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

# Report of Inspection

Embassy Rome, Italy,  
Its Constituent Posts, and  
the Republic of San Marino

Report Number ISP-I-10-59A, June 2010

## ~~IMPORTANT NOTICE~~

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## PURPOSE, SCOPE AND METHODOLOGY OF THE INSPECTION

This inspection was conducted in accordance with the Quality Standards for Inspections, 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, and organizations 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 Ambassador and the deputy chief of mission (DCM) at Embassy Rome are leading a large, complex, and diverse mission in support of U.S. policy objectives in Italy.
- The embassy's section chiefs and officers manage their portfolios well. They should engage more, however, with consulate personnel through regular travel, exchanges between personnel, and digital video conferencing.
- While reporting is generally of high quality, the OIG team found it relatively light on some subjects important to the United States, such as corruption, freedom of the media, and treatment of minorities.
- The public affairs section (PAS) has done an outstanding job coordinating public diplomacy with U.S. military elements in Italy. Each year, PAS sponsors a conference bringing public diplomacy officers and other officials from the embassy and consulates together with military public affairs officers. The conference builds a shared sense of mission and message.
- Consular operations are well funded and staffed. The consular agencies in Venice, Genoa, and Palermo provide exceptional service for a very small investment.
- Embassy Rome's paramount resource issue is obtaining funding for its aging and historic infrastructure at Embassy Rome and Consulate General Florence. This legacy responsibility will continue to require significant financial commitments.
- Employees at Embassy Rome returning from hardship tours in Iraq, Afghanistan, and Pakistan are highly motivated, but believe better predeployment orientation and provision for family time would reduce the stress of preparation for a dangerous unaccompanied tour. They also report mixed experiences on re-entry to non-danger posts. Embassy Rome's management and the consuls general are attempting to be sensitive to their needs.

The inspection took place in Washington, D.C., between January 5 and 28, 2010; in Rome, Italy, between February 2 and March 19, 2010; in Milan, Italy, between February 8 and 18, 2010; in Florence, Italy, between February 18 and 22, 2010; and in Naples, Italy, between February 23 and March 2, 2010.

## CONTEXT

Italy, with its population of 58 million, has proud historical roots to the Roman Empire, the beginnings of Western civilization, and the Renaissance. The capital, Rome, is one of the world's oldest cities. Italy has been a founding participant in European unification. It is a Group of Eight (G-8) member, whose economy ranks

among the top ten. Italy's parliamentary democracy encompasses a full spectrum of political parties. Since the current Italian republic was formed in June 1946, it has had 62 governments.



Map of Rome and its surrounding region.

Source: U.S. Government

The Italian peninsula has a strategic location in the central Mediterranean reaching nearly to North Africa, and serves as a platform for operations in the Balkans, the Middle East, and Africa. Italy would like to be seen on par with the United Kingdom, Germany, and France, in part to gain a seat at the table in limited party talks such as the “Quartet” on Middle East peace or similar

negotiating formats related to other issues of big power concern. Italy led the United Nations (UN) peacekeeping mission in Lebanon from 2007 through 2009; has over 3,000 mechanized infantry troops deployed to Afghanistan; and, until 2006, had troops deployed to Iraq. Italy also deployed troops in support of UN peacekeeping missions in Somalia, Mozambique, and East Timor, and has provided support for North Atlantic Treaty Organization (NATO) and UN operations in Bosnia, Kosovo, and Albania. Italy held the European Union presidency from July to December 2003. Italy chaired and hosted the July 2009 G-8 summit attended by President Obama.

The United States and Italy are closely linked by history, culture, foreign policy, military ties, and trade and investment. The United States is Italy's fourth largest trading partner behind Germany, France, and Spain with a U.S.-Italian two-way trade of \$51.5 billion in 2008. The two nations are NATO allies. Italian support for U.S.

initiatives, military interventions, and peacekeeping operations has been generally strong regardless of whether the Italian government of the day has been a coalition of the center-right, as is the current case, or of the center-left, but areas of disagreement arise, particularly regarding relations with third countries. Italy hosts several major U.S. military bases<sup>1</sup> that are highly valued strategic assets and home to 13,000 service members and Department of Defense civilian employees and their approximately 17,000 family members. That number is set to increase dramatically with the expansion of the base at Vicenza.

Nearly 18 million Americans claim Italian ancestry and Italy is an important part of America's own historical and cultural heritage. Seven million American tourists visit Italy annually, while about 780,000 Italians visit the United States. There are 30,000 American youth studying in Italy, and only the United Kingdom attracts more American students. Italy hosts over 140 American college-level programs with their own satellite campuses. Counting short-term language and non-degree programs, the number of American study abroad programs totals as many as 447. There are an estimated 210,000 Americans resident in Italy.

Embassy Rome has 291 U.S. direct-hires and 505 locally employed (LE) staff representing more than 20 U.S. government entities. Mission Italy's operational budget for FY 2010 is \$126.5 million. With the \$83 million acquisition of the Mel Sembler building, the OIG team roughly estimates the expanded embassy compound and the U.S. government-owned chief of mission residence to have a combined value of between \$500 million to more than \$1 billion.<sup>2</sup> The Palazzo Margherita chancery and its surrounding grounds with sculptures, bas relief, frescoes, architectural antiquities, and relics uncovered on site, dating in some cases back to the first century A.D., are part of an Italian national heritage that the embassy must appropriately maintain. The mission includes three consulates general: Consulates General Milan, Naples, and Florence, as well as consular agencies in Genoa, Palermo, and Venice. Italy is a relatively expensive environment in which to operate a diplomatic establishment and for U.S. citizens and their dependents assigned to the mission.

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<sup>1</sup> Aviano Air Base; San Vito dei Normanni Air Station; Naval Support Activity Naples (6th Fleet Command); Naval Support Activity Geata; Naval Air Station Sigonella; Camp Darby (U.S. Army Base near Pisa-Livorno); Caserma Ederle Vicenza (U.S. Army Base); and Forward Operating Base Trapani.

<sup>2</sup> No current official estimate of valuation or replacement cost is available. The embassy compound also includes the building soon to become the new home of the U.S. Mission to the UN Agencies in Rome.

## EXECUTIVE DIRECTION

The Ambassador and the DCM lead a large, complex, and diverse mission in support of U.S. policy objectives in Italy, which include obtaining troop contributions for Afghanistan, promoting economic growth and entrepreneurship, fighting organized crime and corruption, and expanding public diplomacy outreach.

The Ambassador is friendly and accessible. He is a political appointee new to the Department and to diplomatic tradecraft. The Ambassador lived and studied in Italy, knows Italian culture and politics, and has strong linguistic skills. His background provides a useful platform for developing his vision for the U.S. mission, for strengthening the bilateral relationship, and for maximizing engagement with a valued European partner. The Ambassador has been listening attentively and actively, drawing on the expertise of mission personnel to help define his vision. He began to unveil his thinking to some mission personnel toward the end of the inspection, but had not yet articulated his vision to everyone. All staff at the embassy and the consulates general in Milan, Florence, and Naples are eager to hear the Ambassador's vision, and are ready to assist him in fine tuning and implementing his priorities. The Ambassador received generally good marks from nearly all of the section chiefs and the heads of the more than twenty agencies in Rome. They appreciate his willingness to listen, to ask probing questions, and to learn from their experience.

A well-respected member of the senior Foreign Service serves as the DCM. She is collegial, inclusive, has superb people skills, and excellent Italian linguistic skills. Most colleagues and subordinates describe her in superlatives and commend her inclusive and open leadership and management style. During seven months as chargé d'affaires before the arrival of the Ambassador, the DCM oversaw the mission's successful efforts to support the G-8 summit and ensured the safety of personnel after a major earthquake.

The Ambassador and the DCM have a positive working relationship. He seeks and values her professional expertise. The DCM is astute and collaborative. She is decisive, provides timely feedback, strong leadership, and guidance to all agencies and sections, always finding time on a busy calendar to meet with staff. The Ambassador and DCM communicate with the consuls general via visits to their consular districts, email, telephone, and monthly digital video conference (DVC)-expanded country team meetings.

The Ambassador and the DCM have fostered positive working relations between the agencies and good team spirit. The DCM meets weekly with section chiefs and twice monthly with agency heads. She often walks throughout the compound and attends staff meetings unannounced. The Ambassador has standing and ad hoc meetings with agency heads who provide regular oral and written briefings to the Ambassador on key issues.

The embassy has a strong, generally positive relationship with the host nation and good access to its officials. The Ambassador quickly gained access to important players; his cable about an exclusive one-on-one meeting with the Italian prime minister, following an attack on the prime minister, was widely read and appreciated in Washington. In addition, through his personal Washington contacts, the Ambassador arranged a meeting for the Italian foreign minister with the U.S. Vice President during a visit to Washington in January 2010. The Ambassador has engaged effectively on a satellite tracking station facility on the island of Sicily that is important to the U.S. military, with strong collaboration from Department of Defense officers and the consul general in Naples.

The Ambassador supports public diplomacy and is keen on using new media to reach Italians. He and the DCM are generous in giving time for a wide range of public diplomacy programs and commercial advocacy.

The Ambassador understands and appropriately uses National Security Decision Directive (NSDD)-38 and other chief of mission authorities. There were no overdue NSDD-38 requests pending embassy response at the time of the inspection. The management counselor is the point of contact for moving the paperwork through the appropriate mission offices and then to the front office.

The embassy is flexible and responsive in its policy and program decisions, largely because executive direction takes place among a relatively small group of advisors. While this approach can be effective in an organization as large as Mission Italy, it risks policy missteps because of incomplete consultation. This is particularly the case with the consulates, which are essential tools for mission program implementation. Greater and more consistent engagement by mission leadership and embassy section chiefs would improve morale and better align reporting, analysis, and advocacy across the mission. All consulates noted the usefulness, but infrequency, of travel to their districts by embassy section heads.

**Recommendation 1:** Embassy Rome should develop and execute a travel plan that ensures that Rome-based reporting officers regularly visit and collaborate with constituent posts. (Action: Embassy Rome)

Both the Ambassador and the DCM open their residences for representational events, and include staff from all sections as appropriate. On arrival, the Ambassador held a town hall meeting and toured the compound. He is supportive of LE staff, visits them informally from time to time, and converses with them in Italian. His residential recreational facilities are available for use by the entire embassy community and he encourages broad mission use.

Entry-level officers (ELO) receive mentoring from the DCM, who offers advice on career planning and the assignment process in informal gatherings. During the bidding period she met individually with each ELO.

Assignments to Embassy Rome and to Consulates General Milan, Florence, and Naples are highly sought after by employees returning from assignments to Iraq, Afghanistan, and Pakistan. Embassy Rome believes it could have filled all of its Department vacancies with returnees, but has sought a balance. The OIG team met with returnees currently assigned to the consulates, Embassy Rome, Embassy to the Holy See, and the U.S. mission to the UN Agencies in Rome. The returnees are highly motivated, but believe better predeployment orientation and provision for family time would reduce the stress of preparing for a dangerous, unaccompanied tour. They report mixed experiences on their return from danger posts. The DCM and the consuls general are attempting to be sensitive to their needs.

The Ambassador and the DCM articulate their support for Equal Employment Opportunity (EEO) and diversity. There were no EEO issues at the time of this inspection.

## CONSULATE GENERAL MILAN

In the nine months since she assumed duties, the consul general has demonstrated accessibility, engagement, and strong interpersonal relations in directing the consulate's operations. Staff commend her open management style and strong support for team building, which has raised employee morale markedly. LE staff especially appreciated her advocacy in seeking an increased meal allowance for them due to the high cost of living in Milan.

The Milan consulate is larger than some embassies and the district's commercial activity accounts for over 50 percent of Italy's gross domestic product. There are approximately 30,000 resident Americans in Milan, 18,000 of whom work on bases in Vicenza and Aviano.

The Milan Consul General has four areas of priority derived from the mission strategic plan (MSP). She developed action plans for each area and gained staff support by soliciting their views and seeking their expertise in office visits and town hall meetings.

Articulate in Italian, comfortable with the media, and active in public outreach, the consul general is a valuable public diplomacy resource. Her engagement with Muslim communities and commercial advocacy are maximized by her use of Italian both extemporaneously and in prepared speeches. Italian civilian and military officials hold her in high regard and she was influential in expanding the U.S. presence in Vicenza, which military colleagues in Rome have begun to understand and appreciate.

The consul general is supportive of EEO, diversity, and post security. She maintains a strong relationship with the regional security officer (RSO) and is prepared to make adjustments when vulnerabilities are revealed. She understands and complies with security directives.

Relations between the consul general, the Ambassador, and the DCM are excellent. The Ambassador has visited Milan six times and the consul general has arranged outstanding programming on each occasion.

## CONSULATE GENERAL FLORENCE

The consul general in Florence is an involved leader and manager. She holds town hall meetings, attends section meetings, and hosts appropriate representational events, which are inclusive of all staff in the consulate proper. The staff of the American Battle Monuments Commission, located at the American cemetery approximately 20 minutes away from the Consulate General, have not been as integrated as others. The OIG team made two informal recommendations to address the situation.

The Ambassador is accredited to the Republic of San Marino but the consulate general handles the day-to-day relationship with the world's oldest continuing republic. The consul general has been at post since September 2008 and successfully manages numerous demarches to the San Marino Republic. A cable she drafted arguing for a Tax Information Exchange Agreement between the United States and the Republic of San Marino resulted in an important achievement in our bilateral relationship. However, she has not incorporated U.S. goals in San Marino into Consulate General Florence's mission strategic planning. The OIG team made Recommendation 7 to address this issue.

The consulate has three American officers. There are nearly 10,000 American students from 50 universities studying in the district at any given time, in addition to 42,000 Americans who reside there. The consul general successfully manages a large number of congressional and other high-level visitors.

The Consul General promotes EEO and diversity. She works closely with the post security officer on security procedures and was supportive of correcting vulnerabilities discovered during the inspection.

The Ambassador and the DCM consider the Florence consul general to be an important member of the country team. The consul general participates in the monthly country-wide DVC and supports visits to Florence by the Ambassador and the DCM.

## CONSULATE GENERAL NAPLES

The consul general in Naples provides strong executive leadership, is highly organized and pays great attention to detail. He has a broad knowledge of the political, social, and economic issues in his consular district and has built a wide network of valuable contacts. Within two months of his arrival in Naples, he had visited all of the provinces in his district.

Consulate General Naples encompasses five regions in southern Italy and the island of Sicily, and oversees the consular agency in Palermo. The consulate provides guidance to and liaison with U.S. military commands, and with NATO's Allied Joint Force Command Naples. Organized crime and corruption are prevalent in the district.

Utilizing fluent Italian language skills in prepared texts and extemporaneous speeches and remarks, the consul general engages in numerous outreach programs in support of public diplomacy goals. He hosts public diplomacy and representational events at his residence, which stretches the consulate's budget given the high cost of Naples restaurants.

The consul general effectively advances U.S. policy. He established programs to fight organized crime, empower civil society, and to promote young entrepreneurs and support U.S. business.

Staff appreciate the consul general's morale boosting events such as his Christmas party. During a protracted security upgrade to the consulate building, he organized regular town hall meetings to keep staff informed of progress and to maintain good morale.

Entry-level officers benefit from his experience and expertise through informal counseling sessions. Staff recognize his many attributes but would like more direct interaction with him.

The consul general adheres to EEO standards and promotes diversity. The OIG team found no EEO complaints.

## POLICY AND PROGRAM IMPLEMENTATION

### POLITICAL SECTION

#### Reporting

A group of highly competent and dedicated officers staffs the political section. Some of the officers have experience in frontline danger posts; some bring previous experience in Italy; and, all have strong Italian language skills. The section is ably led by a senior officer, who is held in the highest esteem by her staff, and her deputy, who also serves as the chief of the political-military subsection. The office functions in a high-energy atmosphere where issues abound, the national political scene is lively, and there is a seemingly endless stream of high-level visitors. The synergy, teamwork, esprit, and efficiency of the officers, office management specialists (OMS), and LE staff results in the work getting done well and in a timely fashion.

The section has recovered from the period leading up to and including the 2009 G-8 Summit, during which time the section was short-staffed and near burn out. This situation was compounded by the section chief serving as acting DCM for an extended period while the deputy took on the day-to-day leadership of the section. The very capable deputy instituted some effective managerial adjustments during that period that have shown their worth in that they have been continued and the resources in the section are considered sufficient.

Reporting is generally of a high quality. Washington end-users singled out reporting on internal politics, organized crime, the nativist Lega Nord (LN) also known as the Northern League, and Italy's true (and negligible) stake in trade with Iran as work of the highest quality and interest to policy makers. The section impressively manages the large number of high-impact, high-visibility issues that engagement with the Italians necessitates. It produces a daily email message overnight that summarizes all major developments and is disseminated to Washington consumers before morning meetings. Front channel cables frequently follow.

Italy's politics and governance have a number of features that are troubling from a U.S. perspective, including corruption, freedom of the media, and treatment of minorities. The relatively light reporting of these issues has led some embassy

personnel and Washington end-users to question whether the embassy has become inured to them or allowed avid Italian support for U.S. priorities to color perceptions. The OIG team identified cases where in-depth treatment of some of the less savory aspects of Italian public life had failed to meet front office approval, ostensibly for reasons of length and limited breadth of resources, and thus were not transmitted to Washington end-users. A well-rounded picture of Italian governance best serves U.S. interests and provides policy makers, issue advocates, and business with the best basis to advance them. The OIG team informally recommended that embassy leadership consult widely with reporting officers and Washington stakeholders to identify imbalances in reporting and advocacy.

The embassy is nimble in responding to Washington priorities, and communication with the Department and other agencies is open and clear. The section's daily email message is an efficient means of conveying and soliciting information. It falls short, however, when it becomes a substitute for record reporting, whose proper channel is the cable system. Moreover, since email messages restrict distribution to known end-users, some end-users are inevitably cut out of the policy conversation, and cross-cutting issues may not get the attention in Washington that they merit. The OIG team informally recommended that political and economic sections follow up the daily email with timely, front-channel cables on substantive issues.

Records management in all reporting sections is haphazard and does not conform with 5 FAM 441 and 5 FAM 443, which prescribe that electronic files identify each document sufficiently to enable authorized personnel to retrieve, protect, and carry out the disposition of documents. This is particularly problematic with respect to individual officers' emails, which at present are filed in officers' Outlook folders and will be lost once they leave post. The mission will implement the State Messaging Archive Retrieval Toolset on April 12, 2010, which will simplify records management. Without adequate preparation the new toolset will perpetuate the old, haphazard records management.

