of guidance and assistance available from CA's Office of Fraud Prevention Programs. As a result, officers adjudicating visas have little in the way of trends analysis to inform their decisions.

Recommendation 16: Embassy Islamabad, in coordination with the Bureau of Consular Affairs, should establish a schedule for conducting visa issuance validation studies using approved formats and calling on the Office of Fraud Prevention Programs for assistance. (Action: Embassy Islamabad, in coordination with CA)

Although the FPM has created SOPs for visa fraud referrals to the fraud prevention unit, these SOPs are largely procedural and give minimal guidance on identifying the types of fraud that officers should be looking for. The NIV and IV chiefs have not coordinated this type of guidance with the FPM. As a result, many cases that could end in a simple refusal at the visa interview window are referred to the FPM, while other potentially more serious cases may be missed. Currently the NIV and IV section chiefs play no role in reviewing fraud referrals or in reviewing issued visa cases for indicators that they should have been referred to the FPM. Better guidance would result in better decisions on the interview line and more efficient work by the fraud prevention unit

Recommendation 17: Embassy Islamabad should develop and implement clear guidance for fraud referrals by visa officers in both Islamabad and Karachi, to include a requirement that visa section chiefs review fraud referrals. (Action: Embassy Islamabad)

Neither consular management nor the FPM has provided sufficient fraud prevention and detection training to the interviewing officers and the LE staff. However, the ARSO-I has developed an ambitious training continuum. The OIG team made an informal recommendation that this program be expanded and institutionalized for newly arrived officers.

The current ARSO-I and FPM have a good working relationship, and their division of responsibilities seems to work well. However, both will be gone by the end of the year, and there is no formal description of their relationship. This is also true of the VSU-FPM-ARSO-I relationship. The ARSO-I is working on a draft memorandum of understanding with the FPM to formalize their division of labor, but there is no similar draft memorandum underway between the consular section and the VSU even though DHS encourages such agreements.

Recommendation 18: Embassy Islamabad should finalize a memorandum of understanding between the consular section and the regional security office governing the work of the fraud prevention manager and the assistant regional security officer for investigations. (Action: Embassy Islamabad)

Recommendation 19: Embassy Islamabad should issue a memorandum of understanding between the consular section and the Department of Homeland Security, Bureau of Immigration and Custom Enforcement governing the work of the fraud prevention manager and the visa security unit. (Action: Embassy Islamabad)

Both Karachi and Lahore have LE staff acting as fraud investigators. These LE investigators work on locally developed cases, as well as on cases generated by Islamabad's NIV and IV units and from other agencies. In both consulates, although the sole consular officers are designated as FPMs, they have little opportunity to pursue fraud investigations and no special training in fraud detection and prevention. The embassy's FPM will have an important role to play in spearheading the countrywide fraud prevention program.

Best Practice: Auto Reply Frequently Asked Questions for Visa Inquiries via Email

Issue: Consular sections worldwide receive most of their inquiries about general visa practice and specific case status via email. These inquiries normally come into a group mail box, and one or more U.S. and LE staff triage and answer those inquiries. Whenever possible, the officer or LE staff answering the inquiries selects a response from a variety of templates designed to answer the most common questions and cuts and pastes the appropriate templates into the personalized response.

Even with the extensive use of templates, this mechanism requires staff to open and read each email, select templates, and piece together a response, which will be more or less detailed depending on the specificity of the inquiry. Often, when there are absences in another, more crucial part of the visa operation, correspondence personnel are pulled off their regular duties and correspondence goes unanswered.

Response: Embassy Islamabad analyzed the most frequently asked questions in both its IV and NIV mailboxes, and using that data, created an automatic response that includes the answers to those questions in a clear narrative tailored to the Pakistan clientele rather than a series of links to complicated website responses. At the end of the auto response page, inquirers whose questions have not been answered or who are asking about a specific case are advised to forward their question to another email address, which then gets the personal attention of an officer or an LE staff member.

Result: The number of email inquiries requiring a personal reply has been reduced by 50 to 70 percent. No actual person needs to review the larger number of inquiries that comes into the original email box. This process saves personnel resources, provides quicker responses to general inquiries because the auto response operates 24 hours a day, and permits staff to pay closer attention to the remaining inquiries.

RESOURCE MANAGEMENT

Agency	Authorized US Direct-Hire Staff	Authorized US Local-Hire Staff	Locally Employed Staff	Total Staff	Total funding FY 2009, in \$, operating budgets
State - D&CP	262	16	90	368	7,141,437
State - ICASS	22	7	826	855	16,217,400
State - Public Diplomacy	22	-	53	75	1,329,805
State - Diplomatic Security	-	-	133	133	8,566,169
State - Marine Security	18	-	8	26	138,390
State - Representation	-	-	-	0	72,420
State - OBO	7	-	18	25	29,188,398
U.S. Commercial Service	2	-	8	10	505,344
Defense Attaché Office	16	-	4	20	861,504
Office of Defense Cooperation	128	-	18	146	
Foreign Agricultural Service	1	-	4	5	137,049
Drug Enforcement Administration	16	-	12	28	
Federal Bureau of Investigation	7	-	2	9	
Department of Homeland Security	4	-	13	17	
BBG	1	-	2	3	
DOE	1	-	-	1	237,150
NAS	8	-	70	78	40,128,985
Treasury	1	-	-	1	249,000
Library of Congress	-	-	29	29	1,421,366
Force Protection Division	4	-	-	4	265,874
USAID	120	2	213	335	
TOTAL	640	25	1503	2168	\$106,460,291

Source: Embassy Islamabad

MANAGEMENT OVERVIEW

The management team's top challenge is coping with the dramatic increase in the size of the mission resulting from the President's Strategic Review for Afghanistan and Pakistan. At the time of the last inspection, U.S. direct-hire staffing was 278; today it is 640 and is expected to grow to 695 by the end of FY 2011. LE staff has grown from 927 to 1,503 and growing to an expected 1,622 by FY 2011. Two hundred TDY personnel on any given day and an unrelenting stream of high-level visitors further complicate service delivery, resource planning, and billing. All of these people need to have office space, housing, and transportation. With the number of people constantly increasing, multiple office renovations and moves have been required to accommodate them, including three temporary office buildings that are being built to accommodate a total of 454 people, and additional on-compound housing under construction which will increase the embassy's capacity to house up to 378 long-term and other TDY personnel. At the same time, the Department is moving ahead with a \$1 billion master plan construction project to replace permanent office buildings and housing on the compound over the next 4 to 6 years. The around-the-clock work pace and obstacles raised by the host government further complicate management challenges.

The management team is led by a senior officer who enjoys the full confidence of the Ambassador and DCM, as he and his team provide the support platform necessary to implement the President's strategy. They are doing a commendable job. At the same time, the effects of one-year tours and the sheer volume of work have left a number of areas where procedures and internal controls need improvement.

The size of the management staff had not changed much between 2005 and the arrival of the current management team in the summer of 2009, even though other parts of the mission had doubled in size. The new team soon realized that they had to provide an adequate support platform for today as well as prepare for future requirements. The OIG team commends the management team for stepping back from the countless day-to-day requirements to think strategically by conducting a mission-wide management team offsite last fall where the focus was on building processes and infrastructure. They designed a plan to increase Interagency Cooperative Administrative Support Services (ICASS) staffing for the first time in years by 16 U.S. direct-hires and 205 LE staff at the embassy and the consulates.

While building their capacity to support the mission and planning for future requirements, the management team is also focused on ways to promote continuity, a particular challenge for a mission where the standard tour of duty is one year. They established a "Team Pakistan" SharePoint site so that policies and important

documents are not lost with each transfer season. They are establishing an LE staff management analyst position to focus on process mapping, metrics, and knowledge management, and to provide continuity. The management counselor and management officer assigned for summer 2010 will make a familiarization trip to Pakistan in April, and the embassy will use this opportunity to host a second management offsite.

Bureaucratic obstacles created by the Government of Pakistan over the past year severely hamper the embassy's ability to operate. Even though this has affected everyone in the mission, the management section feels the consequences most directly, with problems including difficulties with visas, delayed customs exemptions, Ministry of Foreign Affairs (MFA) identity card issuance, visa extensions for employees in-country, refusals to clear armored vehicles through customs, delays in approvals for land acquisitions in Islamabad, restriction on tarmac passes, and detention of mission vehicles and personnel. Continuing obstacles in these areas could seriously delay or threaten mission goals. As discussed in executive direction, U.S. officials are addressing these issues with the Government of Pakistan. At the embassy level, this issue is complicated by multiple Department and interagency interlocutors with the MFA, and the OIG team made an informal recommendation about that issue.

Constituent Posts

Management officers at the three consulates general are very much a part of the embassy's overall management team. They participate in weekly staff meetings via teleconference as well as a weekly teleconference with the executive offices of SCA and S/SRAP. Management personnel regularly travel to and from the consulates. As the consulates expand, management officers at the consulate are considering whether it might be beneficial to place some of their new LE staff management personnel in Islamabad, where they can benefit from the training and expertise of more senior staff members while providing dedicated support to their respective consulates.

MANAGEMENT CONSOLIDATION AND OUTSOURCING

Embassy Islamabad is a Tier One post for management consolidation purposes; the growing breadth of the mission makes consolidation of support services even more critical. The embassy has made some progress in establishing a joint management structure. During the inspection, the Ambassador mandated participation in the furniture and generator pool (in addition to the previously established appliance pool). This is a major achievement that will save not only financial resources but also

the time of other agencies. Challenges to consolidation remain.

Without adequate transportation resources, other agencies have gone outside of ICASS to establish their own motor pools. This issue is discussed in detail later in the report.

Consolidation of information technology is being achieved on a limited basis as USAID moves to establish offices at the consulates. Efforts to consolidate procurement are on hold as the unit rebuilds following the termination of some employees for fraud. USAID participates in the awards program, but consolidation with USAID in other areas of human resources (HR) has not progressed very far; the embassy's HR section's responsibilities are limited to posting job announcements and assisting USAID personnel with obtaining their identity cards from the MFA. The arrival of a new human resources officer (HRO) will provide an opportunity to reopen discussions with USAID on HR consolidation. The OIG team supports the further consolidation of HR services.

The management team is also looking at services that could be provided elsewhere. Travel vouchers for permanent change of station are processed by the Financial Management Center's support unit in Bangkok, with additional services under consideration. The embassy and SCA are negotiating with the Office of Orientation and In-Processing (OIP) to transfer many of the welcome and orientation functions currently being performed by the embassy to OIP. (See the human resources section of this report.) The embassy also signed a memorandum of agreement with the Regional Support Center in Frankfurt to perform computer-aided job evaluations (CAJE) for EFM positions, with plans to expand this to all LE staff positions. There are plans to hire a nonresident family member to edit the community liaison office (CLO) newsletter from Washington.

INTERAGENCY COOPERATIVE ADMINISTRATIVE SUPPORT SERVICES

Embassy Islamabad's ICASS council meets regularly to review administrative operations and proposed changes to the support platform. The challenge of overseeing multimillion ICASS platform decisions is difficult at a post where most members of the council are on one-year tours. In spite of recent resource increases, as embassy staffing has expanded, ICASS has not proven to be as flexible as necessary in meeting the support requirements of tenant agencies. For example, the ICASS budget

increased from \$11.6 million in FY 2005 to \$16.2 million in FY 2009. The actual ICASS resources per person actually declined from \$41,812 in FY 2005 per direct-hire employee to \$25,539 per direct-hire employee in FY 2009, and are well below comparable costs per person at other SCA posts. Duplicate administrative support services such as separate motor pools, warehouses, procurement operations, financial management operations, and even customs and expediting services illustrate ICASS limitations in meeting shared service requirements in this rapidly expanding mission.

Financial Management Offshore Support

The financial management office is responsible for several labor-intensive business processes that the Department could support more effectively from an offshore regional center. For example, the Islamabad financial management office has difficulty managing the process of capturing incremental costs associated with staffing growth. In the period from FY 2005 to FY 2009, the mission added 362 new U.S. direct-hire positions. Startup costs for new positions are an important source of funding for critical items such as furniture, appliances, office equipment, vehicles, and administrative supplies. Under the embassy policy adopted in 2009, the mission requires startup funds totaling \$140,000 for each new position and the payment of partial-year costs for new positions as a requirement for the Ambassador's approval.

The OIG team reviewed a sample of 28 position approval decisions for new positions established in FY 2009. The sample review found that in 47 percent of NSDD-38 approvals, the embassy did not have documentation of receipt of startup funds; in 50 percent of approvals, partial-year ICASS invoices were not prepared. Some agencies that subscribe only to the basic package and CLO support under ICASS, which also includes motor pool services, did not provide startup funding. Comprehensive records for years prior to 2009 were not available for review, but according to staff interviewed by the OIG team, startup funds were neither requested nor tracked as these new positions were established in prior years. Thus, the embassy did not recover or retain documentation of recovery of startup costs totaling approximately \$45 million, based on FY 2010 startup costs.

The management counselor is establishing procedures to track costs for new positions and follow up with sponsoring agencies to recover support costs owed for new positions. This responsibility will be a primary work requirement of the incoming deputy financial management officer. Nevertheless, the process of manually tracking startup costs for hundreds of new positions and partial-year invoices for thousands of TDY visitors a year is labyrinthine by any standard and more than a mission in a conflict environment should have to assume. The Bureau of Resource Management's post support unit may be able to provide assistance with this process.

Concurrently, the OIG team believes that the embassy may be able to make selective use of the Global Financial Services-Charleston's post support unit to reduce its workload in voucher processing. The OIG team believes that offshore support in this area may help the mission focus on other, equally important tasks.

Recommendation 20: The Bureau of Resource Management, in coordination with Embassy Islamabad and the Bureau of South and Central Asian Affairs, should review the feasibility of a pilot program to move offshore the tracking of new position startup costs, partial-year invoices, voucher processing, and temporary duty traveler invoices for Mission Pakistan. (Action: RM, in coordination with Embassy Islamabad and SCA)

Startup Costs for Fully Armored Vehicle Funding

The critical threat security environment for Mission Pakistan requires transportation by FAV throughout the country. The mission maintains an interagency fleet of 207 armored vehicles with an estimated acquisition cost of \$41 million. At several of the constituent posts, anticipated staffing increases will require a large number of additional FAVs and replacement of existing vehicles in coming years. The incremental costs associated with FAV acquisition are not currently reflected in the embassy's NSDD-38 costs of position support under ICASS.

Recommendation 21: Embassy Islamabad should include the costs of acquiring fully armored vehicles in the schedule of startup costs for National Security Decision Directive-38 cables approving new positions. (Action: Embassy Islamabad)

FACILITIES: THE BUILDING BOOM

Islamabad Master Plan

The entire Embassy Islamabad compound is on the verge of replacement with new facilities under the master plan that has more than \$1 billion allocated to it and includes a new chancery, warehouse, employee association commissary and club, resi-

dential quarters, TDY hotel, and other utility buildings. This plan was based on the assumption that the embassy would purchase 18.5 acres adjacent to the compound in two lots. Unfortunately, the host government has denied the purchase request for one lot, and details about the second, smaller lot are now in dispute. Under pressure to proceed with a construction contract award, the Bureau of Overseas Buildings Operations (OBO) developed a contingency plan to confine initial construction to the main campus, focusing on construction of the chancery first. Embassy Islamabad is also searching for alternative locations to build residences in the larger diplomatic enclave. Even though it is unlikely to be adjacent to the embassy compound, such a site would take advantage of the additional security provided for the enclave by the Government of Pakistan.

Assuming the contract is signed this year, as scheduled, and the embassy faces no serious delays, OBO expects to have the new chancery built within four years as the first of a series of new facilities. As the new chancery is finished, the old one will be torn down and replaced with the consular annex, and so forth. This domino approach should minimize the disruption to embassy operations over the next several years. However, a number of projects need further development early enough in the process to ensure that the final compound will be sufficient to accommodate the growth in personnel and resources that are necessary to implement the President's foreign policy objectives in Pakistan. For example, the cafeteria and American club will need to be replaced with larger facilities to accommodate both the growth in personnel and the increase in residences and TDY quarters that will be located on the compound. The embassy also needs to prioritize the move of off-compound offices, namely the NAS and Library of Congress offices, back onto the compound in order to colocate all facilities. The OIG team informally recommended that embassy management coordinate with OBO to address these issues in future planning. There is also a formal recommendation concerning the warehouse during construction that is addressed in the property management section of this report.

In the meantime, OBO is building a number of temporary buildings on the compound to accommodate immediate needs and growth. These projects include:

- A building for ODRP to accommodate 125 people, scheduled to begin construction by mid-2010;
- Two USAID buildings, one that was completed during the inspection to seat 54 people, and another to seat 250 that is in the early stages of construction; and
- TDY pods with 189 rooms, the first two-thirds of which was completed in fall 2009 and the second one-third which is scheduled for completion in early spring 2010.

The embassy's facilities maintenance unit has also expanded and repurposed existing facilities to accommodate the growth in both permanent and temporary positions. During the course of the four-week OIG inspection, the facilities maintenance unit renovated 1,500 square feet of space in the maintenance building in order to house 85 desks for the housing unit, USAID's regional inspector general office, the incoming OIG Middle East regional office, and other smaller offices. The facilities manager also plans to renovate the Information Resource Center for use by the financial management office as part of an ongoing series of office renovations and moves throughout the mission. The OIG team commends the embassy for the speed and efficiency of its work in the midst of constant personnel growth.

Karachi

Consulate General Karachi's biggest challenge is the upcoming move into a new consulate compound (NCC) and the rapid expansion of both U.S. direct-hires and LE staff. Aside from the standard planning to move offices and people into a new space, Consulate General Karachi faced numerous delays in the construction of the NCC due to difficulties with the customs clearances and other bureaucratic obstacles.

The consulate general is currently operating out of what was once the consulate's warehouse. To better ensure the safety of staff, the original consulate building was abandoned several years ago, and an extensive rehabilitation of a temporary location in a more secure portion of the compound was undertaken, pending the construction of the NCC in a different part of Karachi. The original consulate building is now used as setback between the temporary office building and a major road. The facilities maintenance staff has done an admirable job of converting the temporary office building into a user-friendly, comfortable working space, despite the fact that the building was never intended to be used for offices and has insufficient space for operations. However, a number of major maintenance projects in the temporary office building were deferred in light of construction of a NCC, in which all offices and residences would be located in a secure compound, maximizing both resources and security.

The 2006 plans for the NCC did not anticipate the explosive growth that Karachi faces. By FY 2012, Karachi will increase from 33 to 55 U.S. direct-hire positions and from 170 to 191 LE staff. USAID is proposing to send 19 additional employees to Karachi to support a high-profile foreign assistance agenda. A number of other agencies are also looking to expand their presence in Karachi. The consulate estimates that it will require an additional 24 desks and 28 residential housing units by the time the new facility opens. In short, the NCC has become overpopulated before completion.

Embassy Islamabad formally proposed to the Department that the temporary office building be retained to provide additional office space for these new agencies. However, the embassy has not yet conducted a detailed cost benefit review to identify alternatives to retention of the facility or to identify medium-term funding requirements needed to operate two compounds. Any decision to keep the original compound open would require marshalling considerable additional resources. The OIG team believes that colocation of as many functions as possible on the NCC is necessary for reasons of security and logistics and prudent use of U.S. Government resources.

First, the temporary office building has a number of aging structural systems that need to be replaced or rebuilt; for example, the water pump system is over 40 years old, leaks, and is unreliable. The main generator is nearly 30 years old. The embassy purchased a used generator to back up the main generator during Karachi's daily power outages, but this is also an aging system that may soon fail. The original building, though abandoned, may also need work to prevent further disintegration that could endanger the adjoining consular section. In order to continue occupying the temporary office building, the entire facility would require a thorough inspection and then rehabilitation, potentially costing millions of dollars.

Second, maintaining two consulate compounds would require a significant increase in the support staff, including facilities maintenance and custodial workers, IT support, property management, and local guards; it would also increase the demand for motor pool services, both drivers and FAVs. Because of the requirement for FAVs to transport employees, even a minimal motor pool increase of five vehicles would cost more than a million dollars. The mission would also face obstacles importing the vehicles after they were purchased. (For additional discussion of this issue, see the section on official vehicles.)

Third, if the Department decided to maintain the temporary office building after the NCC is finished, it would bear any number of additional costs, including utilities, office furniture and equipment, and incidental repairs. Many of these costs would depend on decisions made by agencies on the number of U.S. direct-hires and LE staff that they plan to employ. As discussed throughout this report, the mission in Pakistan is constantly revising its staffing plans to add new positions every few months.

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Although retention of the existing office building may be an attractive solution in the short term, the long-term objective of colocalizing in the NCC would minimize the costs and security vulnerabilities associated with keeping multiple compounds. The NCC has space identified in the original plans for two annex wings for the new office building. Immediately amending the current construction contract to include construction of those annexes would take advantage of the current contractor mobilization at the NCC to save time and money. Agencies that have expanded, or will be expanding, could fund their office space as part of the NSDD-38 approval process. There are also other options for colocalizing agencies on the NCC: using newly purchased containers¹ or converting the NCC's consul general residence (CGR) into secure office space. (See discussion of the housing compound and current CGR below.) In short, this time-sensitive decision requires consideration of several cost and security factors. Agencies are eager to expand their presence in Karachi and need to know exactly what facilities and resources will be available to them. The Department needs to exercise due diligence in a comprehensive review of all relevant factors before allowing any agencies to occupy the temporary office facility after the opening of the NCC.

Recommendation 22: Embassy Islamabad, in coordination with the Bureau of South and Central Asian Affairs and the Bureau of Overseas Buildings Operations, should conduct urgently a comprehensive review of all options and costs for increasing office space on the new Karachi compound and initiate an appropriate plan of action. (Action: Embassy Islamabad, in coordination with SCA and OBO)

Regardless of the decision about retaining the current consulate compound, the anticipated staffing for Consulate General Karachi has already outgrown the newly constructed residences on the NCC. The U.S. Government owns a two-acre housing compound near the existing office facility with seven apartments, eight pods for permanent residence, six TDY pods, the current American Club, and the CGR. The housing compound is in a relatively secure neighborhood, with roads that are already

⁸ Embassy Islamabad recently constructed a 54-seat temporary office building at a cost of approximately \$650,000. The entire process from bid to demobilization took about one year, with six months of construction, but Karachi could use the previously approved OBO specifications for Islamabad's building and save time.

closed off to the general public. The existing CGR is much better suited, both in size and location, for the outreach required by the President's strategy in Pakistan. It is already being used for a large number of representational functions and public diplomacy programs that cannot be held safely in more public settings, and it provides suitable accommodations for high-level visitors. The much smaller CGR on the NCC is insufficient for any of these purposes. (See the classified annex for further discussion of the CGR.) By retaining the staff housing compound and existing CGR, Karachi would have the residential space to accommodate its growing U.S. direct-hire staff and could then convert the NCC's CGR and TDY quarters into much-needed office space.

Recommendation 23: Embassy Islamabad should retain the two-acre housing compound currently owned by the U.S. Government in Karachi, including the consul general's residence. (Action: Embassy Islamabad)

The delay in making these decisions has implications for Karachi's move planning process. SCA sent a rehired annuitant to Karachi to manage the move process. However, the security requirements in Karachi will make this process more difficult than usual, and management will begin making arrangements immediately to dispose of excess property and determine how to move files and equipment to the NCC upon its completion. There are also a number of post-managed facilities projects on the NCC that require attention before the NCC is fully occupied. For example, the RSO plans to construct a gated fence between the housing area and the chancery. The OIG team informally recommended that the embassy and the consulate cooperate on the necessary plans as soon as possible.

Lahore

Consulate General Lahore has been working with OBO and the Bureau of Diplomatic Security on the possibility of relocating to a new facility. However, the current consulate general building in Lahore is adequate to absorb the anticipated growth in staff, and the OIG team believes that a new site is not necessary. Facilities maintenance is currently configuring office space for 20 new USAID positions, and the general services office (GSO) is moving into the basement of the building as GSO staff increases. Other areas exist that could be used for repurposing offices in the existing building.

While retaining the consulate general building will save the expense of purchasing and building on a new site, the current site has internal layout and setback issues.

The purchase of two adjacent properties would allow the construction of a new expendables warehouse and make the area currently being used for expendables storage in the consulate building basement available for renovation as useable office space.

Recommendation 24: Embassy Islamabad, in coordination with the Bureau of Overseas Buildings Operations and the Bureau of Diplomatic Security, should retain the existing consulate general compound in Lahore and implement the necessary upgrades. (Action: Embassy Islamabad, in coordination with OBO and DS)

Peshawar

The OIG team did not have enough time in Peshawar, due to security restrictions, to make a complete assessment of the consulate's facilities. However, OBO is already engaged in a number of projects to improve the current compound and upgrade residential security. Ongoing projects are expected to cost more than \$3 million, and another \$3.5 million project is up for contract bid. The local government has identified a new site that may be suitable for an NCC.

Real Property

The OIG team identified unusual problems with the titles for U.S. Government-owned properties. In Karachi, the CGR and other U.S. Government-owned residences were built on land under a 99-year lease that expired in 1962. The lease was never renewed, and the consulate is working with a local law firm to resolve the issue. The consulate general submitted a renewal application to the local authorities in December 2009 and expects this issue to be resolved soon. The OIG team concurs with this step.

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Recommendation 25:

Facilities Maintenance

The facilities maintenance unit in Islamabad has a heavy work load: it serves more than 300 residences, a number of aging buildings on the compound, two off-site offices, and accommodates constant construction projects. Upon the arrival of the current facilities manager in September 2009, there were more than 7,000 outstanding work orders. As of the end of this inspection, less than six months later, the unit has reduced this to only 997 outstanding work orders. Considering that the unit receives more than 100 new requests each week, this is a commendable accomplishment.

However, the OIG team's review of work orders revealed that more than 99 percent of completed work orders over the course of a month are for unscheduled work and special projects. There were also a number of repetitive "emergency" tasks for which work was done before a work order request was submitted. This was due in part to restrictions on the use of eServices by LE staff. (See the classified annex for further discussion of this issue.) However, a number of these tasks could be included in the preventive maintenance plan. The OIG team informally recommended that Embassy Islamabad review and improve its preventive maintenance program.

Consulate General Karachi's facilities maintenance unit is increasing its staff in anticipation of the move into the NCC. Those who have already been hired are taking training in the new systems and have proven to be helpful at the current compound as well. Consulate staff is pleased with the quality of maintenance services they receive in the facility. But there are a number of management controls problems regarding the oversight of operations. (See the management controls section of the report below.)

FINANCIAL MANAGEMENT

The financial management office's most important strategic challenge is identifying resources to support anticipated mission-wide staffing growth over the next several years. The office operates in a dynamic, rapidly changing environment in which resource decisions often occur outside regular planning and budget processes. For example, in FY 2010 the embassy identified approximately \$3 million in mid-year costs related to Consulate General Karachi's NCC move and the need to hire new support staff for U.S. personnel increases, which were planned under the President's Afghanistan-Pakistan Strategy.

The financial management office received above-average scores on OIG and ICASS customer service questionnaires. The embassy provides effective support to serviced agencies and consulates in vouchering, accounting, and cashiering despite a busy and expanding workload. The OIG team made an informal recommendation that the voucher unit consolidate payments of employee taxi vouchers, electricity bills, and telephone bills into monthly payments, preferably by electronic funds transfer, to reduce the volume of 17,000 cashier vouchers processed last fiscal year.

The accounting unit conducts reviews of unliquidated obligations to confirm that valid requirements for funding exist on an ad hoc basis, increasing the possibility that funds could be returned unspent. The OIG team made an informal recommendation that the newly arrived deputy financial management officer conduct regular reviews of unliquidated obligations.

HUMAN RESOURCES

Given the constraints under which the section has been working, the human resources section has done a remarkable job providing the full range of human resources services for this growing mission. The human resources section ranked highest in satisfaction scores in the workplace and quality of life questionnaires (the section was the lowest ranked during the 2005 inspection). The section is also responsible for initiating travel orders, an issue to be addressed in the travel section of the report.

Islamabad had just one HRO until a deputy HRO position was established and filled in late October 2009. Within two months of the arrival of the deputy, the HRO resigned, leaving the deputy as acting HRO. A new HRO arrived during the inspection. An EFM with previous experience in human resources is expected to arrive in April to fill a newly established expanded professional associates program position. There are 14 LE staff in the section; most are relatively new. The section has a good training plan in place.