**Recommendation 2:** Embassy Rome should direct reporting offices to review their files and organize them electronically into folders that the State Messaging Archive Retrieval Toolset retrieval function will require. (Action: Embassy Rome)

## Political-Military Unit

The embassy's political-military unit is fully integrated into the political section, and its chief serves concurrently as the deputy of the political section itself. The political counselor is closely involved in a host of political-military issues. The political-military chief is the embassy representative on the Joint Military Commission, a U.S.-Italian body that was established by the 1995 "Shell agreement," i.e., the Memorandum of Understanding between the Ministry of Defense of the Republic of Italy and the Department of Defense of the United States of America Concerning Use of Installations/Infrastructure by U.S. Forces in Italy. The section works closely with the military agencies at post, notably the Office of Defense Cooperation, the U.S. Sending State Office for Italy, and the Defense attaché, and liaises closely with U.S. military installations throughout Italy and with the U.S. mission to NATO.

The section oversees an extremely active agenda reflective of the large U.S. military presence in Italy and of the role the government of Italy plays as a key U.S. ally. Basing issues are some of the largest, and the section has scored some major successes, including enlarging the base at Vicenza in the face of strong local political opposition. The two highest-profile basing issues, stationing a satellite tracking station on the island of Sicily and designating the Gricignano military base as a NATO facility, have required adroit diplomacy with military and civilian officials, both local and Rome-based, which the section has done impressively, in collaboration with the Naples consulate general.

The unit has also supported efforts to maintain Italy's engagement in areas of high priority for the United States. These include Afghanistan (where Italy was first among our allies to respond to the President's request for additional combat forces), the Balkans (where Italy is the largest contributor of troops), and efforts to increase global capacity for sustaining peace support operations. The unit provided core support to negotiations on staffing the newly created U.S. Africa Command at both Vicenza and Naples bases and advised on the delicate politics surrounding the command's launch.

## Internal Politics

The LN is a major center-right party in Italian politics, although its strength is decidedly regional. A member of the ruling coalition, the LN has sparked controversy over its harsh, xenophobic rhetoric against immigrants and Islam. LN members hold ministerial portfolios, including the Ministry of Interior, and the party is growing in electoral strength. The embassy and Consulate General Milan interact with LN contacts at all levels. It is appropriate to interact with parties, particularly of a ruling

coalition, in a major democracy that is a treaty ally, and to take steps to ensure close relations with party members that may become future leaders.

During the current round of International Visitor Leadership Program (IVLP) nominations in 2010, neither Consulate General Milan nor Embassy Rome opted to nominate an LN candidate due to difficulties over such nominations the previous year. The embassy had rescinded one nomination after the candidate was convicted for an incident of racial incitement and froze another after a prospective nongovernmental host discovered prejudicial information about the candidate online and relayed its concerns to the Bureau of Educational and Cultural Affairs (ECA). In the absence of a meeting involving the DCM, Consul General Milan, and members of the embassy's political and public affairs sections to discuss and develop an engagement strategy, this situation is not expected to change and could worsen.

**Recommendation 3:** Embassy Rome should develop a strategy for Consulate General Milan to engage with the Lega Nord political party that ensures open communication, does not appear to reward abusive or intolerant rhetoric, avoids unintended or damaging embarrassment, and encourages internal Italian dialogue that promotes the rule of law and peaceful integration within an increasingly multiethnic and plural modern Italy. (Action: Embassy Rome)

## Trafficking in Persons

The embassy follows and reports on trafficking in persons and under steady prodding by embassy officers, the government of Italy has measurably improved its statistical tracking of cases, prosecutions, and victim assistance. Embassy officers have also successfully encouraged Italian leadership on trafficking-in-persons issues within Europe, supporting Italy's participation in trafficking-in-persons conferences. The embassy also works closely with a particularly effective official in the Ministry of Equal Opportunity who has led outreach efforts to officials responsible for anti-trafficking in persons programs in Eastern European countries which are typically the source of victims. The embassy nominated the official for an IVLP.

## Human Rights

Italy has been a staunch supporter of the protection of human rights at the UN and in concert with U.S. efforts to encourage the exercise of human rights globally. However, Italy has its own human rights issues, such as abusive labor practices pertaining to short-term African agricultural workers, treatment of Roma or nomad-

ic people also known as gypsies, and de facto restrictions on the religious freedom of Muslims. The human rights report produced by the embassy is balanced. It reflects the work of embassy and consulate officers who have diligently covered the issue. As the Department's most recent human rights report, issued March 11, 2010, indicates, there has been discrimination against Muslims in Europe. One manifestation of this problem in Italy has been in the difficulty of Muslim worshippers to get permission to build mosques. The embassy has reported on this issue, and on apparently discriminatory proposals at the local and national level relating to xenophobic and anti-immigrant sentiment.

## Muslim Outreach

About one million Muslims live in Italy, roughly two percent of the population. In some communities in the industrialized north, Muslims constitute up to 12 percent of the population. They can face religious and employment discrimination and difficulty obtaining citizenship; hence, there is a danger that disaffected Muslims might be susceptible to efforts to radicalize them and make common cause with anti-Western Islamic terrorists.

According to the Milan-based Institute for Multiethnic Studies, Muslims make up 33 percent of Italy's immigrants. Reporting on immigration and integration is one focus of the mission, as is outreach to minority groups, especially Muslims and Roma. Both the political and public affairs sections have been active in this area and have generally coordinated their efforts. During the inspection, the Ambassador gave a speech on integration that was widely carried in the Italian media and which was intended to provoke serious thought and positive action.

## Law Enforcement

The Department does not fund any law enforcement assistance programs in Italy but the embassy hosts a substantial number of agencies with law enforcement responsibilities. These agencies pursue a wide range of cases and operations of the highest priority on the United States' law enforcement agenda, including combating drug trafficking and fighting organized crime. The DCM chairs a law enforcement working group, which brings these agencies together with the regional security office, the political section, and the consular section to share information and seek ways for the embassy resources to support law enforcement efforts.

The mission also has an organized crime working group that is chaired by the Naples consul general and includes the same agencies as the law enforcement working group. This working group has both its benefits – forcing collaboration among

mission units and providing them with a vision and common goal—and drawbacks, mainly in terms of over stressing resources. Its goal is to identify and support efforts that strengthen social resistance to organized crime, for example, in civil society and entrepreneurship. The OIG team agrees that these efforts are important in the fight against organized crime; however, the resource stresses that it puts on the law enforcement agencies risk diverting them from their core functions.

**Recommendation 4:** Embassy Rome should phase out the organized crime working group and address its issues mission-wide as part of the Mission Strategic Resource Plan process. (Action: Embassy Rome)

## ECONOMIC SECTION

The economic section has earned a reputation among Washington end-users for timely and insightful reporting on issues of major concern, notably Italy's economic relations with Russia and Iran, its natural gas and petroleum policies, Internet privacy issues, and climate change. The section works closely and smoothly with other economic agencies at post. It is a cohesive team that elicits high productivity from its officers and enjoys high morale among its LE staff. The section has a wide and influential set of contacts among Italian officials in government, business, and finance, and it leverages its modest representational budget well by involving its contacts in larger events with the front office and other agencies at the embassy.

The section includes a minister-counselor, one FS-01 science and technology affairs officer, two entry-level officers, and two office management specialists. It has identified its priorities in consultation with Washington end-users following a period leading up to and during the Italy-hosted 2009 G8 Summit, when its workload ballooned in response to the demands of G8 diplomacy, as well as to a front office-led effort to promote faster economic growth in Italy. This period led to a diversion of the section's effort from, and lack of attention to, some key Washington priorities. It also fueled a deterioration of relations between the section and the front office resulting in mistrust and the sense that the section was uncooperative.

The mission has revised its priority-setting to involve section principals and consulates in a manner that should avoid such double-tasking. However, economic section leadership remains relatively isolated from its natural embassy partner offices, public affairs and the political section. The OIG team noted relatively good relations among sections at the mid-level and among LE staff. It informally recommended that economic, political, and public affairs sections look for opportunities to align

their work and to identify mutually supportive initiatives. A periodic joint meeting—or even having officers from each section attend the staff meetings of the others—could help avoid the overlapping efforts that came to the OIG team’s attention. With all sections cooperating on a common work plan that involves the consulates, as recommended above, the scope for synergies is significant.

The importance of the labor movement in Italian politics has declined over time, leading the political section to do only episodic reporting on labor issues. Labor reporting has thus grown more germane in an economic context, as European economic integration and demographic developments have raised the profile of how rigidities in the heavily unionized Italian labor market constrain the country’s ability to raise its growth rate above its relatively low level. Recognizing this, the embassy recently transferred responsibility for labor issues from the political to the economic section. A change in officer work requirements has yet to occur.

**Recommendation 5:** Embassy Rome should amend the work requirements of the officers in the political and economic sections to reflect the transfer of responsibility for labor reporting from the political to the economic section. (Action: Embassy Rome)

Staffing of the science and technology function has contracted significantly in recent years. From the days when it was a stand-alone section with a science and technology counselor at the senior Foreign Service level, today the function is fully integrated into the economic section and consists of a single FS-01 officer and a single LE staff member, who functions as a virtual Foreign Service officer. Given its lean staffing and despite mainstreaming some energy work into its MSP-related agenda, the section felt the impact of the former Ambassador’s Partnership for Growth initiative keenly. Even though no longer serving a lead role in this initiative, the exceptionally productive environment, science, technology and health officer has a work load that far outstrips her section’s capacity. The OIG team took note of the economic section’s argument for an additional science and technology position and informally recommended that if the embassy elects not to request this position in the current MSP round that the section adjust its goals accordingly.

The economic section has a reliable electronic system for tracking taskers and completed cables. Its filing system is entirely electronic and, except for the science subsection, its folders are organized haphazardly by subject, author, and medium with little or no regard for Traffic Analysis by Geography and Subject (TAGS) terms, subject, classification, or authorized disposition. Recommendation 2 has particular relevance for the section. The economic section relies on email for reporting.

The informal recommendation regarding the appropriate use of email versus cables (see Political Reporting Section) also applies to the economic section.

## Consulate General Naples

The Consulate General has done a good job identifying core concerns: support to the U.S. military; support to U.S. business (and indeed fostering entrepreneurship); and countering organized crime and corruption. Its main difficulty is integrating its work on these goals into the mission's overall strategy. The recommendation above to overhaul the approach by which Mission Italy sets and pursues priorities should address this concern sufficiently. A necessary part of this will be increased face-to-face interaction (or virtually via DVCs) between and among the embassy and consulates, another mission-wide recommendation.

The consul general has sought to improve communication between the political/economic and public diplomacy sections in Naples by holding a large weekly meeting. This format tends to become top-down and relatively non-interactive. The OIG team informally recommended that the two sections should meet with the consul general in a more restricted format. The sections should also meet regularly to keep each other informed and seek opportunities for joint work.

## Consulate General Milan

Relations between the consulate general and the embassy are largely smooth, and Milan's reporting is responsive to Rome's and Washington's requirements. Embassy internal political action officers visit the consular district regularly, and communication with them is frequent and mutually supportive. Despite the high profile issues surrounding the district's military bases, visits of embassy political-military personnel are rare. The recommendation above regarding travel by embassy officers should address this.

## Republic of San Marino

Although the Republic of San Marino is a micro state with a small land area and less than 30,000 people, it is a voting member of the United Nations. The Department of the Treasury, the Department of Commerce, and the U.S. Mission to the UN New York, all have issues of interest with San Marino to include discouraging a banking environment conducive to money laundering and terrorist financing; support for U.S. candidates and positions at the United Nations; and respect for intellectual property rights. The FY 2011 MSP makes no mention of the Republic of

San Marino. Understandably, the issues involving Italy are much more important and resource intensive and deserve the treatment they received in the MSP, but matters relating to San Marino need not be excluded.

Without inclusion of the Republic of San Marino in the MSP, that country continues to be marginalized and Congress, the Office of Management and Budget, or Department decisionmakers cannot determine what U.S. goals are with that nation or measure embassy progress on objectives in terms of relevant performance indicators.

**Recommendation 6:** Embassy Rome should include in its mission strategic resource plan, U.S. objectives, priorities, targets, and milestones for its relations with the Republic of San Marino. (Action: Embassy Rome)

Relations with the government of the Republic of San Marino were upgraded in 2006 to the ambassadorial level. Prior to that, the consul general in Florence was the U.S. Representative to the Republic of San Marino. The Ambassador presented his credentials in San Marino on December 4, 2009. Consulate General Florence manages day-to-day contact with the government of San Marino. It is an anomaly that, having upgrading relations, the Internet site that serves as the virtual presence post is often out of date and not always well maintained.<sup>3</sup> Consulate General Florence says it lacks the resources to maintain the site. The OIG team made an informal recommendation to address the issue.

## PUBLIC DIPLOMACY

Embassy Rome has a strong and well-run PAS, closely focused on MSP goals and well integrated into the mission. An experienced senior public affairs officer (PAO) heads the section, supported by an information officer, cultural affairs officer, and assistant cultural affairs officer. PAS also houses a regional information resource officer who covers seven countries including Italy. A capable and experienced corps of 23 LE staff members—many of whom have worked 20 or more years in public affairs—provides the backbone of the section.

PAS has developed several laudable procedures to sharpen its program focus and financial controls. For example, it has produced a detailed public diplomacy implementation plan that lists under each MSP goal the public diplomacy programs and exchanges that support it, the audience each is aiming to reach, the quarter it will take

<sup>3</sup> The virtual presence post for the Republic of San Marino is found at <http://sanmarino.usvpp.gov>

place, and the source and amount of funding. To keep a close eye on the total cost of complex, many-faceted programs, PAS has devised its own program-based budget spreadsheet showing all of the costs, such as honoraria, staff travel, interpretation, and printing, which are associated with each program. This spreadsheet has proven invaluable in helping the section to cope with the large and sudden changes in Washington funding levels, such as the notification in the midst of the OIG visit that the Bureau of European and Eurasian Affairs (EUR), responding to an overall Department reduction, was cutting the PAS budget by \$100,000 out of an overall budget of \$4.045 million, of which \$600,000 was for discretionary programming.

There are public affairs sections at the consulates in Milan and Naples, each consisting of a PAO and four or five LE staff members, plus a part-time educational adviser who works for the Fulbright Commission. In addition, there is one public diplomacy LE staff person in Florence. The consulate PAOs report to their consuls general, with the PAO in Rome serving as the reviewing officer. This results in a balancing act between the need for the consulate PAOs to serve their own consulate's priorities and the duty of the country PAO to direct an Italy-wide public diplomacy strategy. For the most part the mission succeeds in striking this balance, but increased communication would improve countrywide coordination. The OIG team made several informal recommendations to enhance relationships among public affairs sections.

Grants officers in Rome sign the grants for all public diplomacy programs countrywide. An OIG review of a sampling of 25 FY 2009 and FY 2010 grants showed the grant records were in good shape, with clear evidence of project completion and results in each file. For projects taking place in the other consular districts, consulate staff were appointed as grant officer representatives. However, several consulate staff members, who generally have not had grants training, expressed uncertainty about what information Rome needs from them for a grant and what their responsibilities are for grants carried out in the consular district. They also wanted more information about grants in general. Rome staff have already begun to draft a simplified grants guideline document in response, and there is grants training available online.

**Recommendation 7:** Embassy Rome, in coordination with the Office of the Procurement Executive, should provide grants training to locally employed staff at the consulates and establish a standard operating procedure setting out what the Rome grants officer needs and expects from the consulates. (Action: Embassy Rome, in consultation with A)

## Information Section

Mission Italy has an active press office that fields numerous press inquiries, arranges public appearances by its active Ambassador, and produces several daily products, including a media report for Washington, an early report for the Brussels media hub, and lists of key articles and editorials in the Italian press for mission staff. The information officer previously had an assistant, but the Department cut that position in 2007. Although the information officer is able to handle the basic demands of the job, the officer does not have time to cultivate media contacts or travel outside the office. When the officer is on leave, the PAO acts as the information officer. The embassy requested an assistant information officer position in the most recent MSP but did not receive it. At the time of the inspection, PAS was waiting to find out if it would receive a professional associate position for the press section. Such a position would provide the needed back-up for the information officer and enable the officer to spend some time developing contacts and focusing on longer-range priorities.

Despite an active Italian media environment, the embassy does not have guidelines for members of the mission on handling journalist inquiries and making public appearances, ground rules for interviews, and the mission's general approach for dealing with the news media.

**Recommendation 8:** Embassy Rome should develop and implement a press policy that is distributed annually to all mission employees. (Action: Embassy Rome)

Italy is the host nation for five NATO bases with a heavy U.S. presence, which sometimes leads to public relations challenges when controversial issues arise. PAS has made a strong effort to cultivate close and cooperative ties with the PAOs at U.S. bases and military units, including by hosting an annual conference for military PAOs.

**Best Practice: Military PAO conferences**

**Issue:** Military PAOs need to understand the Italian media and public opinion climate, and embassy public affairs staff need to have good communication with their military counterparts because military actions and issues can strongly affect Italian views of the United States.

**Response:** PAS Rome sponsors an annual Military PAO conference that brings public affairs specialists from the various military units, bases and branches of the service together with public diplomacy staff from the embassy and consulates, as well as embassy political and military staff. Conference sessions cover issues such as spreading the U.S. policy message, interacting with local Italian communities, and understanding the Italian news media environment.

**Result:** Military PAOs lauded the conference as a valuable opportunity to exchange information and experiences and establish good working relationships with their fellow public affairs professionals. The conference enabled the military PAOs and the public diplomacy officers from the mission to discuss in concrete detail what approaches work best in the Italian environment. One military officer noted that many of the issues he deals with on the base have a strong political angle that the conference helped him understand better. Several said they would encourage such conferences to be held elsewhere in the world.

PAS's strong and well-managed information resource center (IRC) is part of the information section. In response to changes in technology and audience preferences, the IRC is revamping its approach. With virtually no visitors, it does nearly all of its reference assistance work via telephone or email. The IRC previously had a massive email outreach program, sending hundreds of emails at a time on U.S. policy issues but stopped doing this about three years ago when it determined that the approach was ineffective because recipients did not want to receive the material. Email outreach currently focuses on providing specialized documents and reports to key contacts. To reach a larger audience, PAS is turning to social or new media.

For several years, PAS Rome has been in the forefront of electronic outreach with its active use of Web chats. For its "Face to Face" series it constructed a state-of-the-art studio for live-streaming Web chats and a well-equipped control room for DVCs, video editing, and other electronic programming on topics like entrepreneurship, study in the United States, and U.S. foreign policy.

The advent of social media, with their more informal style and decentralized structure, presents a different challenge. The Ambassador has set the use of social media as an embassy priority. PAS has thrown a lot of resources into new media,

reprogramming vacant positions and rewriting existing staff position descriptions so that three LE staff members now have new media as their primary focus, while other LE staff and officers have it as part of their responsibilities. PAS adopted a new media strategic plan in January, and the information resource officer has instituted an eight-step program to get all PAS staff to personally participate in social media, including creating their own Facebook pages and blogs, so that they are comfortable with it and understand how it works. The section is building up its new media contacts, using programs such as Black History Month as trials.