Because of the continuing growth in virtually all sections and agencies, the human resources section has focused on recruitment. The section has recruitment procedures in place and has done a good job of advertising new positions both internally and throughout the international community. Approximately 300 applications are received for each vacancy although as many as 1,000 applications have been received for some jobs. From January 2009 until the time of the inspection, 573 jobs had been advertised of which 242 had been filled, with another 331 in process. In Karachi, 50 new staff members were hired in the last calendar year, including new maintenance positions for the NCC. The ICASS council recently approved an additional 43 new LE staff positions for Lahore, and recruitment is in process.

In other areas, the section was not keeping up with basic requirements. With the arrival of the HRO and the new EFM, the section should be able to devote time to improving processes and establishing tracking mechanisms where they do not currently exist.

In-Processing

The OIG team's pre-inspection survey questionnaires revealed that the information employees received prior to arrival in country is not adequate, and that check-in procedures are cumbersome. The Welcome to Pakistan/Status of Quarters cable which goes to newly assigned employees contains comprehensive and useful information, but it does not go to employees of other agencies. During the inspection, the human resources section was discussing how best to ensure that newly assigned employees of other agencies receive the same information. The OIG team reviewed the arrival checklist and found it overly burdensome. There is no system to track the completion of the check-in tasks. The newly arrived deputy financial management officer is establishing a customer service center made up of employees from various management offices to provide a one-stop approach to checking in, which should improve the process.

There is a weekly orientation program for permanent and TDY personnel. The focus of this program is security, with short presentations by representatives from human resources, general services, and the health unit. It does not include an overall briefing on the embassy and its goals which might be useful for those employees who are new to working in an embassy environment. The embassy is working with OIP regarding transferring some of the in-processing functions to that office and mandating that all personnel from all agencies go through a Washington version of in-processing before arrival in Pakistan. The OIG team supports this initiative and believes this will reduce the burden on the embassy's management section.

During visits to the three consulates in Pakistan, the OIG team found a number of employees who had not been to the embassy and who therefore did not appreciate how their work contributed to overall mission goals. In some cases, there was limited contact with their counterparts at the embassy. Although conditions at the consulates may vary from those in Islamabad, embassy policies are countrywide. Many section chiefs at the embassy also exercise some supervision of personnel in the consulates.

Recommendation 26: Embassy Islamabad, in coordination with the Bureau of South and Central Asia Affairs, should request that the Bureau of Human Resources include two days of consultations in Islamabad in the post assignment travel orders for all personnel assigned to the consulates. (Action: Embassy Islamabad, in coordination with SCA and DGHR)

Checkout Procedures

Embassy Islamabad has a departure checklist which was recently revised. The HR section did not have a system for tracking whether or not departing employees completed the departure checklist, resulting in some employees departing post before completing evaluations or returning embassy equipment. The previous system relied on withholding the departing employee's airline ticket, which has become less effective with the introduction of electronic ticketing. The new checklist includes a statement that the departing employee's unaccompanied air baggage will not be shipped until the checklist is completed and turned in. This should be more effective in ensuring that all checkout tasks are completed before departure.

American Staffing

In 2007 and 2008, the Bureau of Human Resources conducted numerous interviews overseas as part of the Worldwide Classification Review, a study to update the standard field position descriptions that serve as the position classification criteria for all overseas positions. The review was necessary because the classification criteria for generalist positions below the FS-01 level had not been revised since 1978; classification criteria for Senior Foreign Service positions had not been revised since 1986; and the grade structures of the sections within embassies had not been reviewed for consistency in more than 12 years. The Bureau of Human Resources is in the final stages of updating Foreign Service classification standards based on a worldwide review conducted over the last 18 months. SCA has requested a copy of those draft standards in order to conduct its own region-wide position classification review. The OIG noted several inconsistencies in the classifications of U.S. direct-hires in Pakistan from principal officers to section chiefs.

Recommendation 27: Embassy Islamabad, in coordination with the Bureau of South and Central Asia Affairs, should conduct a special position classification review of positions in Pakistan with particular emphasis on the consulates general in light of the Bureau of Human Resources' updated Foreign Service classification standards. (Action: Embassy Islamabad, in coordination with SCA)

Performance Evaluations

The OIG team found that work requirements and employee evaluation reports (EER) for the current rating period were not being tracked. Human resources resumed development of a tracking system during the inspection and it revealed that work requirements were not on file for nearly half of the employees, including many section chiefs. In a spot check conducted by the OIG team, many of the work requirements that were on file were not dated or were dated long after the initial 45 days of the rating period. In survey material, the embassy stated that 53 EERs were submitted late in the past year. At the time of the inspection, there were still nine outstanding EERs, some for people who had already left post. (See checkout procedures section.) There was no record that the embassy had sent the names of those employees for whom EERs would be submitted late to the Office of Performance Evaluation nor was there a record that the 53 late EERs included the names of the responsible officers.

Recommendation 28: Embassy Islamabad should fully implement the system to track, complete, and submit work requirements and employee evaluation reports on time. (Action: Embassy Islamabad)

Eligible Family Member Program

Although Pakistan assignments are technically unaccompanied, spouses are allowed to reside in Pakistan (except Peshawar) if they fill key EFM positions. Five years ago there were 14 such positions; today there are 24, and soon to be 26. Although just 11 of these positions are currently filled, the HR section reports an increase in interest from the spouses of employees assigned to jobs in summer 2010. The OIG inspectors assessed the program and found that generally it has worked well. Job announcements are listed on the embassy's website as well as on the SCA website. The CLO coordinator sends the weekly newsletter to all newly assigned employees directing readers to information on EFM positions. EFM personnel files included job announcements, position descriptions, and resumes, but did not include EFM work requirements or evaluations. The OIG team made an informal recommendation that work requirements and evaluations be prepared for all EFMs.

The Department does not guarantee that a spouse will be accepted for a particular position; however, to date, every spouse who has wanted to work has been assigned to an EFM position. The embassy is flexible in working with incoming spouses to identify positions that would fit with their background and expertise.

The post employment committee has not been activated as there has yet to be more than one candidate for an EFM vacancy. With the increase in the number of interested applicants and the potential for competition, the OIG team made an informal recommendation that the post employment committee be convened and briefed on their responsibilities before they need to interview and select candidates.

Locally Employed Staff

LE staff in Pakistan have been the victims of kidnapping, harassment from the media and local law enforcement officials, and unwarranted criminal proceedings due to their employment with the U.S. Government. In meetings at the embassy and the three consulates, LE staff raised concerns about their personal safety, citing death threats and harassment by host government officials as disturbing—and unfortunately common—occurrences. They also stated that they do not reveal their place of work to any but immediate family members. In recognition of this persistent harassment of LE staff and the significant increase in terrorist incidents across the country, the embassy fought for an increase to the regulatory maximum Unique Conditions of Work Allowance that their employees were already receiving. The Under Secretary for Management approved a Public Interest Determination to increase the allowance during the inspection.

The LE staff also raised the issue of eligibility for special immigrant visas (SIV). They believe that since eligibility has been reduced to one year of service for LE staff in Iraq and Afghanistan, LE staff in Pakistan should also have special eligibility. In particular, they want the criteria currently applied to employees with 20 years of service to be applied routinely to employees with the minimum 15 years of service. Mission management expressed concern, however, that SIV approvals before 20 years would take away experienced LE staff whose expertise is critical as the mission grows. The mission's SIV committee reviews applications electronically and submits votes electronically. They meet via teleconference to discuss any cases where the vote is not unanimous. Currently the consul general in Islamabad serves as the committee chair. The OIG team made an informal recommendation that another committee member be appointed to chair this committee while the consul general serves in an advisory role as is customary elsewhere. The OIG team also made an informal recommendation that each newly constituted SIV committee meet in person at the beginning of their tenure to discuss the guidance set forth in 9 FAM 42.32(d)(2)N6.5 and how they as a committee want to place service in Pakistan in the context of the regulations governing this program.

The LE staff committee also mentioned their perception that over the past few years, they have not enjoyed the same relationship with the Americans at the embassy as in the past. They attributed this in part to the one-year tours for most U.S. direct-hire personnel and the heavy workload that appears to preclude more than superficial relationships. The primary reason cited, however, was their perception that the Americans no longer trust them, which they said adds to the communication gap and security procedures that have been implemented in the past six months. (See the classified annex for an informal recommendation on this issue.)

With the dramatic increase in the number of LE staff throughout the mission, the informal, one-on-one orientation that currently takes place may no longer be sufficient. At the time of the inspection there was a plan to initiate a monthly orientation program for LE staff that would include an overview of the mission, in addition to answering questions related to their compensation, benefits, and conditions of work. The OIG team commends the embassy for this initiative.

In reviewing LE staff personnel files, the OIG team did not find a record of the required 5-year security revalidations. (See the classified annex for a formal recommendation on this issue.) Position descriptions are out-of-date or do not include sufficient information about the duties and responsibilities of the position, and there was no indication that each position is reviewed on an annual basis. In interviews of LE staff throughout the mission, the OIG team heard anecdotal accounts of inaccurate grade levels, particularly in comparison to employees at USAID. In 2009, 11 embassy LE staff left to take similar positions with other agencies at higher grade levels. With the growth in staff, the management team has instructed each section to review its structure and establish levels of mid-management where previously some LE staff supervisors were responsible for 50 or more employees. This will require that many position descriptions be rewritten to reflect new duties and responsibilities and that supervisory training be provided to new supervisors. The embassy and SCA are negotiating with the Regional Support Center in Frankfurt to regionalize computer-aided job evaluation work (there is already a memorandum of agreement with the Regional Support Center to perform this work for all EFM positions). The OIG team did not make a recommendation since the embassy is aware of the need to review position descriptions and grade levels and was already working to address this issue.

Embassy Islamabad tracks LE staff training and there is a repayment agreement that employees must sign prior to going abroad on official orders. However, there is no comprehensive training plan nor is there a written training policy. The embassy does not require LE staff to prepare individual development plans, a basic management tool to determine training needs.

Recommendation 29: Embassy Islamabad should establish a mission-wide comprehensive training policy and plan, including the preparation of individual development plans for the locally employed staff, and should make that plan available to American supervisors. (Action: Embassy Islamabad)

Peshawar: De Facto Drawdown

In November 2008, the Peshawar emergency action committee, in consultation with Embassy Islamabad, decided to reduce the number of U.S. direct-hire employees in Peshawar due to the deteriorating security situation. At that time, some employees were relocated to Islamabad, where most served the remainder of their tours. One of the employees from the group who relocated in 2008 is still at the embassy, and three others arrived in summer or early fall 2009 and never established themselves permanently in Peshawar. Of the displaced Foreign Service officers, some worked in Peshawar for several months, some for a few days, and some never were stationed there at all, making only intermittent trips for one or two days at a time. During the inspection, the OIG team interviewed each of these employees. These employees expressed a range of concerns, including housing, benefits, work requirements, and supervisory arrangements. One employee is reporting to five supervisors at the same time. One supervisor is unable or unwilling to recognize the workloads imposed by other supervisors or why this displaced employee is working six days a week. One employee, who was allowed to report for duty in Peshawar upon her arrival in October 2009, spent just seven days there before being relocated to Islamabad. Her work requirements were signed four months later, but do not reflect the duties she performs in her section in Islamabad. Some work requirements for the other employees are not available or were just recently signed. In some cases, the supervisor actually assigning their work is not the designated rating officer. This situation may prejudice performance evaluations, career development, and promotion prospects.

Recommendation 30: Embassy Islamabad should complete accurate and timely work requirements, counseling documentation, and evaluations for employees who are encumbering Peshawar positions but are actually working in Islamabad. (Action: Embassy Islamabad)

The Director General of Human Resources recently approved the establishment of 16 temporary positions in Islamabad, one for every Department position in Peshawar. This allows the housing and benefits for the employees relocated from

Peshawar to match those for other employees based in Islamabad. Most of these positions have been filled for summer 2010. The embassy will decide at a later date which employees will go to one of the temporary positions in Islamabad and which to the “real” positions in Peshawar. Based on the security situation in Peshawar, the embassy, in consultation with the Department, will determine when employees can return to Peshawar and the corresponding temporary positions eliminated.

The Department has procedures that should be followed when security or other concerns warrant a reduced U.S. presence or drawdown including a ceiling on the number of employees at post until the Under Secretary for Management approves the return of evacuated employees. Employees may be sent to a safe haven in a location other than the United States if it is anticipated that they will return to their original post within a relatively short time. A drawdown is initially approved for a period not to exceed 30 days, and may be extended in 30-day increments for a maximum of 180 days.

These procedures were not followed in the case of Peshawar. The de facto drawdown has continued well past 180 days. As mentioned above, despite this de facto drawdown, Islamabad-based Peshawar employees return periodically to Peshawar, and a new group will be arriving soon to follow this same ad hoc protocol. It is not clear when this situation will change. (See the classified annex for a formal recommendation on this issue.)

GENERAL SERVICES

The GSO unit is doing a good job of delivering services in an extraordinarily challenging environment. The rapid increases in new American personnel and influx of high-level visits place especially heavy demands on GSO operations. For example, during the OIG team’s visit, the embassy hosted five senior-level visitors in a single week. Over the past year, the embassy brought approximately 80 new residences into the housing pool. Services such as visa extensions, vehicle registration, and customs clearance permissions that would be routine in other countries require an inordinate amount of work because of difficult relations with host Government authorities. Despite these challenges, scores on OIG and ICASS surveys are at or above average for all GSO services, except procurement, a significant accomplishment in this fast-paced environment.

Official Vehicles

Embassy Islamabad's number one operational limitation mission-wide is the insufficient availability of ICASS motor pool services for local transportation. In Islamabad and Lahore, employees are authorized to request motor pool services for other authorized use; in Karachi and Peshawar, employees are required to use the motor pool vehicles for all transportation requirements. The need to support frequent high-level visitors and large numbers of TDY personnel places an additional burden on the mission's motor pool. Under these difficult circumstances, the motor pool receives surprisingly high praise from embassy staff. However, during its 4-week inspection, the OIG team witnessed 5 days in Islamabad when the motor pool issued notices that it was restricting motor pool service to the home-to-office shuttle due to exceptional operational demand, limiting the embassy's overall operational readiness as well as the access to goods and services that employees rely on. These limitations are due to a combination of factors, including the difficulty in providing the necessary vehicles (see the classified annex for details) and the proliferation of agencies with their own motor pools and individually assigned official vehicles.

Generally, agencies and offices with their own official vehicles will hire their own chauffeurs. Unlike the ICASS motor pool, these drivers are only hired for daytime shifts. The agencies and offices must then either pay their drivers overtime or rely on the ICASS motor pool for nighttime and out-of-town travel. The NAS section, for example, paid its six drivers for 1,413 hours of overtime in a 3-month period during FY 2009. In contrast, the ICASS motor pool hires its drivers across three shifts throughout the week, so that after-hours work is covered by standard pay. There is also a disproportionate distribution of work among the drivers; ICASS drivers are over tasked while some other drivers spend the majority of their time waiting to provide transportation home. The numerous supervisory lines for drivers also result in an inconsistent application of controls over official vehicles, such as maintenance checks and record keeping. The NAS motor pool is particularly deficient in record-keeping, with irregular daily records and extremely late submissions for overtime.

All of the motor pool issues could be managed better through a central ICASS dispatch system. Embassy Islamabad could convert all drivers to ICASS positions and place them under a consolidated dispatch office allowing for more efficient use of embassy drivers' time, increased management controls over the use of official vehicles, and significant reduction in overtime costs.

Recommendation 31: Embassy Islamabad should consolidate all mission drivers under the International Cooperative Administrative Support Services dispatch system. (Action: Embassy Islamabad)

The constituent posts have few vehicles and drivers outside of the ICASS motor pools, because other agencies have not had a high profile at the consulates. However, the growth of the consulates over the next few years could generate the same fracturing of resources seen in Islamabad. The OIG team informally recommended that Embassy Islamabad review the policies in the consulates for maintaining consolidated services in the future.

Embassy Islamabad's policy for other authorized use of official vehicles does not charge for home-to-office or other transportation by U.S. direct-hire employees. The Ambassador's justification for this is the specific security threats throughout Pakistan make travel by public transportation at all times, and by personal vehicle under many circumstances, unacceptably dangerous. The OIG team agrees with the Ambassador's determinations and finds the policy to be appropriate. Unfortunately, the policy does not conform precisely to 14 FAM 433.4 a. (2), which requires either a finding by the regional security officer that armored vehicle transportation with a security escort is necessary for security reasons or a waiver of transportation costs by the Assistant Secretary for Administration. Therefore, the OIG team informally recommended that Embassy Islamabad request such a waiver.

Embassy Islamabad's motor vehicle use policy authorizes employees to self-drive official vehicles when it is required by their official responsibilities. However, the policy does not inform employees of their personal liability and the extent of embassy liability insurance coverage. The OIG team informally recommended that the policy include such information.

In December 2009, NAS provided information on its program development and support vehicles to the motor pool supervisor to comply with Department requirements to include these vehicles in the Integrated Logistics Management System's (ILMS) motor vehicle inventory report. While the information was entered into the database, the actual vehicles were never presented for the physical inventory reconciliation process. The NAS vehicles are kept in various locations throughout the country, including one in Quetta.

Recommendation 32: Embassy Islamabad should conduct an audit of the program development and support vehicles of the narcotics affairs section that are included in the motor vehicle inventory. (Action: Embassy Islamabad)

There is additional discussion of motor vehicles in the classified annex.

Travel Services

Travel operations require closer supervision and management. The current supervision of the travel function is divided between the HR and GSO units, with the HR unit taking responsibility for the preparation of most travel orders for R&R and TDY travel. Neither the supervisory general services officer nor the LE staff travel supervisor reviews actual travel itineraries before the travel vendor issues tickets. After the vendor issues the tickets, bills are sent to the GSO for administrative approval. Because the GSO does not retain records of authorized travel, including documentation of fare costs, cost construct records, Fly America exceptions, non-use of contract air fares, and premium class travel authorization, the government cannot be certain that payments submitted by the vendor were authorized correctly. A streamlined travel unit that places responsibility for travel under a single supervisor would improve controls and prevent possible fraud and abuse.

Recommendation 33: Embassy Islamabad should reorganize travel responsibilities so that the general services office is responsible for preparing and approving travel orders, issuing tickets, supervising the travel vendor, and verifying the correctness of bills submitted. (Action: Embassy Islamabad)

Travel Contract

The embassy does not have a contract in place to procure travel services. The embassy's memorandum of understanding with the local vendor references a General Services Administration master contract in Washington that expired several years ago. A contract or purchase order between the embassy and a local travel provider is required by 14 FAM 542 b. (1) to provide assurances that the embassy is not paying more than would be chargeable if the services were obtained directly from local airlines. The lack of a travel contract means that the embassy does not have a basis for requiring that the vendor follow U.S. Government travel regulations or claim rebates on commissions paid by airlines. In Pakistan, most airlines pay a 5 percent commission on tickets issued to the embassy, according to travel contractor employees

interviewed by the OIG team. The contractor receives commission payments directly from the airlines, a portion of which could be refunded to the embassy under a travel contract, a practice often employed by embassies that have competitively selected travel vendors. Travel contractor staff interviewed by the OIG team were not familiar with 14 FAM travel regulations and procedures including requirements for use of city-pair contract air fares, business class travel documentation requirements, cost-constructive travel documentation requirements, and blanket travel authorization requirements. A new travel contract will reduce costs to the government and increase internal controls over travel.

Recommendation 34: Embassy Islamabad should advertise, compete, and select a travel contractor to provide travel services to the embassy and constituent posts. (Action: Embassy Islamabad)

Property Management

A major component of the OBO master plan is the replacement of Embassy Islamabad's primary warehouse. The warehouse currently stores \$6.5 million worth of expendable and nonexpendable supplies, with a number of containers and a warehouse annex off the compound for extra storage, mostly for residential furniture. Current construction plans call for tearing down the existing warehouse so that the site can be used for construction staging, requiring the leasing of a temporary warehouse outside of the compound for a substantial amount of time. This solution is less than ideal.

Embassy security policies that prohibit any employees from being located at the current warehouse annex would certainly apply to a warehouse located outside of the compound, reducing the ability of the accountable property officer to maintain efficient controls. Warehouse employees would need to travel to the temporary warehouse in order to receive, record, and pick up any property. The motor pool is scarcely able to provide appropriate vehicles for employee use, and it would be very difficult to transport people and property on a regular basis with existing resources. There are also numerous complications with transferring property on and off the embassy compound. The diplomatic enclave restricts the entry of trucks, and gate passes are required for transferring property in and out of the enclave. While it is already difficult to arrange access for occasional deliveries, it would be even more burdensome to make arrangements for the constant traffic between the compound and

a temporary warehouse.

The retention of the warehouse until a temporary or permanent warehouse can be constructed on the Embassy Islamabad compound is not a priority item in the OBO master plan.

Recommendation 35: Embassy Islamabad, in coordination with the Bureau of Overseas Buildings Operations, should develop construction plans that retain the existing embassy warehouse until a temporary or permanent replacement can be built on the embassy compound. (Action: Embassy Islamabad, in coordination with OBO)

Embassy Islamabad completed its annual inventory during the inspection, and the noted discrepancies are within acceptable limits. The OIG team identified a few procedural controls that were applied inconsistently, and the accountable property officer corrected them immediately after counseling. The management controls section of this report includes a discussion on mission-wide problems with the receiving reports.

The Karachi warehouse, located off the current compound, is sorely neglected. Storage space is cramped and disorganized. A number of crates have been left on the loading dock. There is scrap and refuse throughout the site. The OIG team informally recommended that Consulate General Karachi clean out the warehouse site and hold a surplus sale as soon as possible.

Transferring property to and from the site requires a great deal of advance planning by both warehouse and motor pool staff, resulting in long delays to bring property to the consulate. Sometimes the consulate finds it easier to bypass the warehouse completely and purchase new supplies directly from vendors. The warehouse LE staff is mostly unsupervised, and this situation has resulted in a breakdown of management controls.

There are discrepancies between the inventory files and equipment on hand. Consulate General Karachi was unable to find the records for six printers that were set aside for disposal. The number of toner cartridges in the expendables store room did not match the inventory records. Though the physical inventory report was in process, it did not reflect any of these problems. The property management officer normally delegates the annual physical inventory process to the LE staff, but this has not provided the necessary oversight.

Recommendation 36: Embassy Islamabad should require that the Consulate General Karachi property management officer adequately supervise the warehouse LE staff and provide adequate oversight of the physical inventory and reconciliation process. (Action: Embassy Islamabad)

Housing

The housing program is well organized and efficiently managed, but identifying suitable housing for new personnel arriving in Pakistan is difficult due to the volume and pace of new arrivals and security considerations limiting the areas where embassy personnel are authorized to live. These difficulties are compounded in many cases by the lack of timely notice from sponsoring agencies of the arrival dates of personnel. Consequently, many new employees are moved into temporary quarters while their housing is prepared for occupancy. Unlike crisis-zone missions in Kabul and Baghdad, Embassy Islamabad provides housing of quality and size similar to what is found at more traditional missions, a fact that many employees noted as a plus for morale. The housing pool consists of 26 government-owned properties and 253 short-term leased properties located off the embassy compound. The GSO is employing creative solutions such as duplexing existing housing units to meet demand and implementing furniture, generator, and appliance pools to reduce make-ready times and manage resources more efficiently.

Temporary and Group Housing

The bombing of the Marriott Hotel in Islamabad in 2008 resulted in the deaths of three TDY employees under chief of mission authority. The mission's policy is to house all TDY employees in embassy or consulate quarters, unless other arrangements are specifically authorized by the emergency action committee. The embassy is midway through a construction program to build 189 TDY units on the Islamabad compound. All three consulates have established TDY quarters off-compound. Forty-four of the houses in the embassy housing pool are group houses. Some employees interviewed by the OIG team felt that the criteria for assigning group housing are not transparent, because they occur outside the normal interagency housing board assignments process. The OIG team made an informal recommendation that the criteria for assigning permanent personnel to group housing be specified in the embassy's housing handbook.

Shipping and Customs

The primary difficulty for the shipping and customs unit is obtaining customs clearances for imports. Over the last 6 months, there have been a number of extended delays with customs, and in response, the unit revised most of its guidance to customers on how long they would need to wait for shipments. During the inspection, the unit also developed procedures to send out weekly reports on incoming shipments to keep customers informed.

The one-year assignment schedule also means a higher number of household effects shipments than usual. The ICASS council recently approved four new positions for the embassy shipping unit in an effort to meet demands. In the meantime, shipping employees are doubling up on responsibilities. They are unable to provide staff to monitor the performance of the packing companies; the GSO is developing a rotational inspection schedule to provide appropriate oversight.

Embassy Islamabad manages the shipping and customs work for Peshawar and Lahore and has also been assisting Karachi with customs clearances. In addition, the unit manages countrywide shipping and packing contracts. The existing contracts were on an extension by memorandum of agreement, and are about to be renegotiated. The OIG team informally recommended that once the contracts are awarded, Embassy Islamabad provide copies to all of the consulates for their use in processing payments for services.

Consulate General Karachi manages most of its own shipping, as well as oversight of the Department of Defense shipments to Afghanistan. More than 6,000 containers a month arrive in the port of Karachi and are then shipped overland to Afghanistan; this number is expected to increase to 8,500 a month later this year. Consulate General Karachi hosts five customs expeditors hired by the Department of Defense to manage these shipments. Still, the consulate's shipping supervisor spends 50 to 60 percent of his time assisting with the Department of Defense shipments. Consulate General Karachi is likely to find it even more difficult to keep up in the future as the consulate moves into the NCC and sees a growth in population.

Likewise, Consulate General Lahore has seen an increase in shipping. While customs and most administrative details are managed by Embassy Islamabad, the consulate receives and sends out a number of shipments without appropriate monitoring. The OIG team informally recommended that the consulate develop and implement a tracking system.

Procurement and Contracting

The procurement and contracting unit is critically understaffed and relatively inexperienced. The embassy is hiring eight new staff members and modernizing procurement by moving to the Department's ILMS for procurement services. Files reviewed by the OIG team complied with requirements for competitive award of procurements in Federal Acquisition Regulation (FAR) 6.102, when applicable, and contained satisfactory documentation of formal technical evaluation panel decisions as required by FAR 15.101-2. The management of blanket purchase agreements had some weaknesses. The OIG team made an informal recommendation stating that local procurement personnel in Karachi should receive a purchase card to facilitate offshore procurements.

VISITOR SUPPORT UNIT

The visitor support unit is relatively new but has already proven its worth. As mentioned earlier in this report, the embassy devotes a significant portion of its already stretched resources on support to high-level Administration and congressional visitors. In order to manage this tremendous workload, the embassy established a visitor support unit in June 2009. An EFM serves as the unit's supervisor and is assisted by an LE staff visitor clerk. The unit provides the full range of logistical support for each visit so that the control officer can focus on the substantive aspects of the visit. The unit also has responsibility for managing the reservation system for the TDY quarters and two apartments for high-level visitors. (See the sections of this report on housing and the embassy association.) The OIG team commends the supervisor for reaching out to other embassies with similar visitor support units for ideas and guidance.

INFORMATION MANAGEMENT

Embassy Islamabad's information management (IM) program currently meets the information technology needs of all users in Islamabad and the consulates general in Karachi, Lahore, and Peshawar. It also provides the appropriate level of information system security for the mission. The OIG team assessed the technical and management operating procedures and the physical security of the information technology spaces in Islamabad and the consulates. IM operations at the embassy and consulates general are adequate.

The IM program is also responsible for switchboard operations, telephone and radio management, classified and unclassified pouch operations, and mail operations. The OIG inspectors reviewed these operations and found that the Department's policies and guidelines are being followed. The OIG's workplace and quality of life and personal questionnaire results showed that all services are adequate mission-wide.

Embassy Islamabad's information management officer (IMO) oversees the information systems and information processing centers for the mission. When fully staffed, the information management office is supported by a large cadre of U.S. direct-hire and LE staff. The information systems officer oversees the day-to-day operations of the unclassified systems supporting 734 users, 559 personal computers, and 7 servers. The information program officer is in charge of the classified system operation supporting a classified network of 55 workstations, and 7 servers. The IM team also includes EFM courier escorts and cleared American contract radio and telephone technicians. The IMO also has operational oversight over IM programs at the consulates general.

Consulate General Lahore has an information systems officer to oversee and manage all IM operations that include unclassified systems support to 112 users, 89 personal computers, and 5 servers, and a classified system consisting of 6 workstations linked to Islamabad.

Consulate General Karachi has an information programs officer and an information management specialist to oversee and manage IM operations that include unclassified operations to support 164 users, 147 personal computers, and 7 servers, and a classified system consisting of 10 workstations, and 3 servers.