PAS Rome's IRC started a Facebook page in the summer of 2009, but its following is not large—827 fans as of mid-March—and its content largely mirrors the official Web site. PAS has not promoted it because it is still under development. Local staff have primary responsibility for the page, and officers do not check it frequently. PAS does not have a formal policy or guidelines about when postings have to be cleared, nor does it have procedures for responding to comments. Up until now this has largely been a moot point, since the page gets only seven or eight interactions a week. (A photo of the embassy in the snow received more comments than any previous posting.) If PAS succeeds in creating more original content and interactivity on the page, it will need to designate staff, including American staff, to develop such procedures. Increased interactivity will also require increased participation by embassy staff from other sections with the substantive knowledge to interact with the audience.

PAS Rome also has a Twitter site aimed primarily at providing news alerts to journalists; it has 235 fans. Other new media presences include YouTube, LinkedIn, and Vimeo (a video sharing site). The American Citizen Services (ACS) office of the embassy consular section has its own Facebook page aimed at American students in Italy with 235 fans. The consulate in Milan is planning to hire a staff person to focus on new media, and the consulate in Naples has dabbled with YouTube and other new media while considering what approach to take.

Linkages among the various Internet and new media sites are not consistent. The embassy Facebook page and the ACS Facebook page are not linked. The embassy page links to its Twitter and YouTube sites, but the ACS Facebook page does not. It is unclear how consulate new media efforts will relate to embassy efforts.

**Recommendation 9:** Embassy Rome should coordinate social media efforts through the public affairs section to foster creativity, strategic planning, whole-mission participation, consistency with policy, and cross-linkages among the sites, and it should develop and implement policies and procedures for monitoring the sites, posting items, responding to comments, and measuring success. (Action: Embassy Rome)

## Cultural Section

PAS's experienced cultural section ably carries out the full range of exchange, speaker, and cultural programs. In keeping with the MSP, Muslim and youth outreach are a special focus. PAS has provided training and exchange opportunities to young Muslim bloggers to enable moderate voices to reach a wider audience. For high school students, PAS started a series of workshops this year in conjunction with and funded by Boeing on learning how to live in a diverse world. For college students, PAS negotiated with 12 universities across Italy to sponsor a for-credit lecture series, a noteworthy initiative.

### **Best Practice: Lecture series in cooperation with universities**

**Issue:** Young people in Italy do not know the United States very well, in contrast to their parents and grandparents.

**Response:** PAS Rome sponsors a series of lectures on the United States in collaboration with 12 Italian universities for which students receive academic credit. This year's topic is "Understanding America: Society, Culture and Values," while the 2008-2009 series focused on "The United States and the Challenges of the 21st Century." PAS draws the guest lecturers from a variety of sources—U.S. speakers, local American and Italian academicians, visiting experts and embassy officers. About 150 students from the six Rome universities attend the lectures in person, while a similar number from six universities around the country participate online via video streaming and Web chat. PAS also places the series on its Facebook page.

**Result:** The academic credit that the students receive provides an incentive for active participation. The students are responsive and engaged in the lectures, posing a stream of lively questions. The series has grown each year, from two universities the first year to six the second year to the current 12.

In the past, Italy sent large numbers of its IVLP participants on individual programs. In FY 2009, 13 participants traveled as individuals, six traveled in an Italy-only group, and seven participated in European regional or multiregional projects. For program and logistical reasons, the Bureau of Education and Cultural Affairs is encouraging posts to send more international visitors in groups, and the public affairs section itself has also begun to emphasize putting more persons into groups to enhance their experience and build connections between colleagues in the same field. For the FY 2010 program, five will travel as individuals, six will travel together in small groups, and 13 will participate in European regional or multiregional projects. However, Embassy Rome has not significantly adjusted its nomination and selection process, which is a countrywide process in which nominees are considered

individually. A disadvantage of this procedure is that if grantees are chosen as individuals, it is more difficult to put them into groups later. This year as the nomination deadline approached, consulate and embassy staff members were calling each other to ask about likely nominees and trying to figure out if any could be formed into groups—an inefficient approach. Another disadvantage of the nomination and selection process has been an emphasis on nominating English-speakers who can participate in the regional or multiregional projects. This is unfortunate because the IVLP is one of the few exchange programs that can accommodate non-English speakers, while persons who are fluent in English are more likely to have other opportunities to visit the United States.

This year, the embassy moved toward a two-step process in which key embassy and consulate officers met well in advance of the IVLP nomination deadline to establish specific IVLP group projects on high-priority topics for which officers throughout Italy could seek nominees to provide a stronger framework for group nominations. However, the themes were essentially the same as the MSP themes and thus too broad to provide effective guidance to nominating officers.

**Recommendation 10:** Embassy Rome should implement a procedure to establish specific topics for International Visitor Leadership Program group projects well in advance of the nomination deadline to sharpen the focus on high-priority themes and to assemble a more effective grouping of grantees. (Action: Embassy Rome)

A last minute controversy in the United States about an IVLP nominee from Italy caused the embassy to withdraw a program invitation shortly before the individual was scheduled to travel. The embassy has recognized the need to improve due diligence, and the OIG team made an informal recommendation emphasizing this point.

PAS has had notable success in fostering the creation of an alumni association, Amerigo, composed primarily of IVLP alumni; current membership is 155, and the group maintains a Web site and sponsors activities. A continuing challenge will be developing activities that appeal to a membership base that has a wide range of occupations and interests. PAS has had less success in encouraging alumni participation in the State Alumni Web site. Only one percent of Italian alumni participate in the site, compared to the Western European average of two percent. PAS staff say they have been promoting the Web site and are unsure why participation is low; they theorize it

may be due in part to a lower involvement in the Internet by older-generation Italians or incomplete alumni records. The OIG team made an informal recommendation to periodically remind alumni of the Web site.

The Fulbright Program in Italy is prestigious and long-standing. It was founded in 1948. Its approximately \$2 million budget comes roughly equally from the U.S. and Italian governments, and the U.S. embassy works closely with the Fulbright Commission on the program's goals and direction. The commission previously experienced some administrative problems, but the director, who was hired three years ago, has put the program on a stronger footing. The embassy and consulates could benefit from receiving more information from the commission about the activities of Fulbright lecturers and scholars and alumni of the programs, and the OIG team made an informal recommendation addressing that issue. Participation by the Fulbright director in key PAS gatherings could also help to improve communication between PAS and the commission. The OIG team made informal recommendations to this effect.

The number of Italian students choosing to study in the United States rose 21 percent last year, a success story due at least in part to the efforts of the three educational advisers who work for the Fulbright Commission at the consulates in Milan and Naples and at the commission in Rome. The adviser in Milan frequently teams up with consular section staff to make presentations, a good practice that the OIG team informally recommended be extended to the other two sites.

Three years ago the embassy created the externally funded Business Exchange and Student Training (BEST) program, an innovative effort to foster entrepreneurship in Italy through a six-month program of study at Santa Clara University and internships at Silicon Valley technology-based start-up companies for selected young Italian scholars and researchers. The embassy asked the Fulbright Commission to administer it as a pilot project and obtained authorization from the Under Secretary for Management in May 2007 to solicit funds for BEST and other Fulbright programs from a list of private American and Italian companies, associations, organizations, Italian local governments, and individual Italians. The Ambassador took the lead in fundraising, and so far, donors have provided about \$1.2 million for the program. Fulbright BEST sent five persons to the United States in its inaugural year of 2007 and 15 in subsequent years.

To provide continuing guidance to the program, the then-Ambassador appointed a steering committee in 2008 that included major donors and three representatives of the embassy—the Ambassador, the cultural affairs officer, and a local staff member who worked closely on the program. The current Ambassador has continued his predecessor's high-level support for BEST. The program is not directly funded by

the U.S. government, but the embassy supports and actively promotes the program through press conferences, ambassadorial statements, outreach visits to universities, and an extensive contribution of staff time for program implementation.

Because Embassy Rome is so closely identified with BEST and will continue to be, properly vetting donors is crucial to guard against conflicts of interest and potential embarrassment to the U.S. government. It is not clear how thoroughly the initial list of 260 potential donors was vetted, especially considering that the embassy removed one donor from the list the following year due to foreign policy concerns. In any event, the original list of potential donors has not been vetted again to ensure that no new issues have arisen in the intervening period. A thorough vetting would include all sections of the embassy that might have knowledge of a donor (including but not limited to political, economic, public affairs, management, Foreign Commercial Service, and the law enforcement agencies). Key issues would include conflicts of interest, business ties with the embassy, requests for embassy advocacy on behalf of the potential donor, and risk of embarrassment to the embassy arising from improper activities or policy concerns.

**Recommendation 11:** Embassy Rome should thoroughly vet current donors to the Business Exchange and Student Training program and establish a regular schedule for future vetting of donors. (Action: Embassy Rome)

The BEST program can no longer continue as a pilot program in its current form under Fulbright auspices. The embassy and ECA have agreed to limit the pilot stage to four years. Becoming a “normal” Fulbright program would require fundamental change in the approach and operation of the program to give it a more academic, less entrepreneurial focus. The steering committee is considering a proposal for BEST to become a separate entity under the committee, which recently obtained status as a nongovernmental organization. At the time of the OIG inspection, the future direction of the program was still up in the air, and the steering committee expected to make a decision soon. Whatever the outcome, persons connected to the program agree that BEST will survive only with the active support of the U.S. embassy and particularly the Ambassador. However, the change in the status of BEST from a Fulbright program to an independent organization may raise legal issues regarding the roles of mission personnel on the steering committee and the participation of mission personnel in fund-raising activities. The 2007 memo from the Under Secretary for Management authorizes only fund-raising for the Fulbright program.

**Recommendation 12:** Embassy Rome should work with the Business Exchange and Student Training program steering committee to establish a solid, sustainable basis for the program and should seek guidance from the Office of the Legal Adviser on the proposed collaboration between the steering committee and the embassy with respect to establishing clear guidelines for the activities of mission staff and use of mission funds in support of the program. (Action: Embassy Rome, in coordination with L)

## Milan

The public affairs section at the consulate in Milan strongly focuses on the priority goals established by the consul general, which leaves less time for countrywide public diplomacy issues. The PAO is serving in his first public diplomacy assignment, but he benefits from the assistance of an experienced and knowledgeable LE staff. PAS Milan previously had an assistant PAO, but the Department cut that position four years ago. At the time of the inspection, the section was understrengthened and was advertising for a social media specialist in a newly revamped position. However, even with the addition of the new person, it will still be a small section covering a large and populous geographic area. Hence there is sometimes tension between local priorities and countrywide public diplomacy initiatives.

The consul general actively participates in public diplomacy activities throughout the district, and PAS Milan works well with other sections and agencies to plan for consular district travel and programs. For example, to improve public opinion about the U.S. military presence at two bases in northern Italy, PAS is putting more public diplomacy programs, covering a wide variety of themes, into the communities with bases. The consul general maintains an active schedule, but the PAS staff is too small to be present at all events at which there might be press present. The OIG team made an informal recommendation about teaching other staff how to handle the press. Entry-level officers could benefit from more opportunities to do public speaking as part of their professional development, and the OIG team made an informal recommendation to this effect.

The Milan consular district is home to the only American Corner in Italy, which opened in Trieste in 2007 when the consular agency closed. PAS Milan signed a memorandum of understanding with a local nongovernmental organization, the Italo-American Association of Friuli Venezia Giulia, to run the American Corner. The IRC in Rome handles the technical aspects, including providing books and equipment, while PAS Milan provides programming support. The distance between

Milan and Trieste in the far east of the country precludes frequent visits, and program support would benefit from a wider range of resources and a more systematic approach. The OIG team made an informal recommendation on this issue.

## Naples

The public affairs section in Naples is well run and highly professional, with an experienced PAO and an enthusiastic LE staff. There is strong public diplomacy involvement by the consul general and regular inclusion of public diplomacy in consulate activities.

PAS focuses strongly on youth outreach; for example, PAS sponsored a visit by a hip hop group. The group not only played music, but also discussed what they had done to change their personal circumstances. PAS also linked Italian and U.S. military high schools, and sponsored an English language summer camp for local youth.

PAS Naples has begun to explore new media. For the summer camp, PAS created a Web site where the participants could share their experiences and write articles. With embassy assistance, PAS produced a YouTube video about studying in the United States. The consul general started a LinkedIn site for young entrepreneurs. However, the consulate has no Facebook page, and unlike Rome and Milan, PAS Naples does not have an LE position devoted to new media. The section has begun to cultivate contacts in this field, but to do more it will need assistance from Rome.

The Naples consular district has three NATO and U.S. military bases, and the consulate PAO maintains frequent communication and coordination with the military PAOs, offering advice and support in dealing with the Italian press and public opinion.

## Support for the Public Affairs Sections at the U.S. Embassy to the Holy See and the U.S. Mission to the UN Agencies in Rome

The public diplomacy presence in Rome is split among three independent missions. While a senior Foreign Service officer leads PAS at the Embassy Rome bilateral mission, far less experienced officers in FS-04 and FS-03 positions handle public affairs at the U.S. Embassy to the Holy See and the U.S. mission to the UN Agencies (USUN) in Rome. At the time of the inspection, the PAO position at the Embassy to the Holy See was occupied by an officer on his first public diplomacy tour whose public diplomacy training only consisted of the two-week PAO course. The USUN-Rome PAO position was held by an officer who had a previous public diplomacy

tour, though the grade of the position makes it highly likely that it will be occupied in the future by an officer new to public diplomacy. The Embassy Rome PAO (as well as other officers) has been generous with his time in responding to questions from the other PAOs, but officers new to public diplomacy in the other two missions would benefit from a more structured mentoring relationship in which a regular period were established to discuss tradecraft.

To foster cooperation among the three missions, the PAOs at the Embassy to the Holy See and USUN Rome formerly attended the PAS Rome staff meetings on a regular basis. Recently, they attended the PAS Rome meetings much less frequently because PAS Rome changed the time of the meeting to earlier in the day, making it less convenient. The OIG team made an informal recommendation to change the meeting time.

PAS Rome provides a number of services to the public affairs sections of the other two missions, including assistance with budgeting, grants, Web site, IVLP logistics, and audio-visual needs. As posts become more active in social media, the two smaller missions will find it difficult to participate without assistance from the larger mission, but the extent of PAS Rome's responsibilities towards the other two missions in these new areas is unclear.

**Recommendation 13:** Embassy Rome, in coordination with the Embassy to the Holy See and the U.S. Mission to the UN Agencies in Rome, should offer regular mentoring sessions on public diplomacy techniques for the public affairs officers at the Embassy to the Holy See and the U.S Mission to the UN Agencies in Rome when those officers have limited public diplomacy experience, and should provide written clarification of which public diplomacy services it can provide to those missions. (Action: Embassy Rome, in coordination with Embassy to the Holy See and USUN Rome)

## CONSULAR AFFAIRS

Italy's consular operations generally function extremely well, and have a positive customer service orientation. Italy is a stable, developed country with the full range of local services available to visitors as well as residents. American citizens are widely dispersed throughout the country. With 34,000 recipients of federal benefits, Italy has the fifth largest number of overseas retired American citizens. Moreover, Italy has nearly 38,000 registrants to the Internet-based registration system (IBRS), one of the highest number of participants of any country worldwide. Upwards of 30,000

American students are involved in study programs annually. American citizens in need of assistance can easily reach a consular officer. Italy processed 36,715 nonimmigrant visa (NIV) applications in FY 2009. Wait times across the country are kept under four days for most of the year and under ten days, even in high volume seasons. The information network is excellent, including a call center with which there have been problems, and dedicated email systems.

With fourteen full-and part-time consular officers spread thinly among the embassy and three constituent posts, plus three consular agencies, overseeing and coordinating the operation is not easy. The country coordinator is located at the Embassy in Rome. His responsibilities include establishing consistent, mission-wide consular policies and procedures that conform to Department regulations and ensuring that each consular section has sufficient resources.

## Country Coordination—Consular Management

The country coordinator provides collaborative leadership among the consular sections in Italy. He holds weekly telephone conferences with the section chiefs in the consulates and a recent DVC involving all consular personnel across Italy, including the consular agents, was an excellent team-building exercise. He identifies Italian LE staff to serve as leads on various projects, such as interaction with the information call center, the transition to the online NIV application process (DS-160), and the transition to the new tiered visa fee schedule. Country coordination could be further expanded to cover other subject areas, such as fraud prevention (see below.)

The majority of ELOs in Italy often serve in the consular sections. They are receiving very good individual mentoring by their direct supervisors. However, their work in the consular sections frequently leaves them feeling isolated from the work of the rest of Mission Italy. The OIG team made informal recommendations about ELO attendance at country team meetings and possible ELO exchanges between sections.

## Country Coordination—Fraud Prevention

Italy is a low-fraud environment. However, 40 percent of visa applications in Italy come from third countries, including countries whose citizens require security advisory opinions from Washington. Organized crime is a major concern at various levels of society. Each consular section in Italy has a coordinator for fraud prevention. Each fraud prevention manager is dedicating appropriate effort to fraud

prevention. However, there is no coordination or organized information sharing among the various individuals or offices, resulting in duplication of effort as different offices pursue similar fraud prevention efforts. Information developed in one office is not routinely shared with another office where it could have applicability.

**Recommendation 14:** Embassy Rome should identify an officer as country coordinator for fraud prevention, to include regular telephone conferences, email distribution lists, and other mechanisms to enhance information sharing throughout the mission. (Action: Embassy Rome)

## Country Coordination—Visas

Although Italians qualify for visa waiver, these applicants frequently desire to travel for longer than the 90-day limit, require special visas, or do not qualify for the Electronic System for Travel Authorization program. In addition to Italian visa applicants, there are a wide range of third country nationals in Italy as students, businessmen, tourists, or residents.

A regional call center provides caller-pay information and visa appointments. Mission staff and the public criticize the call center for poor service, drawn out phone calls that run up charges, and inaccurate information. Located in Germany, the regional call center is run under an umbrella contract by the Bureau of Consular Affairs (CA). Until recently, the point of contact in the call center has not been very responsive to complaints. Call center performance has had a negative impact on the reputation of the U.S. representation in Italy. Mission Italy's experience with the service provider should be on record as a factor in future CA contracts.

**Recommendation 15:** Embassy Rome should submit to the Bureau of Consular Affairs a formal consolidated report of its interaction with the service provider of the regional call center over the past several years with input from all consular sections in Italy. (Action: Embassy Rome)

Panel physicians, who conduct visa-related examinations, are located only in Naples. Most of their focus is on immigrant visas, which are only processed in Naples. Other consular clients requiring examination by panel physicians (e.g., NIV applicants with drunken driving convictions) must travel to Naples. The volume of these examinations is quite low (one or two a week countrywide) and the distances and travel costs are relatively low.

## Visas Viper

The OIG team examined the Visas Viper reports for the last year. The embassy and the consulates held all required meetings and the consular section submitted all required reports on time. The embassy submitted a consolidated report for Italy each month. During the past year, there were regular reports of monthly meetings. Most did not contain any names of potential terrorists.

is no evidence that any other offices in the embassy contributed names to the Visas Viper process in the past 12 months. The consular section did not make any classified Visas Viper submissions during the period in question.