Consulate General Peshawar has an information systems officer to oversee and manage IM operations that include unclassified systems support to 26 personal computers, and 5 servers, and a classified system consisting of 10 workstations linked to Islamabad.

In addition to the regular duties described above, the IM sections at Embassy Islamabad and the consulates provide support to an above-average number of high-level visitors in an extremely difficult environment.

The OIG team counseled the IM staff at both the embassy and the consulates general on several matters including the proper labeling of equipment and the need for locked closets to house the computer switches. The embassy resolved some of these issues to the satisfaction of the OIG team during the course of the inspection and other mitigation activities are in progress.

The telephone room in Consulate General Peshawar is cluttered. Limited storage space has made the telephone room a repository for excess and spare equipment. Good management practice requires well-organized space. Disposal of excess equipment, systematic storage of spare equipment, and general clean up of the room will reduce fire hazards, the potential for personal injury, and ease finding required spares.

Recommendation 37: Embassy Islamabad should remove all excess and spare equipment from the telephone room in Consulate General Peshawar. (Action: Embassy Islamabad)

There are no computer server room temperature sensors throughout the mission to notify appropriate staff in the event of equipment overheating; such sensors have never been installed. According to 12 FAM 629.4-4 c., the senior information management officer, the data center manager or system manager, in conjunction with the GSO, is responsible for ensuring that air conditioning and humidity controls and gauges are installed in the computer room so that the environment is maintained within the specifications established by equipment manufacturers. To accomplish this, the server room is normally equipped with a notification device in the event of an overheating condition. If the server room overheats, the equipment may malfunction, causing loss of equipment, data and services. The OIG team made an informal recommendation on this matter.

Ganged power strips were found on top of equipment racks at Consulate General Peshawar. Installations were apparently performed expediently rather than with safety in mind, and the current situation makes the facility vulnerable to an electrical fire. A general cleaning up of the electrical wiring will reduce the chance of electrical fire or other hazards. The OIG team made an informal recommendation on this matter.

There are no information management SOPs at Consulate General Lahore. Until the arrival of the incumbent, there was no professional information systems officer in Lahore to develop them. Best practices dictate development and maintenance of up-to-date SOPs. Creating and maintaining written SOPs for all information management areas of responsibility will simplify matters for TDY and replacement staff. The OIG team made an informal recommendation on this matter.

Information security is discussed in the classified annex.

QUALITY OF LIFE

Life at Embassy Islamabad is difficult and will remain so for some time. The workload is extremely heavy and most employees work six—if not seven—days a week. A notice directing that no meetings be scheduled on Sundays was drafted but has not been issued formally. Security restrictions limit travel for official and unofficial business and require, in most cases, the use of FAVs. Only six embassy participants are allowed to attend any single outside cultural or social event. With the dramatic increases in staffing, work space will continue to be cramped. The construction of several temporary office buildings on the compound will help to alleviate overcrowding until the new embassy compound is built, but the widespread construction creates additional stresses.

Morale varies throughout the mission. Section chiefs and others who have regular contact with the executive office have a greater sense of the overall goals of the mission and their role in achieving them and report very high morale, while those at other levels report lower morale. The employee association, the health unit, and the CLO all work hard to provide recreational and other outlets for the community. Employment opportunities for EFMs and family visitation travel have also helped. The Department's Pakistan service recognition package, which includes a special allowance for those who stay a second year, has made service in Pakistan more attractive.

UNITED STATES EMPLOYEE ASSOCIATION

The United States Employee Association (USEA) provides facilities and activities that are important to employee well-being and morale, particularly in the current security environment where off-compound shopping, dining, and recreation are strictly limited. Increasingly, USEA has been asked to take on responsibilities that go beyond those expected at other employee associations, but that are critical to the embassy's ability to manage the dramatic growth in permanent and temporary personnel.

USEA's services include a commissary, several food service outlets, and a bar. USEA also manages a swimming pool, tennis court, and other exercise facilities; sells gas coupons and stamps; and brings vendors onto the compound at least twice a week. The Islamabad commissary has branches in Karachi, Lahore, and Peshawar.

The employee association in Peshawar runs the Khyber Club, which is not affiliated with any other association; it has a bar, a restaurant, 12 TDY rental rooms, a swimming pool, tennis court, and a gym.

USEA's charter was approved in May 2009, and the bylaws were submitted to the Office of Commissary and Recreation Affairs (A/OPR/CR) in July 2009. These documents are being revised to include language covering the operation of TDY quarters discussed below. License agreements covering the support provided by USEA in Lahore, Karachi, and Peshawar have been drafted. The annual audit was underway during the inspection.

The current general manager has over 20 years of experience as a business manager. She and her two senior managers recently attended A/OPR/CR training in Bangkok. An operations manager oversees food services in Islamabad and commissaries in Islamabad and the three consulates. USEA plans to hire a management officer to oversee finance, procurement, information technology, human resources, housekeeping, recreation, and events planning. The manager in Karachi oversees food services at the consulate and the club, services taken over by USEA three years ago.

Membership has doubled since 2007: there are currently 608 full members and 96 guest members. Large numbers of TDY personnel also use USEA services and facilities.

In a spot check of inventory controls at the commissary, the inspectors found that items on the shelves and in the storeroom did not match the records. This discrepancy, which appeared to be the result of pressure from the membership to immediately stock the shelves once a new shipment arrived and before the inventory had been updated, was corrected the day after the OIG team noted the problem, and no recommendation was made. Alcohol sales are strictly controlled, and the inspectors found documentation to justify purchases over the authorized limit. A surprise inventory of the bar revealed no discrepancies.

The board of directors is active and committed. One voting and one nonvoting member are elected by each consulate and participate in board meetings via teleconference. Committees examine food services, recreation, social activities, and human resources. The food services committee conducted a recent survey that resulted in a board decision to contract with a master chef to improve quality, variety, healthier options, and service. The committee is also exploring the possibility of contracting commissary management with the Army Air Force Exchange Service. The board is undertaking a complete information technology infrastructure upgrade at all USEA

facilities countrywide which, among other benefits, will replace the accounting system, eliminate the antiquated paper-based system, and improve internal controls. With most of the board members serving one-year assignments, there is little continuity or time for training; some board members were more knowledgeable than others about 6 FAM 500, which governs employee associations.

Like the embassy, USEA is also growing. There are currently 171 employees with 22 more coming on board within the next few months. This growth results from the embassy's request that USEA take over additional services in Islamabad, Lahore, and Karachi. In October 2009, USEA took over management of 125 TDY units, representing \$1.4 million in fixed assets, constructed on the embassy compound (see housing section of this report) and two 3-room TDY apartments. Units under construction during the inspection will increase capacity to 189 units (378 beds). From October through December 2009, total revenue from the TDY quarters was \$566,000. During the inspection, the board discussed allocation of overhead expenses, retention of a management fee, allocation of funds to a reserve/fixed assets account, and the requirement to return part of the proceeds from the rental of TDY quarters to the Department. In addition, as part of OBO's master plan for new facilities, the Department will build an 80-room hotel (see the facilities section of this report), and the embassy has asked USEA to manage that facility as well.

In Lahore, USEA is expanding beyond the current commissary to provide food service on the consulate compound and to manage up to three guest houses and an exercise facility. In Karachi, USEA is expanding services to include management of TDY quarters.

The inspectors were concerned about the dramatic increase in the embassy's expectations of USEA and were pleased to learn that representatives from A/OPR/CR would be in Islamabad shortly after the conclusion of the inspection. The inspectors also commended embassy management and the board for recognizing the need for greater oversight and their decision to hire an outside management consulting firm to perform regular reviews of management operations and internal controls.

Recommendation 38: Embassy Islamabad should direct the United States Employee Association to hire a manager to oversee association operations in Lahore. (Action: Embassy Islamabad)

Recommendation 39: Embassy Islamabad should request, and the Bureau of Administration should perform, annual site visits scheduled soon after board elections to review management and internal controls and to provide specific guidance and training to board members during the period of expansion. (Action: Embassy Islamabad, in coordination with A)

HEALTH UNIT

The health unit in Islamabad has been called on to perform more like a hospital emergency room than like a typical embassy health unit, responding admirably to life and death emergencies. Last year, the director of the Office of Medical Services nominated the health unit for a meritorious honor award for their response to two separate catastrophic hotel bombings that resulted in multiple casualties. The day before the OIG team's arrival in Pakistan, a suicide bomber attacked a girl's school in northwestern Pakistan, killing and injuring many schoolgirls. A U.S. Special Operations unit on a civilian outreach mission with the Pakistan Frontier Corps was visiting the school. Three U.S. service members were killed, and two were severely injured. The health unit responded and, working with their military colleagues, provided medical care until the two wounded service members could be evacuated for further treatment. The health unit drafted an after-action report including lessons learned and a memorandum of agreement to define the divisions of responsibility among the health unit, ODRP, and the Air Expeditionary Advisory Group/Combined Air Power Task Force at Bagram Air Base, Afghanistan.

The health unit has a regional medical officer (RMO), a Foreign Service health practitioner (FSHP), three locally hired expatriate registered nurses, a laboratory technician, and several LE support staff. The unit plans to establish a Foreign Service social worker position to provide crisis intervention, problem assessment, counseling for employees, and to coordinate efforts with the regional medical officer psychiatrist (RMO/P). A new FSHP position in Peshawar has been established and filled, and there are plans to establish a similar position in Karachi by 2011. The constituent posts receive frequent visits from the Islamabad RMO and FSHP. In addition, all posts in Pakistan receive frequent visits from the RMO/P located at Embassy New Delhi.

Most employees report satisfaction with their medical support. In addition to responding to crises, the health unit sees an average of 200 patients a month. There were seven medical evacuations and ten local hospitalizations in FY 2009. The FSHP established SOPs for handling and tracking procurement requests for medical sup-

plies and equipment for all four health units. Secure storage of medical records will improve with the completion of renovations that include a new file room. The post capabilities database was up-to-date, and records on controlled substances are current and accurate. Although noncontrolled medications are correctly stored, the inventory records have not been modernized. The health unit still uses stock cards for ordering and keeping the inventory of its pharmacy. The OIG team made an informal recommendation on this subject.

The health unit participates in a weekly orientation program for new arrivals and each new arrival is asked to complete a screening checklist for post traumatic stress disorder, a practice that the Office of Medical Services recently implemented worldwide.

Some of those working in Pakistan believe that living and working in Pakistan is more dangerous than serving in Iraq or Afghanistan primarily because employees in Pakistan serve without the protective security provided by the U.S. military. Responses to the workplace and quality of life questionnaires and interviews with employees during the inspection validated this view. The Foreign Service Institute offers a course for employees coming from an assignment at a high-stress or high-threat post. Although available to employees from all stressful or dangerous assignments, the Director General has mandated this course for all employees who have spent 90 days or more in Iraq or Afghanistan. It is not mandatory for employees coming out of an assignment in Pakistan. The OIG team made an informal recommendation on this issue.

COMMUNITY LIAISON OFFICE

Until October 2009, there had not been a CLO coordinator in Islamabad since 2002. The incumbent brings a wealth of experience to the job having served in the same capacity at three previous posts. The coordinator and LE assistant communicate with the embassy via a SharePoint site and a weekly newsletter. The OIG team made an informal recommendation that the embassy establish a CLO advisory board.

CLO-sponsored activities are well attended, particularly those that involve sports or other outdoor activities. The CLO often plans activities in coordination with the health unit, the Marine security guard detachment, or the employee association, which provides an annual budget of \$10,000 in support of CLO activities. A “Walk to Washington” initiative has over 90 participants representing all agencies. In an en-

vironment with a large number of military and other agency personnel, the tendency is for employees of each agency to stick together. The CLO activities help bring these groups together.

The coordinator is a nonvoting member of the employee association board and a member of the embassy's employment committee although to date this committee has not met. The coordinator does not participate in country team meetings due to space limitations. The coordinator is not a member of the interagency housing board and does not participate in meetings of the emergency action committee.

Recommendation 40: Embassy Islamabad should designate the community liaison office coordinator as a member of the interagency housing board and the emergency action committee. (Action: Embassy Islamabad)

The ICASS council recently approved an EFM position for the CLO operation in Lahore.

EQUAL EMPLOYMENT OPPORTUNITY AND FEDERAL WOMEN'S PROGRAM

Embassy Islamabad has two designated EEO counselors and a Federal Women's Program coordinator. There is one active EEO case. Three LE staff perform EEO liaison duties. They also report one active EEO case. Embassy Islamabad issued the Department's policies on discrimination and sexual harassment prior to the inspection team's arrival. There is no record of prior EEO training at the embassy. However, the EEO counselors and the HRO plan to conduct EEO training in the near future. EEO policies and information about how to contact a counselor are posted on a bulletin board just inside one of the two entrances to the chancery and in the consular annex. A SharePoint site is under development. Because of the multiple buildings on the compound, the OIG team made an informal recommendation that EEO information be posted in both English and Urdu in other high traffic areas.

The newly arrived assistant regional security officer is the EEO counselor in Lahore and recently completed the training. Given the absence of any other EEO-trained staff, the management officers are standing in as temporary EEO counselors in Karachi and Peshawar. They both plan to appoint LE staff liaisons.

The training requirements for EEO counselors can be onerous, particularly where the tour of duty is just one year. In addition, although EEO cases come to the LE staff liaisons, they have no formal training. The Islamabad EEO counselor is already in discussions with the Office of Civil Rights regarding a special segment in the regular refresher training courses offered in Frankfurt and Bangkok in which LE staff liaisons could participate via teleconference.

MANAGEMENT CONTROLS

Embassy Islamabad and its constituent posts operate in a high-risk environment for waste, fraud, and mismanagement. In general, satisfactory controls are in place in the mission, as documented by the annual chief of mission management controls certification. Pakistan ranks 134 of 180 nations on Transparency International's Corruption Perception Index. Multi-billion dollar U.S. foreign assistance programs operate in conflict areas where oversight is difficult or, in some cases, impossible. One-year tours of duty and security restrictions increase the difficulty of maintaining internal controls, especially in the consulates. The OIG team noted a number of areas where internal controls were weak.

BUSINESS CLASS TRAVEL INTERNAL CONTROLS

The embassy and constituent posts issued airline tickets in 2009 with an estimated value of approximately \$7 million. As part of the Pakistan service recognition package approved in June 2009, most employees assigned to Islamabad and Lahore are authorized two R&R trips per year. Most employees assigned to Peshawar receive two R&R trips and one regional rest break, while most Karachi employees receive two R&R trips and two regional rest breaks.

The OIG team found that, in a significant number of embassy travel agent invoices reviewed, actual tickets issued were business class tickets rather than the economy class tickets indicated on travel authorizations. This was the case for most classes of travel: R&R, permanent change of station, and TDY travel. The embassy did not use form DS-4087 to approve business class travel in advance for these tickets, as required by 14 FAM 567.2-2. Travelers are prohibited from using government-funded business class accommodations for R&R travel, per 14 FAM 567.2-4 b. (7) (c), unless justified under one of the other provisions. (See 14 FAM 567.2-4.) Embassy management notes that travel orders are authorized for economy class tickets only for the applicable class of travel. The travel vendor occasionally issues ticket upgrades to certain embassy employees, primarily U.S. direct-hires. However, such upgrades are not applied uniformly. Most LE staff travel economy class on official travel, for example, and the embassy retains documentation in travel files to support issuance of business class tickets for some employees but not others. In some cases, employees may purchase upgrades themselves or use frequent flyer miles to upgrade

flight class. In all cases where a business class ticket is issued, the traveler and the embassy are required to retain documentation that tickets were issued in accordance with Department travel regulations. The issuance of business class tickets without proper documentation increases the risk of abuse and fraud in employee travel.

Recommendation 41: Embassy Islamabad should issue a revised travel policy that requires the use of form DS-4087 or other appropriate documentation for all business class travel, whether authorized by the embassy on travel orders, conducted on a cost-constructive basis, or upgraded by the traveler. (Action: Embassy Islamabad)

COST-CONSTRUCTIVE TRAVEL

The embassy is not following proper procedures with respect to documenting costs associated with indirect travel for personal convenience. In general, all official travel—permanent change of station, TDY, R&R, medical, educational, training, and family visitation travel—must be performed as indicated in the travel orders. Department travel guidance in 14 FAM 456 requires that the embassy furnish the travel contractor with a letter authorizing issuance of tickets for indirect travel for personal convenience in cases where the traveler elects to travel by an alternate route. The mission does not provide this documentation to the travel agency, nor does it retain records of the method used to calculate costs for tickets issued on a cost-constructive basis.

Travel authorized on a cost-constructive basis is subject to specific procedures outlined in the FAM and the Federal Travel Regulation. Among other provisions, travelers cannot use contract fares for cost constructing an alternative itinerary, cannot use business class fares for purposes of comparison, must adhere to applicable Fly America provisions, and must use the fare to the relief point for such travel. Although travelers can elect to travel on a cost-constructive basis on all classes of travel, in practice, R&R travel is by far the most common category of travel in which embassy employees travel on routes different from those authorized on their travel orders. For R&R travel, the mission prepares travel orders for full-fare economy tickets to the designated relief points, which vary depending on the type of travel authorized. For R&R travel, London is the designated relief point; for regional rest breaks, Dubai is the designated relief point. The OIG team found that the embassy did not retain documentation of cost-constructive calculations used for this R&R travel. In other classes of travel reviewed by the OIG team, the inspectors could not

determine whether the actual cost of indirect travel to the United States was calculated correctly because of a lack of documentation. The absence of documentation of the method used to issue tickets on a cost-constructive basis increases the risk of abuse and fraud in employee travel.

Recommendation 42: Embassy Islamabad, in coordination with the Bureau of South and Central Asian Affairs, should identify and approve cost-constructive routes for rest and recuperation travel and document all cost-constructive travel with the associated costs. (Action: Embassy Islamabad, in coordination with SCA)

CONSULATE GENERAL KARACHI CLASS B CASHIER CONTROLS

The OIG team conducted a review of a sample of electricity invoices paid in cash by Consulate General Karachi in the past six months, (b) (7)(C)(b) (7)(C)(b) (7)(C) and found that internal controls for these payments are still a problem. Discrepancies in invoices include: an unpaid arrearage, payment of monthly amounts in cash for amounts different from those noted on the electricity company's invoices, and total payments in a six-month period in excess of billed amounts. Per 4 FAH-3 H-433.2, the certifying officer is responsible for verifying the accuracy and correctness of vouchers and supporting documents. A review of electricity invoices could detect any irregularities or continuing problems in this area.

Recommendation 43: Embassy Islamabad should conduct a review of electricity utility invoices in Consulate General Karachi for the past six months and determine the reasons for discrepancies in cash payments to the utility company. (Action: Embassy Islamabad)

BLANKET PURCHASE AGREEMENTS

The embassy has established 62 blanket purchase agreements (BPA) for procurement of commonly used supplies and services totaling approximately \$400,000 annually. The consulates have established BPAs for similar purchases. The BPAs are not funded in advance of procurement, as required by 4 FAH-3 H-422.5. In addition, as noted in the 2005 OIG inspection, the procurement office does not keep records documenting BPA purchase activities. The OIG team noted that BPAs, while better than cash procurements on the local economy, are still potentially vulnerable to fraud and require careful monitoring.

Recommendation 44: Embassy Islamabad should implement internal controls on blanket purchase agreements to include spot checking of prices on the local market, rotating orders among qualified vendors, and obtaining fiscal data in advance of procurement. (Action: Embassy Islamabad)

VOUCHER PAYMENT INTERNAL CONTROLS

The U.S. Government provided approximately \$2.25 billion of foreign assistance (both military and nonmilitary) to Pakistan in FY 2009. The embassy receives allotments for NAS foreign assistance programs and makes payments in support of many foreign assistance programs from different agencies and Department bureaus. Examples include grant programs sponsored by the Bureau of Democracy, Human Rights, and Labor and the Bureau of International Security and Nonproliferation, military assistance to be administered by the Bureau of Political-Military Affairs, other programs administered under Department of Defense authority, and INL-funded counterterrorism and counternarcotics programs.

The voucher files in some cases lack information to establish the validity of obligations and payments. Per 4 FAH-3 H-433.6 c., original supporting documents are required to support the validity of obligations. For example, in some cases invitational travel lacks appropriate grant authorization from sponsoring agencies. In other cases, advance payments for commercial items were not documented correctly. Because of the unusual number, scope, and scale of foreign assistance programs in Pakistan for which the embassy issues payments, the risk of improper payments is considerable without careful voucher review. Under current practice, LE staff members are authorized to certify vouchers up to \$40,000. The OIG team believes that

internal controls on foreign assistance payments would be improved by conducting the certifying review offshore at the Global Financial Services-Charleston post support unit, which is equipped to process these transactions.

Recommendation 45: Embassy Islamabad, in coordination with the Bureau of Resource Management, should send vouchers for foreign assistance payments to the Global Financial Services-Charleston post support unit for certification. (Action: Embassy Islamabad, in coordination with RM)

PROPERTY MANAGEMENT

The embassy's receiving procedures for personal property need improvement. The OIG team noted a number of instances in which payments were made to vendors without signed receiving reports in either the property management or voucher files. Examples included nonexpendable property purchased for Consulate General Peshawar and Consulate General Karachi; and expendable supplies, including fuel and swimming pool chemicals, for Embassy Islamabad. Receiving reports reviewed by the OIG team in Consulate General Karachi and Consulate General Lahore were frequently incomplete or prepared late. Receiving reports are an important internal control. When a receiving report is signed stating that the supplies or service have been received, the procurement process is completed, the accountability function begins, and the process for payment is initiated. The implementation of ILMS will automate the receiving process and make generating receiving reports faster, but written SOPs would help ensure that all procedures are being followed correctly.

Recommendation 46: Embassy Islamabad should issue standard operating procedures concerning receiving procedures for accountable property for the embassy and constituent posts. (Action: Embassy Islamabad)

The embassy and consulates are not exercising adequate controls over expendable supplies. Some of these deficiencies will be corrected with the transition to the ILMS system; for example, Lahore and Karachi are not keeping the expendable stock files up-to-date. However, a review of supply request files in Karachi revealed that expendable supplies are often issued without the approval of an American supervisor or the responsible property manager as required by 14 FAM 414.5.

Recommendation 47: Embassy Islamabad should implement procedures for the proper approval and tracking of expendable supplies. (Action: Embassy Islamabad)

FACILITIES MAINTENANCE

While the facilities maintenance staff in the embassy and consulates appears to provide adequate service, the work order systems fail to provide a complete record for oversight and review of efficiency. In Islamabad, work orders are not approved consistently by the facilities manager before work is started; material costs are not recorded in the work orders; the staff does not regularly have the customer or supervisor sign the work order to verify the information; and employee hours are not consistently recorded into the WebPASS database system. In Karachi, the files are neither complete nor are they organized or entered into WebPASS in a timely manner. The Karachi work orders also do not record the date the job was completed, and a number of work orders recorded a suspect number of hours written in by employees, including hundreds of hours in overtime over the course of several months.

Recommendation 48: Embassy Islamabad should issue and enforce standard operating procedures governing the completion of accurate and timely maintenance records. (Action: Embassy Islamabad)

THE ACCOUNTABLE CONSULAR OFFICER

The Islamabad accountable consular officer and the consular cashier keep accurate records of the small collections they accept directly, primarily for ACS services. The accountable consular officer is having a more difficult time reconciling the machine-readable visa fees, which are collected by an offsite contractor, with the number of NIV cases interviewed. A recent CMAT visit noted the same deficiency, but the accountable consular officer has not begun to maintain the appropriate spreadsheet to track the correlation between machine-readable fees collected offsite and NIVs interviewed over a related period. He also does not verify that the fees reported as collected by the offsite contractor correspond to the OF-158s that confirm the deposit of those fees into the U.S. Treasury account.

Recommendation 49: Embassy Islamabad should begin using the standard Bureau of Consular Affairs-designed spreadsheet to reconcile machine-readable fees collected with the number of nonimmigrant visa cases processed. (Action: Embassy Islamabad)

LIST OF RECOMMENDATIONS

Recommendation 1: Embassy Islamabad, in coordination with the Bureau of South and Central Asian Affairs and the Foreign Service Institute, should arrange in-country training of its political and economic locally employed staff by the end of FY 2010. (Action: Embassy Islamabad, in coordination with SCA and FSI)

Recommendation 2: Embassy Islamabad should suspend recruitment for four new locally employed staff positions in Karachi (two in the political section, two in the economic section) at least through FY 2011 in order to give management time to assess workloads and staff needs. (Action: Embassy Islamabad)

Recommendation 3: Embassy Islamabad should establish a system for recovering from visiting delegations the costs of representation events held for their benefit. (Action: Embassy Islamabad)

Recommendation 4: Embassy Islamabad should establish a written transition plan for shifting biographic reports from the embassy and the consulates to Diplopedia. (Action: Embassy Islamabad)

Recommendation 5: The Bureau of Democracy, Human Rights, and Labor, in coordination with the Bureau of Political-Military Affairs, the Office of the Legal Adviser, and the regional bureaus, should revise and reissue the worldwide guidance on Leahy vetting. (Action: DRL, in coordination with PM, L, EUR, WHA, NEA, SCA, AF, EAP)

Recommendation 6: Embassy Islamabad should reassign policy responsibility for Leahy vetting coordination to the embassy's political-military element. (Action: Embassy Islamabad)

Recommendation 7: Embassy Islamabad should create a political-military section separate from the political section and work with the Bureau of Human Resources to accurately describe in bidding tools the positions assigned to political-military functions. (Action: Embassy Islamabad, in coordination with DGHR)

Recommendation 8: Embassy Islamabad should merge positions in the office of the border coordinator that have substantial political-military responsibilities into the newly formed political-military affairs section. (Action: Embassy Islamabad)

Recommendation 9: The Under Secretary for Public Diplomacy and Public Affairs, in coordination with the Bureau of Intelligence and Research, should revise the Pakistan Communications Plan so that all elements are clear, that baseline measurements are established, and that performance indicators are appropriate. (Action: R, in coordination with INR)

Recommendation 10: The Bureau of Human Resources, in coordination with the Bureau of South and Central Asian Affairs, should assign experienced public diplomacy officers (either active-duty Foreign Service officers on a temporary-duty or when-actually-employed basis) to fill the authorized positions until the arrival of permanent incumbents. (Action: DGHR, in coordination with SCA)

Recommendation 11: The Bureau of International Information Programs should establish an Urdu language translation capability to include translating materials daily and in time for immediate dissemination upon the opening of business in Islamabad. (Action: IIP)

Recommendation 12: Embassy Islamabad should issue a memorandum detailing the responsibilities and authorities of the strategic communications coordinator. (Action: Embassy Islamabad)

Recommendation 13: Embassy Islamabad should emphasize the consul general's responsibilities as the coordinator of consular operations countrywide in the standard work requirements statement and emphasize performance in that area in the annual performance evaluation. (Action: Embassy Islamabad)

Recommendation 14: Embassy Islamabad should pre-approve and justify consular overtime countrywide in accordance with regulations. (Action: Embassy Islamabad)

Recommendation 15: Embassy Islamabad should cease efforts to resume nonimmigrant visa processing in Lahore. (Action: Embassy Islamabad)

Recommendation 16: Embassy Islamabad, in coordination with the Bureau of Consular Affairs, should establish a schedule for conducting visa issuance validation studies using approved formats and calling on the Office of Fraud Prevention Programs for assistance. (Action: Embassy Islamabad, in coordination with CA)

Recommendation 17: Embassy Islamabad should develop and implement clear guidance for fraud referrals by visa officers in both Islamabad and Karachi, to include a requirement that visa section chiefs review fraud referrals. (Action: Embassy Islamabad)

Recommendation 18: Embassy Islamabad should finalize a memorandum of understanding between the consular section and the regional security office governing the work of the fraud prevention manager and the assistant regional security officer for investigations. (Action: Embassy Islamabad)

Recommendation 19: Embassy Islamabad should issue a memorandum of understanding between the consular section and the Department of Homeland Security, Bureau of Immigration and Custom Enforcement governing the work of the fraud prevention manager and the visa security unit. (Action: Embassy Islamabad)

Recommendation 20: The Bureau of Resource Management, in coordination with Embassy Islamabad and the Bureau of South and Central Asian Affairs, should review the feasibility of a pilot program to move offshore the tracking of new position startup costs, partial-year invoices, voucher processing, and temporary duty traveler invoices for Mission Pakistan. (Action: RM, in coordination with Embassy Islamabad and SCA)

Recommendation 21: Embassy Islamabad should include the costs of acquiring fully armored vehicles in the schedule of startup costs for National Security Decision Directive-38 cables approving new positions. (Action: Embassy Islamabad)