## Country Coordination—American Citizen Services

As a top tourist and student travel destination, ACS units throughout Italy face every possible problem and crisis on a massive scale. In FY 2009, they had nearly 14,000 special consular service actions ranging from notary requests to property claims and medical evacuations. The ACS units rise to the needs of Americans in distress in a superb fashion. All cases are handled with professional attention and sensitivity.

### **Best Practice: Outreach to American Students**

**Issue:** About 20,000 American students participate in full-scale academic programs in Italy (up 50 percent in the past ten years) and another 10,000 are in shorter-term programs ranging from language to cooking. As the number of students grows, so do the number of ACS cases involving robbery or sexual assault.

**Response:** Consular sections throughout Italy, particularly in Rome and Florence, have been proactive in working with sponsors of American student programs in their districts. They participate in student orientation programs (sometimes addressing audiences of up to 400 students), warning them of potential dangers ranging from muggings to date rape, encouraging them to register in the Internet based registration system, and promoting the Department as a career choice. The mission also established a Facebook page specifically dedicated to American students in Italy.

**Result:** This orientation effort has (anecdotally, according to program organizers) had a material impact in reducing the number of student victims.

## Emergency Preparation

Embassy Rome and each consulate maintain warden systems to disseminate information in case of emergency. The depth of coverage varies widely among the districts and no test message has been distributed in over a year. Italy is a seismically active country, with volcanoes and a recent history of significant earthquakes. Embassy Rome has extensive Web page information but Internet use is not universal. Failing to periodically test the warden system leads to gaps in warden coverage as wardens depart without notifying the covering consular section.

**Recommendation 16:** Embassy Rome should update all warden systems throughout Italy, extend coverage throughout the consular districts, and send test messages to the wardens at least twice a year. (Action: Embassy Rome)

## Rome

Rome's consular section is generously staffed with two and a half ELOs, two mid-level supervisors, and the section chief, who is also the country coordinator. However, as Rome regularly provides support for consular operations in constituent posts, the staffing levels are appropriate to the workload.

*American Citizen Services.* Twelve U.S. citizens are in prison in the district, mostly for drug activity. High profile arrest and children's cases take up a large percentage of section attention. As previously noted (Best Practice), the unit has a noteworthy program of outreach to American students. Staff time devoted to services for American citizens continues to grow.

*Federal Benefits.* The regional federal benefits officer supervises the federal benefits units in Rome and Naples. The Rome unit provides service to tens of thousands of beneficiaries in Italy and supports U.S. embassies in nearby countries.

*Nonimmigrant Visas.* The unit processes the full range of NIVs, including diplomatic and official visas for the Italian government and The Holy See as well as the diplomatic community in Rome. In FY 2009 Rome processed roughly 9,500 visa applications. Rome and Milan are the E visa processing locations in Italy.

The ACS unit chief, who also serves as deputy section chief, is the rater for the NIV unit chief and the reviewer for other NIV staff. Both unit chiefs are at the same grade. The consular section chief is the supervisor-in-fact of the NIV unit chief. The section chief regularly visits the NIV unit and the NIV chief takes any visa issues

directly to the consular chief. In a section the size of Rome, there is no need for an organizational layer between the NIV and consular section chiefs.

**Recommendation 17:** Embassy Rome should revise the line of supervision for the consular section in Rome so that the chiefs of the American citizen services unit and the nonimmigrant visa unit each report directly to the consul general. (Action: Embassy Rome)

## Milan

An FO-01 chief expertly leads the consular section in Milan. He supervises two and a half officers and six LE staff in Milan, as well as two consular agencies in Genoa and Venice (see below). Staff in Milan are experienced professionals. As noted in the previous inspection of Milan and many times since, the physical layout of the consular section is very poor. To go from the ACS unit to the NIV unit, staff must pass through the consular chief's office. Office space is cramped and noisy. A space planning team made recommendations to alleviate some of the conditions, but the solutions await funding.

A previous system for rotating LE staff through various units and jobs ceased some time ago. Employees now remain in dedicated positions. However, position descriptions have not been updated and often do not match actual duties; raters are often not the actual supervisors.

**Recommendation 18:** Embassy Rome should review and update the position descriptions and rating schemes for all locally employed staff in the consular section at Consulate General Milan. (Action: Embassy Rome)

*American Citizen Services.* At present there are five U.S. citizens in prison in the district. Two U.S. military bases in the district add significantly to passport and citizenship work. There is a good program of training and support for the passport acceptance agents on the bases. ACS unit staff work closely with the consular agents in Genoa and Venice.

*Nonimmigrant Visas.* The unit processes the full range of NIVs on an appointment basis. In FY 2009, Milan processed nearly 14,000 visa applications. Milan is one of the two E visa processing locations for Italy.

## Florence

The small consular section in Florence (two officers, six LE staff) provides the full range of ACS and NIV services. The section in Florence appears correctly staffed for the workload. In addition to his consular duties, the FS-02 consular chief is also responsible for a wide range of management and security functions. Some minor irregularities, including line-of-site issues and cashier location, will be corrected or improved in the coming months as a byproduct of an upcoming security upgrade.

*American Citizen Services.* The provision of service to Americans remains the primary function of the consulate general. As one of the world's top tourist destinations, the office copes with a heavy load of after-hours emergency calls for assistance. At present the two consular officers are hard pressed to rotate the afterhours duty on alternating weeks. The consul general does not serve as duty officer. The OIG team made an informal recommendation that all U.S. direct-hires serve turns as duty officer.

The OIG team noted that there is no lockable location for the personal effects of deceased Americans. The team made an informal recommendation to identify a suitable location.

At present there are four U.S. citizens in prison in the Florence district. Most ACS services are handled on an appointment basis. As noted above (Best Practice), Florence has an outreach program connecting with American students.

*Nonimmigrant Visas.* The Florence NIV unit processes the full range of nonimmigrant visas on an appointment basis, except for treaty trader/investor (E) visas. The unit processed 9,395 visa applications in FY 2009.

## Naples

Consulate General Naples has a small, busy consular operation responsible for the southern half of Italy, including Sicily. The extremely competent chief is an FO-02 officer who heads the ACS unit and assists with NIVs as needed. The section chief supervises one ELO, who is in charge of the visa unit. He also supervises the consular agency in Palermo (see below).

*American Citizen Services.* At present there are four U.S. citizens in prison in the district. Two U.S. naval bases in the district add significantly to passport and citizenship work. There is a good program of training and support for the passport acceptance agents on the bases. ACS unit staff work very closely with the consular agent in Palermo.



**Recommendation 19:** Embassy Rome, in coordination with the Bureau of Consular Affairs, should establish credit card acceptance capability in the consular agencies in Genoa, Palermo, and Venice. (Action: Embassy Rome, in coordination with CA)

### Genoa

A former LE staff member runs the consular agency in Genoa from a commercial bank building. The CA decision to require a U.S. citizen to administer oaths to first-time passport applicants requires the consular section in Milan to schedule regular circuit rides to Genoa.

The agency suffered from some years of relative neglect by the supervising consulate in Milan, but this has been reversed in the past 18 months. Milan's support for the agency and the physical and security arrangements have significantly improved. The agency still lacks visible signage and there is no visible U.S. seal or flag to indicate the agency's location from the street. The OIG team made an informal recommendation regarding signage.

### Palermo

The consular agency in Palermo operates from the former consulate general in Palermo and has done so continuously since the consulate general closed in 1992. The agency in Palermo is one of the busiest in the world. There are 17,000 registered Americans resident in Sicily. The United States maintains a major naval base on the island. In addition to a consular agent, there is a half-time LE staff member.

Of the three agencies in Italy, the agency in Palermo has the best interaction and support from its supervising consulate, Naples. The consular agent views the agency as a unit of the Naples consular section and it is, indeed, treated that way in a virtually seamless fashion.

### Venice

The agency in Venice was established following the closure of the consular agency in Trieste. As a major tourist destination, Venice is an appropriate location. The agent was hired in 2004 and brought on with minimal training or support. She responded impressively, establishing the new office and carrying out her duties in a thoroughly professional way. In the past 18 months, Consulate General Milan significantly improved training and support for the agency.

The Italian government provides office space at a remote part of the Venice airport. It is difficult to locate the agency and there is no signage in the main airport terminal or at the location of the agency. There is no visible U.S. seal or flag to indicate the agency's location from the street. The OIG team made an informal recommendation regarding signage.

The agent still lacks training on various administrative procedures relating to vouchers and cash replenishment. The OIG team made an informal recommendation to provide additional training and support to the agent in these areas.



## RESOURCE MANAGEMENT

### OVERVIEW

Mission Italy's greatest resource issue is funding for the maintenance of its aging and historic infrastructure. International Cooperative Administrative Support Services (ICASS) staffing also needs to keep pace with the growing number of U.S. direct-hires. The 2003 acquisition of a large building, now part of the chancery compound and renamed the Mel Sembler building, has provided needed office space and other space options, to include relocation of the Marine security guard quarters and the warehouse. The mission also supports the U.S. Embassy to the Holy See and USUN Rome. Both missions have an officer who serves as management liaison to Embassy Rome.

Overall, administrative services, under the strong leadership of American officers, their local supervisory counterparts, and the LE staff are effective, efficient, and well managed. Embassy Rome's management section supports the three U.S. missions in Rome. Embassy Rome's overall 2010 ICASS customer satisfaction score of 3.87, while trending downward and below the average score for European posts, reflects general community appreciation for the quality of services provided as do the scores on the OIG Workplace and Quality of Life Questionnaire (WQLQ). Considering the level of dependence on local commercial providers for some services and difficult local conditions, these scores are acceptable. The new ICASS customer service center may help to improve satisfaction. Embassy Rome employs 291 U.S. direct-hires and 503 LE staff and eligible family members (EFM).

~~**SENSITIVE BUT UNCLASSIFIED**~~

Agency	US Direct Hire Staff	EFM Staff	LE Staff	Total Staff	Funding FY-2010
State Program	123	13	79	215	\$12,472,340
ICASS	11	20	165	196	27,438,900
Diplomatic Security	10	1	41	52	2,104,993
Bureau of Overseas Buildings Ops.	2	1	3	6	46,476,161
Public Diplomacy	7	0	29	36	4,045,300
Consular MRV	-	2	11	13	884,250
Representation	-	-	-	-	147,700
U.S. Embassy to Holy See	7	2	10	19	3,390,300
U.S. Mission to UN Agencies	6	-	3	9	828,257
<b>Subtotal State Department</b>	<b>166</b>	<b>39</b>	<b>341</b>	<b>546</b>	<b>97,788,201</b>
Department of Agriculture	4	2	2	8	1,613,481
Department of Commerce	3	-	16	19	2,098,625
Department of Justice	21	2	1	24	3,291,246
Centers for Disease Control	1	-	-	1	
Office of Defense Cooperation	11	1	8	20	853,400
Department of the Navy	2	-	-	2	122,415
Marines	16	-	2	18	142,590
Department of the Army	4	-	-	4	175,047
Department Health & Human Service	1	-	20	21	2,017,614
Department of the Air Force	2	-	-	2	451,730

Table continued on next.

Table continued

Agency	US Direct Hire Staff	EFM Staff	LE Staff	Total Staff	Funding FY-2010
Department of Homeland Security	37	10	14	61	6,215,934
American Battle Monuments Com.	5	-	38	43	9,050,000
U.S. Agency for Int'l Development	1	4	-	5	878,600
Defense Attaché	17	-	5	22	1,847,662
<b>Subtotal Other Agencies</b>	<b>125</b>	<b>19</b>	<b>106</b>	<b>250</b>	<b>28,758,344</b>
<b>Total</b>	<b>291</b>	<b>58</b>	<b>447</b>	<b>796</b>	<b>\$126,546,545</b>

Source: Embassy Rome

Embassy Rome continues to partner with the Department on management initiatives, embrace constructive change, and contribute innovative system approaches. However, Embassy Rome has taken issue with the lack of LE staff empowerment and the deployment of personnel systems that exclude LE staff access to key American officer personnel data. It has a program for addressing the needs of returnees from Iraq, Pakistan, Afghanistan, and other war-torn nations. Key mission management processes, including ICASS, NSDD-38, mission strategic planning, and management controls are all working well. Personnel processes involving U.S. direct-hires, while performed in accordance with Department procedures, are no longer conducted efficiently due to access restrictions. The 2005 rightsizing review was completed.

Morale among U.S. direct-hires is generally good, but there is a definite settling process required for adjustment to Italian housing, traffic, and utility and Internet services. The community sponsorship program is less than satisfactory to some newcomers. In Rome, there are several adequate schools to give parents choices and the health unit provides good primary and preventive care. (b) (2)(b) (2) (b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2) There is also belief that the Watson and Wyatts comparator survey data is flawed. (b) (2)(b) (2) (b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2) (b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2) Management has

recently taken positive steps to improve the LE staff workplace with the introduction of orientation for newly hired LE staff and the establishment of LE staff EEO representatives at Embassy Rome and each of the consulates general. Further, the consulates general now have one American officer on the mission awards committee.

## MANAGEMENT OPERATIONS

Management operations are conducted well by the highly regarded management counselor and effective management officer. Both are valued performers and work well together and with the other members of their team. Communications within management operations are open and clear. Processes such as awards and hiring are open and transparent. There are weekly management meetings attended by the American heads of sections; a representative of the regional security office also attends. The management counselor and management officer meet weekly with the DCM and enjoy a positive working relationship.

Management's challenges, as identified in the FY 2011 MSP, are to leverage innovation for organizational excellence, secure funding for infrastructure improvement, and establish additional ICASS positions to support current and additional program positions; the USUN alone may request five additional positions. The inspection team acknowledges Embassy Rome's contributions to innovation and its deep concerns regarding the need to address current and long-term infrastructure requirements. The Bureau of Overseas Buildings Operations' (OBO) proposed FY 2010 maintenance budget for Mission Italy is \$912,416, which represents a fifty percent cut. Embassy Rome's chancery and chief of mission residence are listed on local historic registers as well as the Secretary of State's Register of Culturally Significant Property, making any improvements more expensive. Other real estate holdings have similar restrictions. However, OBO's contributions to Embassy Rome and its consulates general continue to be generous. OBO itself faces budgetary shortfalls with consequences for its worldwide assets.

Embassy Rome's management section lost one of its three assistant general services officer positions, the assistant human resources officer (HRO) position and the OMS position, but it got back the assistant HRO position in 2009. Embassy Rome continues to argue for the return of the assistant GSO position. In the interim, it has established a professional associate position in general services operations. The OMS position was replaced with a cleared U.S. direct-hire. Embassy Rome continues to seek additional LE staff positions to support the growth of serviced entities. Going forward, Embassy Rome will emphasize LE staff training, to include supervisory

training, which most supervisors lacked.

Embassy Rome gives high marks to the EUR executive office and to Consulate General Frankfurt, which provides medical, psychiatric, and communication/systems support. Embassy Rome provides management support in varying levels to its consulates general. All receive financial, human resources, facilities, and communication/systems support. Embassy Rome does not envision moving any of its management functions to remote processing centers. With the chief exceptions of information management systems and motor pools, there is little duplication of services at Embassy Rome. The headquarters of many agencies handle budgets and human resources remotely. While the ICASS warehouse operation houses expendable and nonexpendable property for all agencies, the inspection team noted the potential saving that could be realized from forming an appliance and cabinet pool.

Embassy Rome fully embraces technology. In addition to rolling out Department systems, it has developed eRecruitment, which drastically reduces the amount of time it takes to review job applications. It has also developed VVIP visitor support, which tracks transportation requests, hotel bookings, and billings.

## The Elephant Bar

The management office oversees the cafeteria, known as the Elephant Bar. Employees told the OIG team that the current cafeteria operation is a vast improvement over the former operation. Many Americans and LE staff have their lunches there. Prices are viewed as reasonable and the quality of food, fair. Valid complaints have been leveled at the cool temperatures of prepared foods. The health unit inspected the facility in December 2009 and reported that cooked vegetables were allowed to cool at room temperature because appropriate hot plates or steam tables were not present. It also noted that the refrigeration units lacked accurate thermometers and there were no portable thermometers to monitor food temperatures. The licensee would also like a larger oven and a movable heating tray. Mission management supports making improvements to cafeteria operations. The OIG team made an informal recommendation to address the needs of the cafeteria. The problem of mosquitoes in the cafeteria restrooms will be solved when the wall at the rear of the cafeteria is repaired.

## HUMAN RESOURCES

The human resources office is among the most highly regarded management sections, as evidenced by scores received on multiple questionnaires. It effectively and efficiently provides services. As noted above, the assistant HRO position was reestablished in 2009. While the office is small for the size of the three U.S. missions, its LE staff is talented. The head of the American personnel section and the head of the LE staff section are both experts in their fields. The latter is a member of the LE staff Executive Corps.

The human resources office will remain a busy place with a staggering number of initiatives and emerging issues, to include the introduction of new Department systems, like ePerformance, and practices with vast implications, such as merit-based compensation. The office has fully embraced ePerformance and is preparing for its implementation this year. Embassy Rome is a pilot post for testing an online version of the LE staff local compensation plan questionnaire.

The inspection team was favorably impressed with the steps management had already taken to address issues. For example, orientations will now be held for newly hired LE staff, LE staff supervisors will receive leadership training, and the consul-ates general are now represented on the awards committee. Additionally, the human resources office is addressing its once faltering language program. The office passed on to the Office of Overseas Employment documentation prepared by Consulate General Milan that argued that LE staff there did not benefit from the meal allowance as much as the LE staff in Rome and Naples because it does not have a subsidized cafeteria. Position descriptions of several LE staff in the regional security office are not current. The office of human resources is aware of this situation and has provided assistance, but little progress has been made. This has had a negative impact on the individuals involved. Accordingly, the HRO should officially request that the RSO prepare new position descriptions or amendments to position descriptions as required, and provide assistance as necessary. Further, the HRO should be told of all position descriptions identified during the annual review that need revisions. This information should be shared with the management officer and management counselor. The OIG team made informal recommendations addressing these requirements.

Several areas of concern were identified during the inspection. Currently, there are approximately 10 delinquent LE staff performance evaluations, (b) (2) (b) (2)(b) (2) despite the procedures in place to give supervisors ample advance notice and reminders prior to the due dates. The HRO is now informed only after the performance evaluation is one month overdue. The DCM is informed later in the

process. The OIG team made an informal recommendation that addresses the need for the mission to stress the importance of timely performance evaluations. While the inspection team did not uncover any problems with the hiring process, several U.S. direct-hires and LE staff viewed the process as unfair, particularly the initial screening process. Consequently, the OIG team made an informal recommendation addressing the need for the employment committee to have some front end involvement in the hiring process. This can take the form of spot checks of the applications that did not make the “most qualified” list. E-Recruitment produces the “Applications Details” report, which provides notes as to why an applicant failed to make the cut.