Recommendation 22: Embassy Islamabad, in coordination with the Bureau of South and Central Asian Affairs and the Bureau of Overseas Buildings Operations, should conduct urgently a comprehensive review of all options and costs for increasing office space on the new Karachi compound and initiate an appropriate plan of action. (Action: Embassy Islamabad, in coordination with SCA and OBO)

Recommendation 23: Embassy Islamabad should retain the two-acre housing compound currently owned by the U.S. Government in Karachi, including the consul general's residence. (Action: Embassy Islamabad)

Recommendation 24: Embassy Islamabad, in coordination with the Bureau of Overseas Buildings Operations and the Bureau of Diplomatic Security, should retain the existing consulate general compound in Lahore and implement the necessary upgrades. (Action: Embassy Islamabad, in coordination with OBO and DS)

Recommendation 25: (b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C)
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Recommendation 26: Embassy Islamabad, in coordination with the Bureau of South and Central Asia Affairs, should request that the Bureau of Human Resources include two days of consultations in Islamabad in the post assignment travel orders for all personnel assigned to the consulates. (Action: Embassy Islamabad, in coordination with SCA and DGHR)

Recommendation 27: Embassy Islamabad, in coordination with the Bureau of South and Central Asia Affairs, should conduct a special position classification review of positions in Pakistan with particular emphasis on the consulates general in light of the Bureau of Human Resources' updated Foreign Service classification standards. (Action: Embassy Islamabad, in coordination with SCA)

Recommendation 28: Embassy Islamabad should fully implement the system to track, complete, and submit work requirements and employee evaluation reports on time. (Action: Embassy Islamabad)

Recommendation 29: Embassy Islamabad should establish a mission-wide comprehensive training policy and plan, including the preparation of individual development plans for the locally employed staff, and should make that plan available to American supervisors. (Action: Embassy Islamabad)

Recommendation 30: Embassy Islamabad should complete accurate and timely work requirements, counseling documentation, and evaluations for employees who are encumbering Peshawar positions but are actually working in Islamabad. (Action: Embassy Islamabad)

Recommendation 31: Embassy Islamabad should consolidate all mission drivers under the International Cooperative Administrative Support Services dispatch system. (Action: Embassy Islamabad)

Recommendation 32: Embassy Islamabad should conduct an audit of the program development and support vehicles of the narcotics affairs section that are included in the motor vehicle inventory. (Action: Embassy Islamabad)

Recommendation 33: Embassy Islamabad should reorganize travel responsibilities so that the general services office is responsible for preparing and approving travel orders, issuing tickets, supervising the travel vendor, and verifying the correctness of bills submitted. (Action: Embassy Islamabad)

Recommendation 34: Embassy Islamabad should advertise, compete, and select a travel contractor to provide travel services to the embassy and constituent posts. (Action: Embassy Islamabad)

Recommendation 35: Embassy Islamabad, in coordination with the Bureau of Overseas Buildings Operations, should develop construction plans that retain the existing embassy warehouse until a temporary or permanent replacement can be built on the embassy compound. (Action: Embassy Islamabad, in coordination with OBO)

Recommendation 36: Embassy Islamabad should require that the Consulate General Karachi property management officer adequately supervise the warehouse LE staff and provide adequate oversight of the physical inventory and reconciliation process. (Action: Embassy Islamabad)

Recommendation 37: Embassy Islamabad should remove all excess and spare equipment from the telephone room in Consulate General Peshawar. (Action: Embassy Islamabad)

Recommendation 38: Embassy Islamabad should direct the United States Employee Association to hire a manager to oversee association operations in Lahore. (Action: Embassy Islamabad)

Recommendation 39: Embassy Islamabad should request, and the Bureau of Administration should perform, annual site visits scheduled soon after board elections to review management and internal controls and to provide specific guidance and training to board members during the period of expansion. (Action: Embassy Islamabad, in coordination with A)

Recommendation 40: Embassy Islamabad should designate the community liaison office coordinator as a member of the interagency housing board and the emergency action committee. (Action: Embassy Islamabad)

Recommendation 41: Embassy Islamabad should issue a revised travel policy that requires the use of form DS-4087 or other appropriate documentation for all business class travel, whether authorized by the embassy on travel orders, conducted on a cost-constructive basis, or upgraded by the traveler. (Action: Embassy Islamabad)

Recommendation 42: Embassy Islamabad, in coordination with the Bureau of South and Central Asian Affairs, should identify and approve cost-constructive routes for rest and recuperation travel and document all cost-constructive travel with the associated costs. (Action: Embassy Islamabad, in coordination with SCA)

Recommendation 43: Embassy Islamabad should conduct a review of electricity utility invoices in Consulate General Karachi for the past six months and determine the reasons for discrepancies in cash payments to the utility company. (Action: Embassy Islamabad)

Recommendation 44: Embassy Islamabad should implement internal controls on blanket purchase agreements to include spot checking of prices on the local market, rotating orders among qualified vendors, and obtaining fiscal data in advance of procurement. (Action: Embassy Islamabad)

Recommendation 45: Embassy Islamabad, in coordination with the Bureau of Resource Management, should send vouchers for foreign assistance payments to the Global Financial Services-Charleston's post support unit for certification. (Action: Embassy Islamabad, in coordination with RM)

Recommendation 46: Embassy Islamabad should issue standard operating procedures concerning receiving procedures for accountable property for the embassy and constituent posts. (Action: Embassy Islamabad)

Recommendation 47: Embassy Islamabad should implement procedures for the proper approval and tracking of expendable supplies. (Action: Embassy Islamabad)

Recommendation 48: Embassy Islamabad should issue and enforce standard operating procedures governing the completion of accurate and timely maintenance records. (Action: Embassy Islamabad)

Recommendation 49: Embassy Islamabad should begin using the standard Bureau of Consular Affairs-designed spreadsheet to reconcile machine-readable fees collected with the number of nonimmigrant visa cases processed. (Action: Embassy Islamabad)

INFORMAL RECOMMENDATIONS

Informal recommendations cover operational matters not requiring action by organizations outside the inspected unit and/or the parent regional bureau. Informal recommendations will not be subject to the OIG compliance process. However, any subsequent OIG inspection or on-site compliance review will assess the mission's progress in implementing the informal recommendations.

POLITICAL AND ECONOMIC AFFAIRS

Routine reporting is not distributed to the consular section, although those officers are regularly selected for control officer and note taking duties. They are thus deprived of information that would help them to perform their duties better.

Informal Recommendation 1: Embassy Islamabad should review and revise standard distributions for incoming and outgoing cables to ensure distribution to all relevant Department sections.

In the political section, officers reported that they do not receive routine readouts of country team and section heads' meetings, and that the sole weekly section meeting is an unsatisfactory mechanism for discussing policy issues since LE staff also attend.

Informal Recommendation 2: Embassy Islamabad should require that the political counselor meets more regularly with his officers and provide readouts of country team and section heads' meetings.

The political section's structure has not kept pace with staffing levels and the complexity of the mission. All the officers and LE staff report to the deputy political counselor and through him to the counselor. The deputy has enormous responsibilities yet little real authority (and a reporting portfolio which of necessity suffers). The office management specialist could take on additional responsibilities.

Informal Recommendation 3: Embassy Islamabad should restructure the political section to reflect policy priorities and good management practice.

Although travel budgets exist, reporting officers do not make consultation trips between and among posts. For example, at the time of the inspectors' visit, the embassy officer with responsibility for internal political reporting had yet to travel in-country, the human rights officer was undertaking his first out-of-capital travel, and Lahore's political officer was about to end her tour without ever having visited the embassy.

Informal Recommendation 4: Embassy Islamabad should require that all reporting officers travel between the embassy and the constituent posts to enhance coordination and consultation.

The Management Instruction on in-country travel is more than a year old, does not establish norms for granting or denying e-country clearance, and does not contain information on Government of Pakistan requirements for requesting advance permission from the Ministry of Foreign Affairs for travel to certain areas.

Informal Recommendation 5: Embassy Islamabad should revise and reissue Management Notice 09N/026 regarding in-country travel, including Government of Pakistan requirements and the reasons for obtaining or withholding e-country clearance.

The portfolios of officers and LE staff overlap, which means that multiple officers task the same LE staff members without coordination. LE staff members are used generally as researchers, and their written efforts are confined primarily to biographic reporting, emailed answers to queries, and reports of meetings.

Informal Recommendation 6: Embassy Islamabad should realign the portfolios of the locally employed staff members in the political section to better mesh with a restructured section and then train them to prepare reporting cables.

American officers have not explained how the work of the LE staff supports the embassy's goals and reporting. Staff meetings help foster a team spirit, but are often a forum for information exchange and coordination, not for substantive discussion.

Informal Recommendation 7: Embassy Islamabad should keep the locally employed staff members in the political section informed of developments on issues to which they are contributing and involved in planning reporting as appropriate.

Most officers reported that they did not host any representation events, citing workload, a preference of contacts to meet in their homes and offices, and security concerns. In FY 2009 the political section's entire representation budget was spent by the counselor in the final month of the year. The NAS director recently solicited his law enforcement working group colleagues to cover the U.S. hosting of his international counterparts at the monthly foreign law enforcement community meeting, which would have otherwise consumed roughly three-quarters of his annual representation allotment.

Informal Recommendation 8: Embassy Islamabad should review its allocation and use of representation funds to maximize benefits and opportunities for all embassy sections and officers.

Informal Recommendation 9: Embassy Islamabad should include representation in the work requirements statements and evaluations of its reporting officers.

Embassy Islamabad and its constituent posts maintain separate contact lists, which is inefficient, increases the likelihood of contacts falling through the cracks (especially with nearly 100 percent annual turnover in U.S. direct-hire staff), and complicates tasks like guest lists, greeting cards, and making appointments.

Informal Recommendation 10: Embassy Islamabad should create a countrywide contact management system.

The daily official-informal emails between Islamabad and the Department often contain spot reporting, often specifically written for that channel.

Informal Recommendation 11: Embassy Islamabad should require that spot reporting in email traffic to the Department is retransmitted by front channel means, perhaps in weekly or fortnightly roundups.

The countrywide political reporting plan is ambitious, unbalanced, and unfulfilled. There is no countrywide economic plan. The mission receives only infrequent and ad hoc feedback on reporting, and, therefore, cannot know how well its coverage aligns with Washington's interests.

Informal Recommendation 12: Embassy Islamabad should develop and implement an integrated countrywide political and economic reporting plan.

The inspection team reviewed a sampling of cables and found many that did not conform to standard Department practices, including the use, content, and length of summaries, overall cable length, sourcing, and timeliness.

Informal Recommendation 13: Embassy Islamabad should require that the personnel who draft and clear cable adhere to Department norms regarding cable summaries, overall length, and timeliness.

The volume of visitors draws considerable resources away from analytical reporting to reporting cables on visits, some of which break little new ground.

Informal Recommendation 14: Embassy Islamabad should review its visit reporting with a view toward making it less labor intensive.

Agencies in Washington have expressed a desire for more biographic reporting.

Informal Recommendation 15: Embassy Islamabad should analyze its biographic holdings, consult with Washington users to determine gaps in coverage, and adopt a measurable annual goal for expanding the number of biographies it posts to Diplopedia.

Informal Recommendation 16: Embassy Islamabad should review whether a single officer should manage the human rights, trafficking in persons, and religious freedom portfolios, given overall U.S. Government priorities and current gaps in reporting coverage.

POLITICAL-MILITARY AFFAIRS

ODRP holds a commander's update briefing videoconference daily (except for Sunday) with representatives from units in Pakistan, CENTCOM, SCA, the Washington liaison office, and offices within ODRP. The briefing presents a comprehensive review of U.S. military operations, activities, and challenges in Pakistan and is invaluable in following the military's role, functions, operations, and activities in Pakistan.

Informal Recommendation 17: Embassy Islamabad should require that a political-military officer attends the daily commander's update briefing.

FOREIGN ASSISTANCE

As the humanitarian situation has become less acute, the humanitarian working group has met less frequently. Because of this, working group members are not always fully informed about others' activities. This poses some risk of lack of coordination in directing assistance to internally displaced persons and returnees.

Informal recommendation 18: Embassy Islamabad should establish a mechanism to keep all elements providing humanitarian and early recovery assistance informed on a timely basis of each others' activities.

A key principle of the U.S. civilian assistance strategy is to build national capacity by enabling Pakistani entities to implement U.S.-funded projects. The mission has not evaluated to what extent this principle should apply to U.S. humanitarian assistance.

Informal recommendation 19: Embassy Islamabad should decide whether or not humanitarian assistance should or can make more use of local implementers consistent with the broader civilian assistance strategy, and then forward its decision to the Department.

The meetings of the law enforcement working group appear to focus on coordination of training activities and high-level visits instead of on investigative activities and operational issues.

Informal Recommendation 20: Embassy Islamabad should shift the work of the law enforcement working group towards a more operational focus.

The inspection found that aircraft availability was often assumed rather than weighed. There has been some discussion of obtaining additional air support to facilitate monitoring of the civilian assistance buildup.

Informal Recommendation 21: Embassy Islamabad should establish clear procedures for requesting and using the embassy's air assets.

Informal Recommendation 22: Embassy Islamabad should review future in-country air transportation requirements and determine whether or not additional capabilities are required.

Informal Recommendation 27: Embassy Islamabad should request authorization from the Bureau of Consular Affairs to accept credit card payments, follow the required procedures if given permission, and procure the necessary equipment.

Neither of the consular EFMs in Islamabad has work requirements statements or has received a performance evaluation.

Informal Recommendation 28: Embassy Islamabad should prepare work requirements statements and performance evaluations for the consular section's consular associates.

Because of the one-year tours, officers in the Islamabad consular section do not rotate among units, even briefly. This limits the officers' opportunity to experience the full range of consular skills. Other consular sections use mini-rotations of two weeks as a way of providing variety and cross-fertilization during one-year tours.

Informal Recommendation 29: Embassy Islamabad should develop a mini-rotational program within the consular section that exposes all officers to at least two consular skills during their tours of duty.

All IV files pass through the cashier on their way from the EFM finger printer to the LE staff document checker. The cashier calls the applicant to the window, collects the passports, and verifies that no additional fees need to be paid. Only SIVs, fiancé, and returning resident cases normally require fee payment at the time of interview. This additional step is redundant except for those categories.

Informal Recommendation 30: Embassy Islamabad should bypass the cashier review of immigrant visa files and collect the passports and review fees at the document checker windows except when the section is processing fiancé, special immigrant visa, and returning resident applicants.