## Local Employee Staff Access to American Personnel Information

The LE staff in the human resources office, which is responsible for managing American personnel actions, no longer have access to vital personnel information. The lack of access has placed a heavier burden on the American officers and others with security clearances, and has further complicated an already demanding system, added a higher risk of error, and increased the time to complete actions. In practice, the LE staff now ask their supervisors for information not accessible to them or do workarounds and piece together information. Senior management and American and LE staff in the office see this as a step backwards both in personnel processing and in the quest for LE staff empowerment. The speculation is that the deployment of new information management systems, which have vast quantities of sensitive information, is the genesis for the change. This is a very sensitive issue for the Bureau of Information Management (IRM), the Bureau of Diplomatic Security, and the Bureau of Human Resources (HR), which have no doubt extensively dealt with this issue. As this issue has now gained critical mass and unintended consequences have surfaced, it is time to revisit the intent of the mandated safeguards. Designated LE staff may be authorized access to American personnel systems like other LE staff who are given procurement warrants and voucher certification authority.

**Recommendation 20:** Embassy Rome, in coordination with the Bureau of Information Resource Management, the Bureau of Diplomatic Security, and the Bureau of Human Resources, should determine if designated locally employed staff should have access to new information management systems containing American personnel information. (Action: Embassy Rome, in coordination with IRM, DS, and DGHR)

## E-Recruitment - A Best Practice

The human resources office in concert with the information management office developed e-Recruitment. Implemented in 2008, the system is virtually paperless and very similar to USAJOBS. It allows all candidates to apply to vacancy announcements via an electronic application form. E-Recruitment has reduced the time needed to screen applications as the system automatically blocks out applicants from continuing the application process if basic requirements are not met. Screening is done online, as is compiling the list of most qualified candidates, which is transmitted to the hiring office. The system generates email notifications of application receipt, reducing the number of inquiries. It also produces several reports and statistical data. The Bureau of Human Resources' Office of Overseas Employment has shown interest in the system.

### **Best Practice: e-Recruitment**

**Issue:** Traditional recruitment procedures at overseas missions are paper intensive and time consuming.

**Response:** The human resources office, in concert with the information management office, developed e-recruitment. Implemented in 2008, the system is virtually paperless. It allows all candidates to apply for vacancy announcements via an electronic application form.

**Result:** As a result of e-Recruitment, vacancy announcements are widely circulated; candidates receive an email acknowledgement; paper usage is significantly reduced; and applications are electronically prescreened by the system and then by the staff in the human resources office before being sent to the hiring offices. Paper copies of applications no longer need to be stored. The system saves all applications. The Bureau of Human Resources' Office of Overseas Employment has shown interest in the system.

## Merit-Based Compensation

Embassy Rome volunteered to participate in merit-based compensation beginning in February 2011. Much more needs to be done before it can be launched. The human resources office is currently educating mission staff about it. According to the human resources office, there appears to be a high degree of buy-in from the ICASS council although the council has not officially endorsed it.

Merit-based compensation is an employee evaluation system designed to more effectively link performance and pay. It would replace the current system of within grade increases. Embassy London has successfully used this kind of compensation methodology for the last 15 years.

**Recommendation 21:** Embassy Rome should, in coordination with the Bureau of European and Eurasian Affairs, the Bureau of Human Resources, and the Office of the Legal Adviser, determine if Italian labor laws will allow merit-based compensation to replace the within-grade-increase system. (Action: Embassy Rome, in coordination with EUR, DGHR, and L)

## Tax Consequences for Being a Locally Employed American Citizen

As noted above, a growing number of LE staff are American citizens. During the inspection, the team met with groups of these employees at Embassy Rome and Consulate General Florence. Their biggest concern was that of double taxation. They assert that they cannot claim the foreign income exclusion on their federal tax returns and are subject to Italian taxes. For its part, Embassy Rome's LE staff handbook addresses the issue of taxation for locally employed American citizens without being prescriptive. Considering the impact of double taxation on locally employed American citizens, it is clear that all vacancy announcements and other recruitment/hiring processes need to highlight the current tax burden.

**Recommendation 22:** Embassy Rome should inform American citizen applicants for local employment and selected American citizen candidates for positions of the potential tax consequences of employment. (Action: Embassy Rome)

## Labor Market Position

Embassy Rome's current labor market position is the 75th percentile. In the past ten years this percentile, which influences salaries, has gone from a high of 82 to a low of 71, where it remained until last year when Embassy Rome challenged it based on the proclivity of Italian workers to remain in jobs for their entire careers. EUR is considering the percentile. The last basic salary increase came in March 2003. Since then there have been a number of major changes to the local compensation plan.

The last of these, in 2009, was increasing the spring bonus from 5.0 percent to 6.1 percent of basic salary.

## Equal Employment Opportunity and Civil Rights Matters

Embassy Rome's EEO and Civil Rights programs are operational. The current EEO counselor has received both the initial and refresher training. She served as EEO counselor in her previous mission. The alternate counselor, who works at Consulate General Milan, will receive the initial training in Frankfurt in the coming months.

Soon, the mission will have six EEO LE staff liaisons, three at the embassy and one at each consulate. The mission provided sexual harassment training to all American and LE staff on the rolls at the time of the training. In March 2010, training will be given to all newly hired LE staff. The LE staff handbook will be revised to include a sexual harassment policy and the new LE staff orientation program will include a section on sexual harassment.

## Consulate General Florence Staff Issues

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**Recommendation 23:**

al/economic specialist at Consulate General Florence, position N12016, is a key employee. He is the longest serving, with 33 years of service, and the most senior of the LE staff. There is no plan to back fill his vacancy when he retires or to ensure that his many contacts, upon which the consulate is heavily reliant, are not lost. The consulate has three American officers and especially relies on this employee for smooth transitions between consuls general and the facilitation of contacts for representation, information gathering, scheduled and mandated reporting, and for the amicable maintenance of U.S. relations with the Republic of San Marino.

It is a good human resources practice to plan for the imminent departure of a key worker. Such planning may even include a temporary-over-complement employee for the purposes of training and transferring important contacts. The Federal Workplace Flexibilities Act of 2004 encourages such planning.<sup>4</sup> Without a succession plan, the loss of a key worker, especially should it come as a new principal officer arrives, would be an avoidable human capital crisis that could result in a serious drag on the efficiency and effectiveness of the consulate. The OIG team learned that a similar situation exists in Embassy Rome and at other consulates.

**Recommendation 24:** Embassy Rome should identify any key locally employed staff at the embassy and consulates who are veteran personnel nearing retirement, develop and implement succession plans, and set a date or establish a trigger for the implementation of each plan. (Action: Embassy Rome)

<sup>4</sup> Pub. L. 108-411

## GENERAL SERVICES OPERATIONS

The general services office (GSO) supports the three missions in Rome, as well as operations at the three consulates and the three consular agencies. GSO services a total population of 796 American and LE customers from over 20 U.S. government agencies. The section is directed by an experienced and competent FS-01 supervisory officer, who is serving his second assignment at Embassy Rome. He reports directly to the management officer, and supervises two assistants and a professional associate. The American officers are ably assisted by a cadre of 39 well-trained and competent LE staff, who provide both continuity and experience.

Despite the conscientious efforts of GSO staff, respondents to the WQLQ survey gave overall management of GSO operations an average score of 3.86 out of 5.0—somewhat below the average ratings for other ICASS service categories. However, some of the individual GSO subunits were rated slightly higher, as discussed in the following sections. The ICASS customer survey scores for 2010 reflected a similar pattern, with most of the GSO operations scoring respectably well, but still slightly below the EUR and worldwide averages. Although the latter scores are not alarmingly low, they have edged downward in recent years, a trend that mission management would like to reverse.

### Housing

Embassy management recognizes the importance of housing to the morale of individuals and to the overall community, and it requires the collective efforts of many personnel to maintain a quality housing program. The management counselor is the single real property manager for housing programs throughout Italy; the GSO housing officer has responsibility for day-to-day housing operations in Rome. The officer supervises four experienced LE staff who work with facilities maintenance, financial management, and other GSO subunits, and interact with landlords and occupants.

With over 200 staff and families to accommodate, the housing pool is vast and varied. According to the OBO housing profile for Rome, the U.S. government owns 41 housing units, including the chief of mission residence, the DCM residence, and 39 other apartments in four buildings. The Marine security guard quarters are located on the government-owned chancery compound. Leased residences constitute the majority of the housing pool, with a total of 184 units scattered throughout the met-

ropolitan area in four distinct districts: the Centro Storico and Roma Centro districts, which offer smaller apartments for singles or couples who prefer to live downtown near the embassy; or the Upper and Lower Cassia districts in the northern suburbs, where many mission families reside because of the proximity to schools.

Acquiring housing to meet the needs of all staff members is no easy task because housing in Rome is a series of trade-offs, involving apartment size, layout, commuting time, traffic, street noise, parking, access to schools and shopping, and myriad other factors. The GSO not only does an excellent job of maintaining the housing pool, but also in managing the expectations of incoming staff. Incoming staff receive information well in advance concerning all aspects of the housing program, and are given a realistic description of the living environment in the various areas of town. They are offered the opportunity to express preferences or special needs before assignments are made, but cautioned that the assigned unit may not satisfy every specification. After the incoming staff member is assigned housing, the GSO emails information regarding the assigned unit, including photographs and a floor plan.

These efforts to promote two-way communication about housing seem to have been effective. Although a few staff members at Embassy Rome commented negatively about their housing, the WQLQ results for suitability of housing were favorable—an average 3.9 on a scale of five. The scores for equity and administration of the housing program were slightly lower at 3.81, but still not indicative of widespread discontent. The FY 2010 ICASS customer survey results for leasing were also in the same range—3.74 on a five-point scale—and only slightly lower than the worldwide and EUR averages. The GSO also reported that there are relatively few petitions from occupants who wish to relocate to other quarters.

## Interagency Housing Board

The interagency housing board (IAHB) assigns housing for all incoming personnel, in consideration of special needs or expressed preferences, contingent upon the timing of arrivals and vacancies. According to the housing handbook, the housing board consists of nine voting members, representing the various agencies and the diversity of the American employee community. There are also four ex officio non-voting members -- the minister-counselor for management, the GSO housing officer, the community liaison office (CLO) coordinator, and the RSO responsible for residential security. At a meeting attended by a member of the OIG team, however, there were no representatives from either the CLO or regional security office and neither the management counselor nor management officer attended. In view of

the importance of housing to customer satisfaction and morale, it is appropriate that the management counselor attend IAHB meetings to ensure fairness, objectivity, and adherence to U.S. government policies. The OIG team made informal recommendations to address these issues.

The inspector also noted that the information that the GSO prepared and distributed to the IAHB members before the meeting did not include lease costs for the various units to which assignments were to be made. Without such information, the IAHB is not able to properly carry out its responsibilities under 15 FAM 212.2-2(C) to monitor lease costs and ensure the cost-effectiveness of post housing. The OIG team made an informal recommendation to address this issue.

## Motor Pool Operations

The ICASS motor pool for Embassy Rome is a much smaller unit than that for most embassies of this size. The most recent vehicle inventory report for the bilateral mission and USUN-Rome was submitted in February 2010, and lists a total of 48 vehicles, valued at \$1.36 million. However, most of these vehicles are dedicated to specific users or purposes, with only eight passenger vehicles available for official use by personnel whose agencies subscribe to ICASS motor pool support. Furthermore, only three drivers are assigned to ICASS support.

With these scarce resources, the motor pool operates under very restrictive conditions. The hours of operation are limited to regular business hours, unless approved in advance by the supervisory general services officer. Requests for transportation must be made at least two days in advance, and there are established priorities in case of conflicting requests. However, there is flexibility in the system. Trips must be planned to avoid driver overtime, and drivers do not wait more than 30 minutes to provide return transportation.

In the absence of a large motor pool, those requiring transportation have several options. For routine transportation, individuals may request that the GSO issue a voucher to be redeemed with the taxi company under contract with the mission. Self-drive of official vehicles is another option available for official transportation, but only during regular business hours. As the motor pool is too small to support most congressional delegations and other high-level travelers, such visitors must provide fund cites to cover the costs of rental vehicles and drivers.

Despite the limited size and support provided to mission staff, the motor pool receives high marks from mission employees. The respondents to the WQLQ survey for this inspection rated the responsiveness of the ICASS motor pool an average of

4.03, with a 4.04 average score for maintenance and upkeep of motor pool vehicles. The 2010 ICASS customer satisfaction survey reflected a similarly favorable result, with scores for Embassy Rome at 3.99 on a five-point scale, although this result was well below both the EUR and worldwide averages.

## Travel and Visitors Unit

Under the supervision of the senior assistant general services officer and a highly competent senior LE staff member, this subunit of GSO carries out a broad array of functions for the three U.S. missions in Rome and the constituent posts. Specifically, they handle customs clearance and transportation for incoming and outgoing shipments of official material and vehicles, as well as for the personal effects of staff members. There are no particular problems or delays involving shipping or customs, and customers are relatively pleased with the service. Respondents to the WQLQ survey gave an average score of 3.96 in this category, and the 2010 ICASS survey results were similarly positive with an aggregate score of 3.91—somewhat below the EUR and worldwide average scores, but still in the favorable range.

The office also handles such travel responsibilities as supervising the Carlson-Wagonlit travel unit located in the Sembler building and making hotel and other logistical reservations for official delegations and official travelers. Customers were particularly pleased with the quality of travel services, rating this highest of all GSO subfunctions with average scores of 4.23 on the WQLQ survey, and 4.08 on the 2010 ICASS customer survey.

The shipping and visitors unit works with the Ministry of Foreign Affairs and other host country government agencies to obtain exemptions from a range of local and national taxes, including the 20-percent VAT. The government of Italy recently interpreted eligibility for exemption from VAT more restrictively. For example, it denied exemption from the tax for expenditures associated with a Foreign Commercial Service promotional event, claiming that this was not a diplomatic activity because commercial companies were the beneficiaries of the promotion. The embassy has engaged the Ministry of Foreign Affairs on this subject, but the final outcome is not yet certain.

## Property Management and Warehousing

Property management and warehousing are under the supervision of a capable and experienced general services officer, who took over this portfolio during the inspection. She is supported by a cadre of competent and well-trained senior LE supervisors and staff, both in the chancery and at the warehouse. As described

below, there are some unique circumstances involving property management, and the staff will also face a major challenge over the next two years with the downsizing and relocation of the warehouse.

Most U.S. diplomatic missions provide furnished, leased housing, while a relatively few provide living quarters allowances for staff members to rent their housing, outfitted with their own furnishings. Embassy Rome has a hybrid arrangement—a few staff reside in fully furnished government-owned housing, but the rest live in short-term leased housing that includes only appliances and cabinets. These employees must provide their own furniture, but the embassy provides welcome kits and a stock of temporary furniture until their own shipments arrive.

The property management reports for FY 2008 and FY 2009 indicated that Embassy Rome maintains effective inventory controls over both expendable and non-expendable property, with shortages and overages for both categories property well below the one-percent threshold that requires further justification. The inventory value of expendable property was \$162,003, while the value of the non-expendable property inventory was estimated at \$32.484 million.

This unusually high value includes not just regular furniture and appliances, but also a unique trove of representational furniture and heritage assets: paintings and sculptures dating back to the Renaissance and even to Roman times. The GSO has custodial responsibility for an extensive inventory of valuable furnishings and artwork that must not only be accounted for, but also properly maintained, repaired, and restored. This is the specific responsibility of the fine arts curator, an LE staff member who is expert in both archeology and restoration of artwork.

Neither the WQLQ nor the ICASS customer survey includes an assessment of overall supply and property management operations, but there are questions relating to specific categories of supplies. On the WQLQ survey, the average score for the adequacy of expendable supplies was 4.07 out of 5, a positive indicator. On the other hand, the FY 2010 ICASS customer survey score for administrative supply was 3.8, slightly below the EUR and worldwide averages and lower than the average scores that Rome received during the preceding five years.

Expendable supplies and unused inventories of non-expendable items are stored in a commercial warehouse facility in an industrial park on the east side of Rome, about a 45-minute drive from the chancery. The costs to lease and operate this warehouse amount to approximately \$550,000 per year, and it contains over 3,000 square feet of storage space. The OIG inspection confirmed that the warehouse meets the safety, security, and operational standards set forth in 14 FAM 413.7, and in fact it is operated and maintained in an exceptional manner. However, the facility has some

deficiencies that should be corrected, including roof leaks and a malfunctioning alarm system. The OIG team made an informal recommendation to address these issues.

The long-term plan for the chancery compound includes a project to convert part of the Sembler building into a warehouse, thus saving substantial lease costs. Previous projections that this project would be completed during FY-2010 or FY 2011 will not be realized, so OBO has given permission for the embassy to renew the lease on the current facility for two more years. Although the final design for the new storage area has not yet been completed, it will include substantially less storage space than the current warehouse, perhaps only 30-40 percent as much.

Management faces a real challenge in attempting to reduce the current warehouse inventory before moving into the downsized space in the Sembler building. Embassy Rome is taking several measures to do so, including local just-in-time purchase and delivery of appliances. The OIG inspection of the warehouse revealed some other measures that could be instituted to reduce the inventory. A large storage area contained boxes of records from the general services, human resources, and financial management offices, most dating from the mid-1990s, but some dating as far back as 1984. The OIG team made an informal recommendation to address this issue.

The embassy also maintains a sizable stock of used furniture that can be loaned to incoming personnel before the arrival of their household effects. This furniture must be moved into and out of the residences, which represents a significant expense in labor and transportation costs for the GSO. As noted elsewhere in this report, Consulate General Naples has disposed of its stock of loaner furniture, and has instead contracted with a commercial company to rent furniture for incoming staff, with delivery and removal included.

**Recommendation 25:** Embassy Rome, in coordination with the Bureau of European and Eurasian Affairs, should perform a cost benefit analysis to determine whether a furniture rental program for incoming employees is a better option than purchasing and warehousing stocks of furniture. If so, the embassy should then take the steps necessary to implement a furniture rental program. (Action: Embassy Rome, in coordination with EUR)

While these measures will eliminate some of the requirements for warehouse storage, the primary reason for the large size of the non-expendable inventory is the fact that many agencies maintain separate inventories of appliances and furnishings. Even though employees ship their own household effects to furnish their living

quarters, the agencies must provide appliances, lighting fixtures, and cabinets because apartments typically are not equipped with such items. As part of the make-ready process, ICASS workers are tasked with installing such appliances and furnishings when a unit is first leased. However, they must also remove and reinstall these items when occupancy of a residential unit changes from one agency to another.

This practice represents an unnecessary and costly waste of labor. Most of these exchanges occur during the summer transfer season, when warehouse staff must also be involved in residential make-readies. Further complicating the exchange of non-expendable property is the fact that most buildings where the embassy leases apartments do not have service elevators, and the passenger elevators are either too small or otherwise not available for moving furniture or appliances. GSO warehouse staff must often carry such bulky and heavy items up several flights of stairs, thus risking damage to the property and injury to the workers.

The obvious solution to this inefficient and wasteful practice is to have all agencies at post participate in an appliance and furnishings pool. With all agencies participating in the pool, there would be no need to exchange assets when residential occupancy changes. The pool would also reduce the inventory that must be stored, simplify record keeping, minimize the possibility of loss or damage to items during frequent movements, and reduce the workload and labor cost of warehouse personnel. The result would be a net savings to the agencies and to the U.S. government. Embassy Rome management is working with the ICASS council to implement an appliance and furnishings pool, but some agencies may not be supportive of this concept for various reasons. However, the chief of mission has the authority to override their objections per 09 State 49647.

**Recommendation 26:** Embassy Rome should reduce duplication and inefficiency in non-expendable supply and property management by establishing a pool for appliances and furnishings such as cabinets and light fixtures, to include all agencies under the International Cooperative Administrative Support Services agreement. (Action: Embassy Rome)

Neither the WQLQ nor the ICASS customer survey includes an assessment of overall supply and property management operations, but there are questions relating to specific categories of supplies. On the WQLQ survey, respondents ranked Embassy Rome relatively high for the adequacy of expendable supplies, but somewhat lower for the suitability of household furnishings. The FY 2010 ICASS customer survey also rated administrative supply and non-expendable property management in the favorable range, just slightly below the EUR and worldwide averages.

## Acquisitions

The GSO acquisitions unit provides contracting and procurement support to the three U.S. embassies in Rome, as well as performing all procurement for Florence, managing contracts for Naples, and assisting Milan as required. The unit manages a large number of service contracts, including typical ones such as packing/shipping, gardening, janitorial, travel, restaurant services, and renovations. There are also some atypical contracts, such as for residential make-readies and taxi services.

The unit is under the direct supervision of the senior assistant general services officer, who has a contracting warrant for \$250,000. She supervises a staff of five LE staff, including the senior LE staff employee who has over 30 years experience and has completed formal procurement training. The customers of the acquisitions unit have given favorable marks in both the WQLQ survey and the 2010 ICASS customer survey, in both cases just under 4.0 on a five-point scale. The major problem facing the acquisitions unit at this time involves the new Integrated Logistics Management System (ILMS), which contains some program idiosyncrasies that are impeding procurement and other general services operations.

## FACILITIES MANAGEMENT

The facilities management section at Embassy Rome oversees maintenance of all U.S. embassies and consulates in Italy. The chancery compound alone includes six major buildings, containing over 38,000 square feet of office and utility space. None of these buildings are modern, and some are quite old, a fact which greatly complicates maintenance.

The section is under the direction of an experienced FS-02 senior facilities manager, serving in an FS-01 position, who arrived in October 2009. He reports directly to the management officer, and supervises one other American facilities manager and a staff of 36 LE technicians and laborers. The senior facilities manager works closely with GSO and other elements of the management section, and provides oversight and guidance to maintenance personnel working in the consulates. He must also interact directly with the OBO project manager and contractors who have been working on major renovation projects, including the chancery public access control gates, the Sembler building renovations, and the renovation of the new offices of the U.S. Mission to the UN Agencies in Rome.

The facilities managers expressed some concern that resources are insufficient. OBO recently instituted a new methodology (the facilities condition index) to determine the funding for each post, and Embassy Rome received about half as much routine maintenance funding for FY 2010 (\$930K) as it received in FY 2008 (\$1.8M) and FY 2009 (\$2M). Embassy Rome plans to request reconsideration of the funding allocation, citing the additional time and expense required to maintain old and architecturally significant buildings.

The facilities maintenance staff is also stretched to maintain the 25 U.S. government-owned residences and 200 short-term leased housing units. Although landlords are responsible for routine maintenance of properties, embassy employees must either oversee or perform the work to ensure that it is completed properly and promptly. The maintenance staff is also engaged in planning, inspection, and finish work on residential make-readies.

Despite the demands and difficult conditions under which the facilities management staff operates, customers are relatively satisfied with the overall quality of facility maintenance, as indicated by the average score of 4.03 on the WQLQ survey prepared for this inspection. Average scores for maintenance of the chancery were 4.27, while residential maintenance scored somewhat lower at 3.80. The 2010 ICASS customer satisfaction scores were favorable for both residential and nonresidential building maintenance, averaging at or slightly below the worldwide and EUR averages.

*Safety, Health and Environmental Management Program.* Under the direction of the DCM and management counselor, the facilities management section is responsible for ensuring the safety, health, and environmental quality of the offices and residential units. To their credit, the new facilities managers have reinvigorated the safety, health and environmental management (SHEM) program. The deputy facilities manager has been designated as the post occupational safety and health officer, and brings enthusiasm and a wealth of experience from his military career to the position. Thus far, he has issued or reissued a series of policies on the SHEM program, motor vehicle safety, integrated pest management, and guidance in the event of a fire or earthquake. This renewed emphasis on safety issues has been well received by the mission population; respondents gave high scores for management's attention to fire and safety measures on the WQLQ survey.

OBO was also instrumental in reviving the SHEM program, sending officials from its SHEM and fire prevention programs to the embassy and consulates within the past six months and producing a report recommending remedial action. The embassy SHEM committee subsequently met to discuss and implement the recommendations.

*Preserving the architectural integrity of the chancery compound.* Much of the embassy compound is of great historic and architectural significance. In view of its value and of the host nation's interest in protecting its heritage, the embassy employs an LE staff member as a fine arts curator. In addition to her responsibility for the valuable art objects, she has also been tasked with setting guidelines for the conservation of the historical buildings. However, it does not appear that she is always informed about pending renovation projects with potential impact on the architectural or historic integrity of the buildings. During the course of a GSO meeting, she expressed dismay in learning that OBO was moving forward with a project to replace the windows in the Sembler building, an early 20th century structure of some architectural significance. There are other instances where facility upgrade projects have resulted in damage to building interiors, which could have been averted through closer coordination with the curator.

**Recommendation 27:** Embassy Rome, in coordination with the Bureau of Overseas Buildings Operations, should implement procedures to include the embassy's fine arts curator in all discussions about projects affecting any structures located on the chancery compound. (Action: Embassy Rome, in coordination with OBO)

## FINANCIAL MANAGEMENT FINANCIAL OPERATIONS

The financial management office provides excellent support to the three U.S. embassies in Rome, its constituent posts, and 38 serviced entities. The unit handles the accounts, formulates the budgets, and certifies payments for all posts. From 2005-2009, the unit received high ICASS scores in all financial categories, exceeding worldwide and EUR averages. In 2010, with the implementation of newly mandated E2 travel services and the ILMS, its ICASS scores were lower. Customers complain that the E2 service software is not user friendly. Despite customer complaints, travel vouchers using the E2 travel program are paid within three to five days. ILMS requires non-serviced agencies to input fiscal data, which is seen as burdensome. It is also problematic for the financial unit to input fiscal data strips.

The financial management officer and 23 LE staff are well trained and knowledgeable. There are 19 LE staff with over 20 years experience and six LE staff with more than 30 years experience. The staff is committed to following Department regulations, and internal standard operating procedures. The unit has maintained its International Organization for Standardization (ISO 9001) for three years with high

scores. Performance reports show that the financial unit not only meets its performance standards but often exceeds them. The LE staff deputy financial management officer is a member of EUR's Executive Corps and has certifying authority up to \$100,000. The unit has outsourced some of its travel voucher processing to the Charleston and Bangkok Financial Service Centers' post support units. This arrangement is working adequately.

## Banking

In April 2009, the Charleston Financial Services Center reviewed the cash advance level at each post and deemed each post's cash advance level appropriate. Management officers at each constituent post conduct unannounced cash counts and reconciliations. At Embassy Rome, the financial management officer or deputy financial manager performs this function. Cash is largely used to conduct mission operations. A commercial bank provides accommodation exchange to American staff in Rome, Naples, and Milan. The cashier in Florence provides accommodation to the U.S. direct-hires. As part of the ISO-9001 certification, the financial manager reviews all cashier operations annually.

## International Cooperative Administrative Support Services

ICASS functions well at the Rome missions. Each of the eight parent agencies has a designated representative on the ICASS council. Relations among the agencies are collaborative, professional, and productive. ICASS meetings are held regularly and detailed minutes are taken. The ICASS council has adopted the Department's uniform performance standards. Annual ICASS surveys indicate that users are consistently satisfied with most administrative support services.

In addition to ICASS council meetings, the mission also holds ICASS budget committee meetings. At the budget level, agencies with multiple entities are allowed to voice their concern about budget and staffing increases. Mission-wide resource issues are usually resolved in these committee meetings before advancing to the ICASS council.

## INFORMATION MANAGEMENT

Embassy Rome's information management (IM) section is an effective organization with many highly skilled and innovative employees. Many of the IM solutions developed in Italy are emulated at other posts. Some of these projects include the RomeNet system that provides information to the embassy community via television screens around the compound, a short messaging service that allows the embassy to broadcast alerts to all mission cell phones, and voice over Internet protocol telephone initiatives that have drastically cut costs. However, wiring in the consular section at Consulate General Milan needs attention, and communication between the dispersed parts of the section can be improved.

Embassy Rome's information management officer (IMO) oversees the information programs center and information systems center, and provides support and oversight of IM operations throughout the U.S. mission to Italy. Embassy Rome provides unclassified OpenNet access to approximately 700 users with 18 servers and 520 workstations. The classified network consists of about 100 users with 6 servers and a mix of thick and thin-client workstations. The IM section provides radio, telephone, cell phone, and BlackBerry services, as well as classified and unclassified pouch and local mail. The IMO also oversees the diplomatic post office.

### Information Programs Center

The information programs center effectively handles the workload as demonstrated by higher than average WQLQ scores in this area. There is still some adjustment taking place in response to the different management style of the new information programs officer (IPO) who seems to have put an effective organization and project-oriented structure in place. Classified systems support is effective. Mail and pouch services rate highly, as do telephone services, which benefit from having a resident regional information management center telephone technician. The mission's radio program was recently overhauled to bring it up to Department standards. Information systems security officer duties are performed diligently.

### Information Systems Center

Embassy Rome's information systems center (ISC) runs smoothly with highly qualified LE staff who capably handle daily operations. The helpdesk and network operations branches respond to troubleshooting issues and maintain well-ordered

network and systems configurations. The ISC has been an early adopter of eServices and the Collaborative Management Initiative, and despite growing pains that those systems might be having elsewhere, Embassy Rome appears to be making the most of them. In the first iteration, over 80 percent of trouble tickets answered by the ISC have met the standard set in the uniform service standards, with an average user rating of 4.75. ICASS scores for computer services dropped slightly in 2010, but are still solid. The score for responsiveness of unclassified systems support was among the top scores of the OIG team's workplace and quality of life survey.

ISC's support to staff working in controlled access areas is insufficient. A part-time EFM currently performs the bulk of this duty. The IMO is working on reprogramming a position to add another cleared American for this task. If identifying a qualified applicant proves difficult, the IMO may need to deploy existing personnel differently to assist customers in controlled access areas.

The ISC also has a branch that works on Web and other development activities within the framework of the Department's approved technologies. This team works with customers throughout the embassy to find innovative technology solutions that will make officers more efficient in their daily activities. Many of their products have subsequently been adopted by other missions. Recent examples include a system that manages the Ambassador's travel itineraries, a program that tracks visitor expenses, and a system that provides an updated emergency notification tree with optimized call routing. They have simply made better use of existing technologies and information than other missions. For example, a change they made to the cell phone billing procedure saved about five months of staff hours of data entry. There were similar savings realized from their system that automates Foreign Service national earnings and leave statements. Their efforts to eliminate paper processes have resulted in entire positions freed to do other work. Meanwhile, making greater use of Diplopedia to maintain contact biographies has made their contact database (which is also accessible by BlackBerry) more useful to the diplomats who need that information.

## Information Management Communication

The ISCs and information programs centers at the embassy and consulates are made up of some dynamic and very capable individuals. However, given the large size of the IM section and its dispersion throughout the embassy compound and the consulates, overall communication among the sections could be improved. This can be done through a variety of means such as monthly digital video conferences and personnel exchanges. Greater information sharing will help to leverage the advances made through innovation across the mission. The OIG team made an informal recommendation addressing this issue.

## Consulate General Milan

An information programs officer ably leads Consulate General Milan's information management section. The consulate gained a second information management specialist position several years ago, and is making strides in standardizing IM operations while coping with an unusual facility. Substantial hurdles remain, however, such as wiring issues in the consular affairs section. Other issues detailed in the security annex are mainly functions of the physical design of the facility. The OIG team made informal recommendations involving information technology (IT) inventory, activity logs for system administrators and information systems security officers, and training for LE staff.

IM operations in Milan are comprehensive, including support for the OpenNet network consisting of 3 servers, 100 workstations, and 130 users; a small classified local area network; telephone and radio service; and pouch and mail services. LE staffing includes two system administrators, a telephone technician, and a mailroom clerk/telephone operator. The telephone technician provides some assistance to the consular agencies in Genoa and Venice. The information management specialist serves as the primary information systems security officer. In general, the OIG team found the IM staff to be proactive in maintaining a sound systems configuration and promptly rectifying any anomalies identified.

**Milan Consular Wiring.** Consulate General Milan's consular section has network wiring that traverses open work spaces and network switches that are stored in uncontrolled spaces, such as behind radiators or on the floor. This is a result of a reconfiguration of consular space with new furniture that was done without IM involvement. It is not done in accordance with cabling standards detailed in 5 FAH-9 H-220; H-230; H-310; H-320; H-330; H-340; H-350; and H-420. The wires now present tripping hazards and the switches are stored without regard to adequate access control or environmental concerns such as overheating. Such storage could result in performance degradation or loss of equipment and network downtime for the workstations.

**Recommendation 28:** Embassy Rome, in coordination with the Bureau of Information Resource Management, should reinstall the cabling infrastructure in Consulate General Milan's consular section, to include conduit and locking switch cabinets. (Action: Embassy Rome, in coordination with IRM)



## SECURITY

The security program at Embassy Rome has the full support and cooperation of the Ambassador, the DCM, and the consuls general. Embassy Rome and its constituent posts face many physical and procedural challenges that will be costly to resolve,



## QUALITY OF LIFE

### HEALTH UNIT

The health unit provides quality primary and preventive care, and is highly regarded by the regional medical officer (RMO) and the mission community. It is well-staffed, well-equipped, and uses resources effectively. Mission management is very supportive. On average it sees 20-25 patients a day. When required, the health unit assists patients in finding competent providers on the local economy. The LE staff are treated for occupational health needs and health screening only. The RMO and RMO-psychiatrist from Consulate General Frankfurt make quarterly visits. The DCM is the family advocacy officer; the family advocacy program functions appropriately.

According to its accepted practice, hospital bills are routinely paid by the embassy's financial management center. Once paid, the health unit seeks reimbursements from insurance companies. The health unit has just added a part-time employee to assist the administrative assistant with collections.

### COMMUNITY LIAISON OFFICE

CLO is managed effectively and is favorably viewed by the mission community. Its operations are robust and successful in achieving all program objectives. Included are over 150 organized activities, trips, and events throughout the year. CLO holds a yearly silent auction, which raises between \$15,000 to \$20,000. These funds are safeguarded and accounted for by the American Employees Commissary Association but CLO gets monthly financial statements. Funds are used for community purposes such as lifeguards at the chief of mission swimming pool. The CLO coordinators have successfully countered misleading information about school safety.

Currently, there are three trained CLO coordinators. All three employees are equally responsible for all CLO duties, have the same job description, and a scheduled 20-hour workweek but often work more hours. They each have top secret clear-

ances and are included in the country team, emergency action committee, housing board, employment committee, and management meetings. A CLO newsletter editor works a 16-hour work week as well. The newsletter, *Veneto Views*, is published weekly.

The community sponsorship program has a few detractors. The CLO coordinators assign community sponsors and provide guidelines, after which, CLO has little control over the process and is very much aware of the failings of some sponsors. The OIG team counseled the CLO coordinators that having the Ambassador ask newcomers about their sponsors could spur better performance.

According to the CLO coordinators, there are not enough EFM employment opportunities at the mission. As of March 2010, there were 51 employed EFMs.

## SCHOOLS

While there are some who believe that improvements are needed in certain academic offerings, there is a relatively high degree of satisfaction among mission staff regarding the quality of the education provided at schools in Rome. The WQLQ survey conducted for this inspection shows relevant scores to be 3.84 on a five-point scale.

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(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6) e 27 U.S. government dependents attending this school, fewer than in prior years.

The regional education officer from the Office of Overseas Schools (A/OPR/OS) visits Italy regularly, most recently in November 2009. Through A/OPR/OS, the Department provides grant funding to both schools. In FY 2009, A/OPR/OS assistance to the (b)(2)(b)(6)(b)(2)(b)(6) totaled \$75,000, designated for the purchase of educational materials, facilitating a school-to-school program, and supporting professional development training for school personnel. The A/OPR/OS had earlier provided security grants to both schools for construction of perimeter fences and lighting.

## AMERICAN EMPLOYEES COMMISSARY ASSOCIATION

The American Employees Commissary Association of Rome has approximately 389 full members and 50 affiliate members. The association has five American and two Italian staff. Its services include operating a gym, a swimming pool, vending machines, dry cleaning, sale of gas coupons, and a commissary.

From 1995-2008, the association was profitable. In late 2008, the association moved from the chancery basement to a new building. The association borrowed \$300,000 from the Office of Commissary and Recreational Affairs (A/OPR/CR) to make the new location attractive and functional. The monthly interest payment of almost \$3000 has caused the association to sustain losses. In 2009, the association sustained a loss of \$32,488.79. The remaining loan balance of \$250,000 will be repaid over the next nine years.

The association's managers and board of directors are aware of the association's financial situation. To make the association profitable, the managers are attempting to reduce expenses, expand revenue generating activities, and increase membership. The assistant manager stated that the weak dollar and decreased consumer spending are also hurting profitability. The drop in gross sales is believed to be temporary.

The board of directors is active in the running of the association. The treasurer conducts regular random cash counts and reconciles credit card bills. The assistant manager conducts regular inventory spot checks and a complete inventory is performed twice annually in August and January. The association has fulfilled all of its reporting requirements to A/OPR/CR. Americans pay U.S. taxes through payroll deduction. The association is insured up to \$2 million. In 2009, an independent auditor concluded that the financial statements gave a true and fair view of the association's financial position and results of operation. The auditor also stated that the association has no major internal control weaknesses. The auditor's report will be issued in April 2010.

## Consulate General Milan

Overall, administrative services under the newly arrived management officer are acceptable and expected to improve under his strong leadership. He is assisted by effective general services and information programs officers. The CLO coordinator and the nurse are highly regarded; both manage robust programs. Milan's overall

ICASS services score was 4.0. The LE staff is lean; most are effective and management has taken appropriate actions for those who are ineffective. Consulate General Milan receives financial, human resources, facilities, and communications/systems support from Embassy Rome. It highly values the assistance.

The motor pool and facilities management were cited as poor performers. Inefficiencies in the current delivery of maintenance and repairs services can easily be remedied through alternative procurement approaches. The current consulate general's short-term leased office building is less than optimal. After the consul general's intervention, the landlord made some required improvements and repairs, but problems remain, as noted below. A second Department-provided generator is needed to power the post communications center. Consulate General Milan's number one resource management priority is keeping the new consulate compound project on track.