There is no classified computer terminal in the unclassified consular annex in Islamabad. The consul general reads classified cable traffic regularly at the embassy, but the visa officers do not consult their classified emails regularly, occasionally missing CA requests for action on SAO cases.

Informal Recommendation 31: Embassy Islamabad should create a classified consular group email collective and disseminate the address to its regular Department interlocutors.

Informal Recommendation 32: Embassy Islamabad should set up a rotating daily schedule so that all consular officers share the work of accessing the consular email collective mail box and read relevant classified cables.

The Islamabad consular section has no systematic training program for officers and LE staff. There are four LE staff members in the NIV unit who have been on the job for between six and 12 months but have not taken the online basic visa course. There is no comprehensive plan to use parts of administrative days for training. Officers do not oversee LE training.

Informal Recommendation 33: Embassy Islamabad should require new locally employed staff to take the relevant online consular training courses before their first year anniversary under the mentoring of a consular officer.

Informal Recommendation 34: Embassy Islamabad should develop and implement an officer and locally employed staff training continuum for the periodic administrative days.

Karachi transferred several thousand old IV files to Islamabad in the 1980s. Those files are mixed with other IV files in an overcrowded file room. The National Visa Center is prepared to retire or update the cases but only when Islamabad can pull the files out, check the visa system for any corresponding electronic files, and send them to Portsmouth. IV section resources are too stretched to handle that project.

Informal Recommendation 35: Embassy Islamabad should fund the two underused locally employed visa staff in Karachi for temporary duty in Islamabad to prepare the old Karachi immigrant visa case files for shipment to the National Visa Center as soon as possible.

The junior LE ACS assistant in Karachi is an LES-05. Given his substantial ACS duties and his cashiering duties, this position—the most junior in the consular section—appears to be under graded by one or two grades. No other LE staff member in the consular section is graded lower than LES-07 including the new receptionist-secretary. It is rare to find an ACS employee graded so low.

Informal Recommendation 36: Embassy Islamabad should update the position description for the locally employed staff member providing cashier and American citizen services in Karachi to reflect his passport, consular report of birth, and backup emergency services responsibilities and then resubmit his position description through the Computer-Aided Job Evaluation process.

The general services officer in Lahore is the part-time consular officer. The backup consular officer is the management officer. Drawing from the same section for both the part-time and backup consular officers is overtaxing an already overworked section. The part-time and backup consular officers used to come from the political section.

Informal Recommendation 37: Embassy Islamabad should identify either the political or economic officers in Lahore as the backup consular officer.

The 2005 OIG report and the 2010 CMAT report recommended that the Islamabad FPM be a full-time position. Consular management, unaware of the rationale for these recommendations, repeatedly reassigns its FPM to a second section chief job. This diminishes the fraud prevention effort.

Informal Recommendation 38: Embassy Islamabad should compile all documentation about the genesis of the full-time fraud prevention manager and make it readily available in the fraud prevention unit archives.

The ARSO-I in Islamabad has developed an ambitious training program.

Informal Recommendation 39: Embassy Islamabad should expand and institutionalize the assistant regional security officer for investigation training program to all new consular officers.

MANAGEMENT

The multiple interlocutors, internal and interagency, make it difficult to manage communications with the MFA on the variety of delays and obstacles to efficient management of the mission.

Informal Recommendation 40: Embassy Islamabad should review internal and interagency communication channels with the Ministry of Foreign Affairs.

FACILITIES

The cafeteria and the American club will need to be replaced by larger facilities to accommodate the growth in personnel and the increase in residences and TDY quarters that will be located on the compound. The embassy also needs to prioritize the move of the NAS and Library of Congress offices back onto the compound in order to colocate all functions.

Informal Recommendation 41: Embassy Islamabad should, in future construction plans, accommodate the growth of mission personnel and colocation of all offices.

Informal Recommendation 46: Embassy Islamabad should consolidate cell phone, electricity, and employee taxi voucher payments into monthly payments, preferably by electronic funds transfer.

The financial management office does not have a well structured process for reviewing accounts to determine that obligations are still valid. In 2005 and 2006, the embassy lost significant amounts of funding in the diplomatic and consular program and public diplomacy accounts when those funds expired.

Informal Recommendation 47: Embassy Islamabad should conduct regular reviews of unliquidated obligations with the procurement unit and other embassy elements to verify the validity of obligations before the close of each fiscal year.

HUMAN RESOURCES

Work requirements for EFMs have not been done.

Informal Recommendation 48: Embassy Islamabad should prepare work requirements for eligible family members.

The post employment committee has not been activated as there has yet to be more than one candidate for each EFM vacancy.

Informal Recommendation 49: Embassy Islamabad should activate the post employment committee and brief members on their responsibilities before the committee needs to convene to interview and select candidates.

The consul general serves as the chair of the special immigrant visa committee. The committee does most of its work via email and teleconference.

Informal Recommendation 50: Embassy Islamabad should designate a new chair for the special immigrant visa committee, shifting the consul general to an advisory role.

Informal Recommendation 51: Embassy Islamabad should schedule at least one special immigrant visa committee in-person meeting per year to discuss the regulations and how the committee wishes to place service in Pakistan in the context of the regulations governing this program.

OFFICIAL VEHICLES

The growth of the mission over the next few years risks generating the sort of fracturing of motor vehicle resources in the consulates as seen in Islamabad.

Informal Recommendation 52: Embassy Islamabad should review the policies in the consulates general to provide adequate guidance for maintaining consolidated motor pool services in the future.

The Ambassador's determination and findings for the vehicle policy memorandum on not charging for other authorized use of official vehicles do not conform exactly to 14 FAM 433.4 (2), which requires that the motor vehicle accountable officer or designee collect a charge for all other authorized use, except when the regional security officer, with the concurrence of the ambassador, determines, in writing, that transportation in an armored vehicle with a security escort is necessary for employee protection, or when, because of unusual circumstances, the Assistant Secretary for Administration approves a post request to waive the charge for secure transportation.

Informal Recommendation 53: Embassy Islamabad should request a waiver from the Assistant Secretary for Administration.

Embassy Islamabad's motor vehicle use policy does not inform employees who self-drive of their personal liability and the extent of embassy liability insurance coverage.

Informal Recommendation 54: Embassy Islamabad should include language in its motor vehicle use policy informing incidental drivers of their potential personal liability and the extent of liability coverage post has for such drivers.

Most non-Department agencies do not subscribe to automotive maintenance services in ICASS, and instead take their armored vehicles to shops out on the economy for maintenance. Consulates General Lahore and Peshawar also use public auto repair shops for maintenance.

Informal Recommendation 55: Embassy Islamabad should issue a policy on the maintenance of official vehicles in local auto repair shops.

PROPERTY MANAGEMENT

The warehouse in Karachi is disorganized; supplies and furniture have been damaged by improper storage. Scrap metal, old appliances, tires, and other trash are piled in driveways. Crates and boxes are unsecured on the loading dock.

Informal Recommendation 56: Embassy Islamabad should assist Consulate General Karachi in holding a surplus sale and cleaning out the Karachi warehouse as soon as possible.

HOUSING

A significant number of personnel permanently assigned to Mission Pakistan live in group housing arrangements rather than the single-occupant units that are the norm at most posts. Some of these employees are direct-hire employees assigned to regular one-year tours; some are personal services contractors eligible for housing. The criteria for assigning employees to group housing rather than to single units are not transparent to some customers, and the embassy housing handbook is outdated.

Informal Recommendation 57: Embassy Islamabad should update the post housing handbook to include criteria used to assign employees to group housing.

SHIPPING AND CUSTOMS

The consulates do not have copies of the shipping and packing contracts used to compare bills against the agreements when they receive invoices.

Informal Recommendation 58: Embassy Islamabad should provide copies of the countrywide shipping and packing contracts to all of the consulates for their use in processing payments for services.

While customs and most administrative details are managed by Embassy Islamabad, Consulate General Lahore receives and sends out a number of shipments that should be better monitored.

Informal Recommendation 59: Embassy Islamabad should help Consulate General Lahore to develop and implement a tracking system for incoming and outgoing shipments.

PROCUREMENT

There are no LE staff members with a purchase card in Consulate General Karachi. Consequently, procurement of necessary items from offshore sources is difficult.

Informal Recommendation 60: Embassy Islamabad should assist Consulate General Karachi with training and requesting a purchase card for Karachi's procurement staff.

HEALTH UNIT

Embassy Islamabad does not keep an inventory list of medical expendable supplies.

Informal Recommendation 61: Embassy Islamabad should implement an automated system such as RxIS in WebPASS to maintain accurate medical supply inventories.

Living and working in Pakistan is stressful and dangerous. The Director General has mandated that all employees who have spent 90 days or more in Iraq and Afghanistan take the Foreign Service Institute's high-stress assignment outbriefing program.

Informal Recommendation 62: Embassy Islamabad should recommend to the Director General that the high-stress outbriefing program be made mandatory for employees following completion of an assignment in Pakistan.

COMMUNITY LIAISON OFFICE

There is no CLO advisory board.

Informal Recommendation 63: Embassy Islamabad should establish a community liaison office advisory board.

EQUAL EMPLOYMENT OPPORTUNITY PROGRAM

EEO information is posted in just two locations on the compound in Islamabad and only in English.

Informal Recommendation 64: Embassy Islamabad should post Equal Employment Opportunity information in English and Urdu in high traffic areas throughout the compound in Islamabad.

INFORMATION MANAGEMENT

The embassy has not installed computer server room temperature sensors that would notify appropriate staff in the event of equipment overheating.

Informal Recommendation 65: Embassy Islamabad should purchase and install temperature sensors with remote notification capability in all computer server rooms.

The OIG team found ganged power strips on equipment racks at Consulate General Peshawar.

Informal Recommendation 66: Embassy Islamabad should provide technical assistance so that Consulate General Peshawar can install power strips correctly.

There are no information management guidelines at Consulate General Lahore.

Informal Recommendation 67: Embassy Islamabad should create written standard operating procedures for all information management areas of responsibility at Consulate General Lahore.

The combination on the server room door at Consulate General Peshawar needs to be changed.

Informal Recommendation 68: Embassy Islamabad should change the combination of the server room door at Consulate General Peshawar.

PRINCIPAL OFFICIALS

	Name	Arrival Date
Ambassador	Anne W. Patterson	07/07
DCM	Gerald M. Feierstein	08/08

Chiefs of Sections:

Management	Charles Slater	07/09
Consular	Christopher Richard	08/08
Economic	Martha Patterson	12/08
Narcotics Affairs	Garace Reynard	08/09
Political	Bryan Hunt	08/09
Public Affairs	Larry Schwartz	10/09
Regional Security	Stephen Smith	08/08
Border Coordination	Elizabeth Richard	08/08
Coordinator for Economic and Development Assistance	Robin Raphael	09/09

Other Agencies:

Defense Attaché	Col Joseph Abbott	02/09
Senior Defense Representative/ Office of Defense Representative Pakistan	VAdm Michael Lefever	07/08
Department of Homeland Security	Shawn McGraw	11/08
Drug Enforcement Administration	John Dudley	09/08
Legal Attaché	Susan Mitchell	05/09
Department of Treasury	Erin English	06/09
U.S. Agency for International Development	Robert Wilson	05/09

U.S. Department of Agriculture	Joseph Carroll	10/08
U.S. Foreign & Commercial Service	William Center	08/08
Department of Energy	Regina Galer	01/10

Principal Officers:

Karachi	Stephen G. Fakan	12/08
Lahore	Carmela Conroy	08/09
Peshawar	E. Candace Putnam	08/09

ABBREVIATIONS

ACS	American citizen services
A/OPR/CR	Office of Commissary and Recreation Affairs
ARSO-I	Assistant regional security officer for investigations
BPA	Blanket purchase agreement
CA	Bureau of Consular Affairs
CAJE	Computer-assisted job evaluation
CENTCOM	Central Command
CGR	Consul general residence
CLO	Community liaison office
CMAT	Consular Management Assistance Team
COB	Current consulate office building
DCM	Deputy chief of mission
DHS	Department of Homeland Security
DRL	Bureau of Democracy, Human Rights, and Labor
DS	Bureau of Diplomatic Security
EEO	Equal employment opportunity
EER	Employee evaluation report
EFM	Eligible family member
ELO	Entry-level officer
FAV	Fully armored vehicle
FCS	United States and Foreign Commercial Service
FPM	Fraud prevention manager
FSHP	Foreign Service health practitioner
GSO	General services office
G/TIP	Office to Monitor and Combat Trafficking in Persons
HR	Human resources

HRO	Human resources officer
ICASS	International Cooperative Administrative Support Services
ICRC	International Committee of the Red Cross
IIP	Bureau of International Information Programs
ILMS	Integrated logistics management system
IM	Information management
IMET	International Military Education and Training
IMO	Information management officer
INL	Bureau of International Narcotics and Law Enforcement Affairs
IRM	Bureau of Information Resource Management
IV	Immigrant visa
L	Office of the Legal Adviser
LE	Locally employed
LEWG	Law Enforcement Working Group
MERO	The Office of Inspector General, Middle East Regional Office
MFA	Ministry of Foreign Affairs
MSP	Mission Strategic Plan
NAS	Narcotics assistance section
NCC	New consulate compound
NIV	Nonimmigrant visa
NGO	Nongovernmental organization
NSDD	National Security Decision Directive
NWFP	North West Frontier Province
OBO	Bureau of Overseas Buildings Operations
ODRP	Office of the Defense Representative – Pakistan
OFDA	Office of Foreign Disaster Assistance
OIG	Office of Inspector General

OIP	Office of Orientation and In-Processing
OTI	Office of Transition Initiatives
PAO	Public affairs officer
PAS	Public affairs section
PCCF	Pakistan Counterinsurgency Capability Fund
PCF	Pakistan Counterinsurgency Fund
PD	Public diplomacy
PM	Bureau of Political Military Affairs
PRM	Bureau of Population, Refugees, and Migration
R&R	Rest and recuperation
RMO	Regional medical officer
RMO/P	Regional medical officer psychiatrist
RSO	Regional security officer
SAO	Security advisory opinion
SCA	Bureau of South and Central Asian Affairs
SIV	Special immigrant visa
S/SRAP	Special Representative for Afghanistan and Pakistan
SOP	Standard operating procedure
TDY	Temporary duty
UNHCR	United Nations High Commissioner for Refugees
USAID	United States Agency for International Development
USEA	United States Employee Association
VSU	Visa security unit

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