*Real Property.* As noted above, the current consulate building is less than optimal. Offices are situated on portions of several floors, which adversely impacts operations. Flooding of the basement caused property damage. Elevators break down regularly and on occasion take months to repair. Some floors have electrical problems, and the air quality in the offices of the Foreign Commercial Service is suspect. The landlord had not included these offices on its air filter replacement cycle. As a property on a short-term lease, the consulate building is not eligible for OBO Repair and Improvement project funds. A project to provide the health unit with hot and cold water has been funded. A project to rationalize the consular section has been proposed but not funded. OBO has not yet indicated whether it will repair or replace the generator in the post communication center.

Language in the current lease, which addresses the return of the property to the landlord, can potentially save the U.S. government thousands of dollars. Consulate general management is aware that the language should be repeated in the new lease. The old lease expires December 31, 2010. As written, the U.S. government will not be required to pay for any alterations made to the building except for security devices and alarms, security doors, and hard line security walls.

*The New Consulate Compound.* Consulate General Milan is currently scheduled for a new consulate compound in FY 2015. Embassy Rome signed two option agreements for the consulate site and an adjacent area to be used for vehicle parking. The former agreement is with the Italian government and the latter with the City of Milan. The options for the 9.01 acres expire September 30, 2010. (b) (2)  
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The combined purchase price for the property, including environmental cleanup, VAT, and closing costs is expected to be approximately \$31 million. Construction costs are estimated at \$255 million. The total cost of the projected is expected to be \$311 million.

Embassy Rome, in coordination with OBO, has vigorously sought VAT relief for the costs of site cleanup and construction. In a June 2009 meeting with the Ministry of Foreign Affairs, Embassy Rome learned that there would be no VAT exemption for the site clean-up but the VAT rate would be reduced to 10 percent. OBO anticipates a \$1.5 million VAT charge. Though the Ministry of Foreign Affairs has said that the construction of the consulate compound would be VAT exempt, it has not provided a written guarantee, despite persistent OBO and Embassy Rome requests. VAT costs are expected to be approximately \$14.7 million. The Office of Foreign Missions wishes to be involved in VAT relief efforts and is ready to assist. Embassy Rome was counseled to keep all parties informed and part of the process as they seek a diplomatic note from the Italian government regarding VAT relief on construction.

*General Services Operations.* General services operations get mixed reviews. With the exception of the motor pool and facilities management, the office provides adequate services. The general services officer has taken corrective actions to address both areas.

*Motor Pool.* The motor pool provides less than satisfactory service. The motor pool consists of two drivers whose primary responsibility is to drive the consul general. The general services assistant recently became their supervisor. They had reported directly to the general services officer. The move was made to add more discipline to the operation. The OIG team encouraged the mission to provide the drivers English language training. Drivers' schedules have been adjusted to keep each of them within the 10-hour limit, which has limited the motor pool's ability to provide services. The motor pool has six vehicles, including the Marine Corps vehicle. The Marines self-drive. Self-driving is encouraged but taxis are used.

*Non-Expendable Supply.* Non-expendable supply received a low ICASS score because of the mandated use of ILMS. The system is new and makes ordering goods and services more difficult than with Web Pass. The LE staff procurement agent will attend a working group in April 2010. The working group was formed to address problems common to posts using ILMS.

*Warehousing and Property Management.* Consulate General Milan lacks adequate storage space for its non-expendable property. An x-ray machine is stored in the motor pool garage. Split unit air conditioning units and washing machines are stored in an electrical utility room. The OIG team counseled Embassy Rome to review whether it should perform the warehousing function for Consulate General Milan.

*Facilities Management.* Consulate General Milan has a maintenance supervisor but lacks skilled craftsmen. It relies on four of its six unskilled commercial cleaning crew to make minor repairs at the consulate building and residences. For repairs beyond their capabilities, the maintenance supervisor contracts for commercial services. He does so through purchase orders, which take time to process and cause delays. There are better ways to obtain repair services.

**Recommendation 29:** Embassy Rome should enter into blanket purchase agreements or indefinite delivery/indefinite quantity contracts for repair and maintenance services. (Action: Embassy Rome)

The Office of Safety, Health and Environmental Management inspected Consulate General Milan in September 2009 and recommended that the SHEM committee develop an implementation plan to address recommendations. It made five high-priority recommendations, among others, that addressed vehicle safety. These noted excess driver hours, the lack of driver medical examinations, and safe driver training. All five recommendations have been addressed. While the two drivers have had safe driver training, others members of the staff that self-drive have not. About 10 will need the training. Consulate General Milan is addressing open fire and life safety recommendations that were made by OBO. In several instances it is awaiting either funding, materials, or assistance. The OIG team counseled the consulate to reinvigorate its SHEM committee and take appropriate correctives actions. The general services officer is the post occupational safety and health officer.

The service of providing non-expendable supplies received a low ICASS score of 3.83. This is due primarily to the introduction of ILMS. The procurement agent will attend the ILMS working group mentioned above.

*Human Resources.* The two-person human resources office is well managed. It is in constant contact with the human resources office at Embassy Rome. The HRO typically visits once a year. Communication between the two offices had been a problem; previously, the office was not told of changes to administrative notices or advised of award nomination calls or the start of the internship program.

The EEO program is well publicized and the LE EEO liaison vacancy has been advertised.

*Community Liaison Office.* The CLO coordinator is well regarded. Although she has not had CLO training, this has not impeded her performance. She works a 20-hour week. She and the health unit nurse work closely for the community. They provide ongoing wellness seminars for the staff. The CLO coordinator participates in all the appropriate committees except the emergency action committee because she only has an interim top secret clearance. The sponsorship program works well. There are volunteers for both community and office sponsorships. Orientations for newcomers are half-day events. The newsletter is published twice a month by an EFM on contract. Currently, the consulate employs six EFMs; two other spouses work in the private sector.

*Health Unit.* The health unit is also well regarded. The nurse is an American citizen hired as an LE staff member. She works a 24-hour week and has been in the position for just over three years. Her mission is that of first contact, which includes administering immunizations, and examining patients. She also seeks advice from the RMO on issues such as prescribing medications. The health and medical information handbook is current. Its one defibrillator was nonoperational due to a dead battery. The RMO visits at least twice a year and stays for two or three days. He assists in evaluating local medical care providers. The RMO-Psychiatrist has also visited. The nurse works well with Embassy Rome's health unit. The management officer is the family advocacy representative.

The health unit consists of one small, carpeted room without running water. Plans call for expansion of the health unit to include hot and cold water and linoleum floors for easier cleaning.

In November 2009, the regional education officer of the Office of Overseas schools visited Her report was largely positive giving praise to the new director who has made substantial program, facility, and financial changes. The school just completed a \$7 million dollar renovation that added 12 new classrooms, a second gym, new administrative space, and other improvements. The enrollment has increased by 100 students. The school is accredited by the Middle States Association and approved to provide Primary Years Program and International Baccalaureate.

The only complaint voiced by some parents was communication about school activities, programs, and sports events in which their children were involved. The CLO coordinator has restored and improved communication.

Sixty-six percent of the faculty is U.S. citizens and six Americans serve on the nine-member school board. The school received a \$25,000 grant for materials and training in FY 2009. It is regarded as safe and secure.

*American Employees Recreation Association of Milan.* The American Employees Recreation Association of Milan is separate and independent of the one in Rome. It is a small operation that sells candy and logo items such as t-shirts, mugs, and hats. It is a micro-association because it grosses less than \$15,000 per year. For the past two years (2008-2009), the association sustained minor losses of \$80 and \$30 respectively. An independent audit is not required, but per 06 STATE 182603, an annual review must be performed by a professional auditor. The most recent annual review reported no major weaknesses. For 2009, the micro-association fulfilled all of its reporting requirements.

## Consulate General Florence

Management operations at Consulate General Florence work well, though ICASS scores are mixed. Management controls over gasoline coupons are lax. The conscientious consular/administrative officer has overall responsibility for management operations at the consulate, spending about 40 percent of his time on management. He is assisted by a very small but dedicated LE staff. Embassy Rome provides financial, human resources, facilities, vehicle inspection and maintenance, communications/systems support, and medical support. The embassy class B cashier visits once a month. Consulate General Florence highly values the assistance. However, medical support from both Embassy Rome's medical unit and the RMO has not been optimal. Consulate General Florence lacks a health unit and it does not have a CLO

coordinator or an American employee recreation association.

Undoubtedly, Consulate General Florence's most important resource issue is the required renovation of its 150-year old facility that remains unfunded while problems worsen.

*Real Property.* Consulate General Florence's offices and residential housing occupy a complete city block. The consul general's residence is in the consular office building; the other two officers' residences are on the upper floors of the annex. Required repairs and upgrades to the façade, roof, chimney, terrace, and electrical and heating systems are urgently needed but appear to be years from commencing. A major rehabilitation project is in OBO's long-range plan. It had previously been scheduled for a FY 2011 start but has been delayed. The survey of existing conditions for this project, completed in March 2009, is already dated. Minor hairline cracks on exterior surfaces have expanded and pieces of the façade have broken away and fallen. As an interim fix, OBO plans to make minor repairs to the roof and façade, and gradually replace electrical circuits and heating components as funding becomes available. A major security upgrade planned for this fiscal year will enhance security at the main entry area and consular section waiting area, and increase the building's electrical capacity. The computer systems room is in the basement, a less than ideal location—another issue that will no doubt surface.

The LE staff are disappointed with the location of the break room in the damp consulate basement. Consulate management is aware of this and will look for an alternative location. While Florentine water is potable, it has a heavy chloride taste due to the high level of chemicals in the water. The LE staff asked if a water filtration system could be added to one of the consulate's faucets; consulate management is pursuing this issue.

*Management Operations.* Consulate management operations have just undergone several staff changes. The former computer assistant took the position created by the departure of the administrative assistant and a new computer assistant was just hired. The receptionist handles time and attendance. The driver handles mail room and handyman duties. Others in the consulate assist management. Until the new administrative assistant is trained and designated as the class B cashier, the consular cashier and designated alternate cashier is performing that duty. Embassy Rome does all the consulate's procurement actions other than those actions that can be done by purchase card or petty cash, as no one there has a contracting warrant. Embassy Rome is currently preparing a contract for maintenance and repair services at the consulate. The regional security office in Milan, who supervises security personnel in Florence, has not kept the position description of the surveillance detection coordi-



The previous management officer retired in December 2009, and his replacement arrived in January 2010. She is an FS-03 officer on her third assignment, relatively inexperienced in management, yet competent and energetic. She recognizes the immediate measures required to improve management operations, including reorganizing her staff, filling key vacancies, revising position descriptions, developing policies and standard operating procedures, and dealing with recent innovations such as e-Services and ILMS. She also must prepare for the turnover of all but two American staff in the upcoming summer transfer cycle.

The management officer understands the need to build solid working relationships with Embassy Rome management staff, and to draw upon their expertise to bring about necessary management improvements in Consulate General Naples. She would greatly benefit from an increased level of attention from the embassy's management counselor, management officer, and other American officers in the management section. Furthermore, senior LE staff from Embassy Rome could provide invaluable training and assistance to Naples staff who are taking on new responsibilities in general services, human resources, and cashiering operations.

**Recommendation 30:** Embassy Rome, in coordination with Consulate General Naples, should arrange for senior members of the locally employed staff from Embassy Rome to provide training and assistance to locally employed staff at Consulate General Naples who are assuming new duties in human resources, cashiering, and general services operations. (Action: Embassy Rome)

With so much to be done, it is important that the management officer be able to concentrate more fully on core management operations. The pending arrival of an RSO for Consulate General Naples will relieve her of post security officer responsibilities, as well as improve the security posture of the consulate. Another personnel action that would enhance the productivity of the management officer—as well as the other American officers in the consular, public affairs, and political/economic sections—is to add an LE administrative assistant position, with responsibility for the routine yet necessary administrative tasks that are now performed by the officers.

**Recommendation 31:** Embassy Rome, in coordination with and the Bureau of European and Eurasian Affairs, should establish and fill a locally employed staff position to perform clerical and administrative support for the American officers at Consulate General Naples. (Action: Embassy Rome, in coordination with EUR)

As a consequence of the normal timing of assignments and individual decisions to retire, there will be a major gap in continuity at Consulate General Naples this summer with the near complete turnover of staff at all levels: the consul general and officers in nearly all sections and the imminent retirement of LE staff in the political/economic section. These gaps and lack of sufficiently trained and experienced staff on hand could jeopardize a number of priority functions.

**Recommendation 32:** Embassy Rome should develop and implement a plan, to include training and use of Rome-based and Washington-based temporary duty personnel as necessary, to cover Consulate General Naples operations during the turnover in personnel among officers and locally employed staff in 2010. (Action: Embassy Rome, in coordination with EUR)

*General Services Office.* There is no American general services officer to manage housing, customs and shipping, contracting and procurement, and motor pool operations. These duties have been handled relatively well by LE staff, but three are either moving into other positions or retiring. Their replacements will require training and close supervision.

*Housing.* The consul general resides in an apartment on the upper floors of the consulate building; the rest of the American staff reside in leased housing in the suburbs near the consulate. The housing pool now consists of ten residences, including one executive-level house, while the rest are apartments in the standard or mid-grade range. The housing units are modest in space and features, and some are in buildings that are aging and poorly maintained. With adequate housing in short supply however, annual lease costs range from \$40,000 to over \$70,000, not inclusive of condominium fees and heat.

The housing assignment process has been operating in a somewhat informal manner, with a small but representative board matching available housing with the grade, family size, special needs, and arrival dates of incoming staff. Given the small size of the consulate staff, this system has functioned relatively well in the past.

With the recent retirement of the LE staff who had managed the housing program, another LE staff from GSO has been assigned this responsibility. He lacks both training and experience in managing a housing program, and is concerned about his ability to meet the demands of the position. He will require close monitoring from the management officer, as well as training from his colleagues at Embassy Rome and from the Foreign Service Institute.

*Procurement and Contracting.* The American management officer is the contracting officer, and has received training in procurement and contracting as part of the Department's general services course. She has contracting officer authority for procurement actions valued up to \$100,000, which covers most contractual services for the consulate. Larger contracts, including that for janitorial services, must be signed by a contracting officer in Rome who has a warrant for up to \$250,000. Embassy Rome GSO staff have also provide advice and assistance with contracting matters, and have furnished a contracting template that the consulate can adapt for its use.

An LE staff member with both experience and training has served as the primary procurement agent in recent years. However, he is slated to take over responsibility for the housing program under the staff reorganization initiative, so the responsibility for procurement will likely be reassigned to another employee.

*Property Management.* The consulate general maintains minimal inventories of both expendable and non-expendable property, with no warehoused stock. The property management report for FY 2008 certified an expendable property inventory of \$16,505, and non-expendable property valued at \$551,512. Inventory shortages in both categories fell within the permissible margin.

Even in a small consulate, property management is an important task that requires ongoing attention, as well as separation of responsibilities for purposes of internal controls. In Naples, the IMO serves as accountable property officer, with the management officer designated as the property management officer. Two LE staff members in GSO handled procurement and supply management duties, although both have recently been given other duties under the ongoing staff reorganization.

As American staff live in unfurnished rental quarters, there is no requirement to maintain large inventories of residential furniture. Until this past year, however, a small stock of used furniture was available for temporary use while staff awaited their household shipments. Management decided to dispose of this inventory, instead contracting with a local company to provide temporary furniture. Initial indications are that this will be an effective alternative.

*Facilities Management.* OBO constructed the six-story consulate general in 1953. The basement and bottom floors contain 3,360 gross square meters of office and utility space. The top floors are the residential quarters and representational areas for the consul general. Because the operation in Naples has been reduced over time, the building has considerable underutilized space. A growing number of maintenance, safety, seismic, security, and functionality issues plague the building. OBO officials have devoted appropriate attention to these problems through site visits during the

past two years, including those from fire and SHEM technicians. OBO has programmed FY 2012 funding to replace the existing fire alarm system, and the replacement of the emergency generator with a larger unit is also considered a priority.

The consulate does not have an American facilities manager, but there is continuity and expertise in the facilities maintenance operation. The LE supervisor has 17 years experience with the consulate, and has received appropriate training in key technical disciplines. He supervises a staff of two technicians, and oversees contractors who provide routine gardening and janitorial services, as well as maintenance of the generator, elevators, and heating, ventilation, and air conditioning systems. He appreciates guidance from the embassy's facilities staff, and funding of appropriate tools and equipment required for his maintenance operation.

*Human Resources.* Consulate General Naples does not have an American HRO, so the duties had been carried out by the consul general's OMS prior to her departure last summer. The responsibility has now been assigned to an LE staff member who had previously served as an administrative assistant to the management officer. She is conscientious and has some understanding of basic human relations principles, but has had no formal training except for a recruiting workshop. As previously recommended, she would benefit from direct mentoring by Embassy Rome HR staff, but the interests of the consulate will best be served if she completes formal HR training through the Foreign Service Institute.

**Recommendation 33:** Embassy Rome, in coordination with the Bureau of European and Eurasian Affairs, should provide funding to send the locally employed staff member in Naples to the human resources training program at the Foreign Service Institute. (Action: Embassy Rome, in coordination with EUR, and FSI)

*Financial Management.* Financial management for Consulate General Naples is a shared responsibility, with the consulate management officer serving as the approving officer for cashier operations, and the financial management officer in Embassy Rome as the designated funds control officer and certifying officer. The management officer also supervises the class B cashier, an LE position vacated by retirement of the long-time incumbent, but recently filled by a senior LE staff member from GSO.

Management controls over consulate financial operations are in place and effective. The employee who was selected to fill the cashier vacancy had served as backup class B cashier for the past five years, and completed the overseas cashier training course, so she has both the experience and knowledge to perform in this position.

The cashier's office has appropriate storage containers and access controls to prevent entry by unauthorized personnel. The management officer performs the required cash counts to ensure accountability, and successfully conducted a cash count during the OIG inspection. There are sub-cashiers in the consular section in Naples, as well as in the consular agency in Palermo, and the required periodic cash counts are conducted by American consular officers.

*Quality of Life.* The overall morale among staff at the consulate is good. Incoming American staff can find it difficult at first to adapt to life in this large, crowded, and chaotic city, especially if they do not speak Italian, but most ultimately learn how to look beyond the faults and enjoy the many attractive features of Neapolitan life.

Housing is a major morale factor. Consulate staff are housed in apartments that are both spacious and well equipped with modern kitchens and appliances. The majority of the housing units are located in the suburbs along the bay, many with desirable views of the Mediterranean coast. Commuting time for most American staff is less than 30 minutes, as they do not face the chaotic downtown traffic.

A very important contributor to the quality of life for the American staff is their access to U.S. military facilities on the nearby NATO base, including a commissary and exchange store. (b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6)  
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(b)(2)(b)(6) and those in need of medical care also have access to U.S. military medical facilities. There are private sector alternatives for medical care and education as well. The consulate maintains a list of Western-trained medical providers that the RMO has approved. (b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6)(b)(2)(b)(6)  
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*Community Liaison Office.* A new CLO coordinator was just hired to serve the consulate community. She works 16 hours per week, every afternoon, which allows her to continue working in the mornings as a teacher at the Montessori School. Her predecessor departed in late 2009, but left no files or records of prior activities, so she is essentially creating a CLO program from the ground up. She has obtained some guidance from the family liaison office in Washington, and will seek advice from her colleagues at Embassy Rome.

Her immediate priorities include dealing with the large influx of newcomers this summer, providing them information about the consulate, housing, and schools, as well as updating a list of local medical care resources. She is concerned that there will not be an effective sponsorship program, as only two of the current eleven American staff will remain after the summer departures.



## MANAGEMENT CONTROLS

The Ambassador exercises responsibility for certifying management controls, which encompasses all embassy operations. The August 2009 annual Chief of Mission Management Controls Statement for Embassy Rome noted that, taken as a whole, the system of management controls was effective and provided reasonable assurance that management control objectives were achieved. No management control weaknesses were reported. This certification applies to the management services the embassy provides to the American Embassy to the Holy See and USUN Rome. Chiefs of Missions at each of these missions also have responsibility for certifying controls at their respective missions. No management control weaknesses were reported for these missions.

## WINE CELLAR

On October 10, 2008, American and Italian vintners and wine enthusiasts funded a \$1.1 million wine cellar for the historic Villa Taverna, the residence of the U.S. Ambassador to Italy. The wine cellar's inventory of 2,426 bottles of wine is valued at about \$69,000. The wine cellar's maximum capacity is 5,000 bottles. The Department approved all donations for the wine cellar and wine.

The wine cellar will be used as a diplomatic tool to emphasize the friendship and commerce between Italy and the United States. It will highlight, through showcasing American and Italian wines, American entrepreneurs' investment in Italian wines and vice versa.

The mission has a policy in place that requires replacement of wine extracted from cellar for the Ambassador's personal use. To maintain the wine cellar, the management recommends to the Ambassador that his residence manager advance or bulk purchase wines for consumption at official events and for display in the wine cellar. These wines would be reimbursed as an allowable representation expense. This procedure would also allow for donated wines to be used in lieu of the wine purchased as long as the donated wine is replaced with a similar value wine.

Currently, the residence manager is the only person designated to order, receive, record, and maintain an inventory of the wine. The OIG team believes that management controls should be strengthened. The management section should conduct periodic physical spot checks and conduct an annual inventory. Department guidance requires posts to procure American wines through bulk purchase, with representational funds and to order, receive, inventory, and issue the wines in the same manner as other controlled expendable items. The same practice should be followed with the donated wines.

**Recommendation 34:** Embassy Rome should complete and implement a standard operating procedure for the ordering, receiving, inventorying, and issuing of wine that includes periodic spot checks and an annual inventory. (Action: Embassy Rome)

## CONSULAR MANAGEMENT CONTROLS

The inspection team's review of the consular management controls across Italy found them to be in good shape. Access into the consular sections is controlled. Accountable consular officers are appropriately designated. They supervise consular cashier operations and account for all controlled items. A mission-wide visa referral policy is in place. Visa adjudication review is carried out in a timely fashion. The OIG team made an informal recommendation that back-up consular cashiers be scheduled to serve as cashiers on a regular basis in order to stay current with the cashiering system and procedures.

The OIG team reviewed consular automated systems and found the accountable consular officers to be managing them well. In Rome, several inactive accounts remained enabled within the consular system. The OIG team made an informal recommendation that they be disabled.

## RECOMMENDATIONS

**Recommendation 1:** Embassy Rome should develop and execute a travel plan that ensures that Rome-based reporting officers regularly visit and collaborate with constituent posts. (Action: Embassy Rome)

**Recommendation 2:** Embassy Rome should direct reporting offices to review their files and organize them electronically into folders that the State Messaging Archive Retrieval Toolset retrieval function will require. (Action: Embassy Rome)

**Recommendation 3:** Embassy Rome should develop a strategy for Consulate General Milan to engage with the Lega Nord political party that ensures open communication, does not appear to reward abusive or intolerant rhetoric, avoids unintended or damaging embarrassment, and encourages internal Italian dialogue that promotes the rule of law and peaceful integration within an increasingly multiethnic and plural modern Italy. (Action: Embassy Rome)

**Recommendation 4:** Embassy Rome should phase out the organized crime working group and address its issues mission-wide as part of the Mission Strategic Resource Plan process. (Action: Embassy Rome)

**Recommendation 5:** Embassy Rome should amend the work requirements of the officers in the political and economic sections to reflect the transfer of responsibility for labor reporting from the political to the economic section. (Action: Embassy Rome)

**Recommendation 6:** Embassy Rome should include in its mission strategic resource plan, U.S. objectives, priorities, targets, and milestones for its relations with the Republic of San Marino. (Action: Embassy Rome)

**Recommendation 7:** Embassy Rome, in coordination with the Office of the Procurement Executive, should provide grants training to locally employed staff at the consulates and establish a standard operating procedure setting out what the Rome grants officer needs and expects from the consulates. (Action: Embassy Rome, in consultation with A)

**Recommendation 8:** Embassy Rome should develop and implement a press policy that is distributed annually to all mission employees. (Action: Embassy Rome)

**Recommendation 9:** Embassy Rome should coordinate social media efforts through the public affairs section to foster creativity, strategic planning, whole-mission participation, consistency with policy, and cross-linkages among the sites, and it should develop and implement policies and procedures for monitoring the sites, posting items, responding to comments, and measuring success. (Action: Embassy Rome)

**Recommendation 10:** Embassy Rome should implement a procedure to establish specific topics for International Visitor Leadership Program group projects well in advance of the nomination deadline to sharpen the focus on high-priority themes and to assemble a more effective grouping of grantees. (Action: Embassy Rome)

**Recommendation 11:** Embassy Rome should thoroughly vet current donors to the Business Exchange and Student Training program and establish a regular schedule for future vetting of donors. (Action: Embassy Rome)

**Recommendation 12:** Embassy Rome should work with the Business Exchange and Student Training program steering committee to establish a solid, sustainable basis for the program and should seek guidance from the Office of the Legal Adviser on the proposed collaboration between the steering committee and the embassy with respect to establishing clear guidelines for the activities of mission staff and use of mission funds in support of the program. (Action: Embassy Rome, in coordination with L)

**Recommendation 13:** Embassy Rome, in coordination with the Embassy to the Holy See and the U.S. Mission to the UN Agencies in Rome, should offer regular mentoring sessions on public diplomacy techniques for the public affairs officers at the Embassy to the Holy See and the U.S. Mission to the UN Agencies in Rome when those officers have limited public diplomacy experience, and should provide written clarification of which public diplomacy services it can provide to those missions. (Action: Embassy Rome, in coordination with Embassy to the Holy See and USUN Rome)

**Recommendation 14:** Embassy Rome should identify an officer as country coordinator for fraud prevention, to include regular telephone conferences, email distribution lists, and other mechanisms to enhance information sharing throughout the mission. (Action: Embassy Rome)

**Recommendation 15:** Embassy Rome should submit to the Bureau of Consular Affairs a formal consolidated report of its interaction with the service provider of the regional call center over the past several years with input from all consular sections in Italy. (Action: Embassy Rome)

**Recommendation 16:** Embassy Rome should update all warden systems throughout Italy, extend coverage throughout the consular districts, and send test messages to the wardens at least twice a year. (Action: Embassy Rome)

**Recommendation 17:** Embassy Rome should revise the line of supervision for the consular section in Rome so that the chiefs of the American citizen services unit and the nonimmigrant visa unit each report directly to the consul general. (Action: Embassy Rome)

**Recommendation 18:** Embassy Rome should review and update the position descriptions and rating schemes for all locally employed staff in the consular section at Consulate General Milan. (Action: Embassy Rome)

**Recommendation 19:** Embassy Rome, in coordination with the Bureau of Consular Affairs, should establish credit card acceptance capability in the consular agencies in Genoa, Palermo, and Venice. (Action: Embassy Rome, in coordination with CA)

**Recommendation 20:** Embassy Rome, in coordination with the Bureau of Information Resource Management, the Bureau of Diplomatic Security, and the Bureau of Human Resources, should determine if designated locally employed staff should have access to new information management systems containing American personnel information. (Action: Embassy Rome, in coordination with IRM, DS, and DGHR)

**Recommendation 21:** Embassy Rome should, in coordination with the Bureau of European and Eurasian Affairs, the Bureau of Human Resources, and the Office of the Legal Adviser, determine if Italian labor laws will allow merit-based compensation to replace the within-grade-increase system. (Action: Embassy Rome, in coordination with EUR, DGHR, and L)

**Recommendation 22:** Embassy Rome should inform American citizen applicants for local employment and selected American citizen candidates for positions of the potential tax consequences of employment. (Action: Embassy Rome)

**Recommendation 23:**

**Recommendation 24:** Embassy Rome should identify any key locally employed staff at the embassy and consulates who are veteran personnel nearing retirement, develop and implement succession plans, and set a date or establish a trigger for the implementation of each plan. (Action: Embassy Rome)

**Recommendation 25:** Embassy Rome, in coordination with the Bureau of European and Eurasian Affairs, should perform a cost benefit analysis to determine whether a furniture rental program for incoming employees is a better option than purchasing and warehousing stocks of furniture. If so, the embassy should then take the steps necessary to implement a furniture rental program. (Action: Embassy Rome, in coordination with EUR)

**Recommendation 26:** Embassy Rome should reduce duplication and inefficiency in non-expendable supply and property management by establishing a pool for appliances and furnishings such as cabinets and light fixtures, to include all agencies under the International Cooperative Administrative Support Services agreement. (Action: Embassy Rome)

**Recommendation 27:** Embassy Rome, in coordination with the Bureau of Overseas Buildings Operations, should implement procedures to include the embassy's fine arts curator in all discussions about projects affecting any structures located on the chancery compound. (Action: Embassy Rome, in coordination with OBO)

**Recommendation 28:** Embassy Rome, in coordination with the Bureau of Information Resource Management, should reinstall the cabling infrastructure in Consulate General Milan's consular section, to include conduit and locking switch cabinets. (Action: Embassy Rome, in coordination with IRM)

**Recommendation 29:** Embassy Rome should enter into blanket purchase agreements or indefinite delivery/indefinite quantity contracts for repair and maintenance services. (Action: Embassy Rome)

**Recommendation 30:** Embassy Rome, in coordination with Consulate General Naples, should arrange for senior members of the locally employed staff from Embassy Rome to provide training and assistance to locally employed staff at Consulate General Naples who are assuming new duties in human resources, cashiering, and general services operations. (Action: Embassy Rome)

**Recommendation 31:** Embassy Rome, in coordination with and the Bureau of European and Eurasian Affairs, should establish and fill a locally employed staff position to perform clerical and administrative support for the American officers at Consulate General Naples. (Action: Embassy Rome, in coordination with EUR)

**Recommendation 32:** Embassy Rome should develop and implement a plan, to include training and use of Rome-based and Washington-based temporary duty personnel as necessary, to cover Consulate General Naples operations during the turnover in personnel among officers and locally employed staff in 2010. (Action: Embassy Rome, in coordination with EUR)

**Recommendation 33:** Embassy Rome, in coordination with the Bureau of European and Eurasian Affairs, should provide funding to send the locally employed staff member in Naples to the human resources training program at the Foreign Service Institute. (Action: Embassy Rome, in coordination with EUR, and FSI)

**Recommendation 34:** Embassy Rome should complete and implement a standard operating procedure for the ordering, receiving, inventorying, and issuing of wine that includes periodic spot checks and an annual inventory. (Action: Embassy Rome)



## 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.

### EXECUTIVE DIRECTION

Staff at the American Battle Monuments Commission at the Florence cemetery have little input into the guest list for the Memorial Day commemoration. This approach does not make the best use of their contacts, which include groups in parts of the Milan consular district that identify with the sacrifices of soldiers who fought to liberate their areas and who are interred at the Florence cemetery.

**Informal Recommendation 1:** Embassy Rome should require that Consulates General Milan and Florence to solicit guest lists from the American Battle Monuments Commission for Memorial Day and other commemorative functions, and to set-aside a certain number of invitations for them.

Consulate General Florence does not include the American Battle Monuments Commission chief or his deputy in consulate staff meetings.

**Informal Recommendation 2:** Embassy Rome should require that Consulate General Florence establish a standing invitation to the head of the American Battle Monuments Commission or his designee to participate in regularly scheduled Consulate staff meetings.

### POLICY AND PROGRAM IMPLEMENTATION

Reporting is inadequate in a number of areas that are important to the United States, including corruption, freedom of the media, and treatment of minorities.

**Informal Recommendation 3:** Embassy Rome should consult widely with reporting officers and Washington stakeholders to identify and resolve imbalances in reporting and advocacy.

Embassy reporting sections rely overly on email for reporting and analysis, frequently neglecting to follow up with front channel messages. This means distribution of information throughout the U.S. government is inadequate, and the historical record is incomplete.

**Informal Recommendation 4:** Embassy Rome should require that the political and economic sections write more front-channel cables, even if they also use email for initial reporting of fast-breaking events.

Economic officers are relatively isolated from their political and public affairs colleagues.

**Informal Recommendation 5:** Embassy Rome should look for opportunities to align the work of the economic, political, and public affairs sections and identify mutually supportive initiatives such as periodic joint meetings or standing invitations to attend each others' regular meetings to facilitate coordination.

The science and technology officer and her LE staff are working well beyond their capacity on an ambitious work program. They have not succeeded in convincing embassy leadership to request an additional position.

**Informal Recommendation 6:** Embassy Rome should request an addition science and technology position this year or adjust the economic section's goals accordingly.

The political/economic and public affairs sections would work more effectively and efficiently if they communicated better.

**Informal Recommendation 7:** Embassy Rome should require that Consulate General Naples hold meetings jointly with the political/economic and public affairs sections and ensure that the two sections meet with each other regularly to share information and seek opportunities to collaborate.

Information posted on the virtual presence post for the Republic of San Marino is often out of date.

**Informal Recommendation 8:** Embassy Rome should require that Consulate General Florence establish a regular schedule for updating the Republic of San Marino virtual presence post Internet Web site.

## PUBLIC DIPLOMACY

The consulate PAOs travel to Rome several times a year and consult frequently with Rome PAS staff, but at the time of the inspection, the new country PAO had not yet visited the consulates. In addition, more opportunities for Rome LE staff to travel to consulates would build expertise and cooperation.

**Informal Recommendation 9:** Embassy Rome should require the country public affairs officer to visit the consulates at the earliest possible opportunity, and regularly thereafter, and should seek opportunities to bring together locally employed staff working in Rome and the consulates.

The PAS staff at Consulates General Naples and Milan do not participate in the Rome PAS staff meeting

**Informal Recommendation 10:** Embassy Rome should periodically invite all public affairs staff at the consulates general to a digital video conference staff meeting held by the Rome public affairs section.

The embassy does not always inform consulates of its upcoming Internet programs in time for them to invite an audience to participate.

**Informal Recommendation 11:** Embassy Rome should more consistently inform the consulates of Web-based programs in a timely manner.

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**Informal Recommendation 12:** Embassy Rome should routinely check the Internet for items that could call into question a candidate's suitability before issuing International Visitor Leadership Program invitations,

Participation in the State Alumni Web site by Italian alumni of U.S. government exchange programs lags behind that of the rest of Western Europe, although PAS has been informing program participants about the site.

**Informal Recommendation 13:** Embassy Rome should periodically remind alumni about the benefits of joining the State Alumni Web site.

Although cooperation between the Fulbright commission and the embassy is generally good, the commission does not always tell the consulate and embassy public

affairs staff when visiting Fulbright scholars are traveling into their consular districts to present lectures or when it is placing Fulbright senior specialists at local universities. Better communication about these visiting scholars could enable PAS to take advantage of their presence to bolster university ties. In addition, PAS Rome and the consulates do not have a complete and current list of Fulbright alumni in Italy. The Fulbright Commission has such a database of contacts, but says that Italian privacy law prevents its wholesale transfer to the embassy. However, the commission said it would be willing to query Fulbright alumni about whether their contact information can be passed along to the embassy. Communication might be further enhanced if PAS Rome invited the Fulbright director to more public affairs staff meetings.

**Informal Recommendation 14:** Embassy Rome should request that the Fulbright Commission provide prior notification when Fulbright scholars conduct speaking programs or short-term specialist programs in the various consular districts.

**Informal Recommendation 15:** Embassy Rome should ask the Fulbright Commission to provide as complete a list of Fulbright alumni in accordance with Italian law.

**Informal Recommendation 16:** Embassy Rome should invite the Fulbright Commission director to participate in more meetings and conferences of the public affairs staff.

Consular section representatives make joint appearances with the Fulbright Commission's education adviser in Milan to promote study in the United States, an effective approach that provides prospective students with accurate information about visas, one of their top concerns. However, consular section staff in Rome and Naples generally do not participate in such outreach activities.

**Informal Recommendation 17:** Embassy Rome should send consular section staff at the embassy and consulates to participate when possible in the education advisers' outreach activities.

Staff from PAS Milan accompany the consul general on her trips in the consular district to assist with media and other public diplomacy matters. However, the PAS staff is too small to accompany the consul general to every activity that the press might attend. No other officers have been trained to handle press matters.

**Informal Recommendation 18:** Embassy Rome should direct Consulate General Milan to develop a and implement standard operating procedures on handling routine press encounters, including training other embassy staff on handling press matters.

There is a large demand from local high schools and other institutions in Milan for consulate speakers, which entry-level officers could help to meet.

**Informal Recommendation 19:** Embassy Rome should direct Consulate General Milan to engage entry-level officers and other interested staff in its public speaking program.

PAS Milan bears primary responsibility for providing program support to the American Corner in Trieste. PAS Rome has also provided some programs to the American Corner. For example, for Black History Month, PAS Rome sent an Italian professor of American Studies to the center to talk. A more structured program plan, developed in coordination with the nongovernmental organization that runs the American Corner, would provide more consistent and better-focused program support. Such a plan could draw on resources countrywide, including embassy officers, Fulbright professors, resident experts, and target-of-opportunity speakers.

**Informal Recommendation 20:** Embassy Rome should direct Consulate General Milan to develop a program plan to support the American Corner in Trieste.

The PAOs of the U.S. embassy to the Holy See and the U.S. Mission to the UN agencies in Rome attend PAS Rome staff meetings less frequently now that they are earlier in the day.

**Informal Recommendation 21:** Embassy Rome should restore the late-afternoon time of the public affairs staff meeting to facilitate attendance by the public affairs officers of the other missions. (Action: Embassy Rome)

## CONSULAR

ELOs serving in consular positions feel disconnected from the work of the rest of the mission.

**Informal Recommendation 22:** Entry-level officers in consular sections should attend country team meetings at least every other month on a rotating basis.

ELOs serving in consular sections have limited opportunities to see how other sections operate; to see the difference in consulate and embassy operations; or to handle immigrant visas unless they are assigned to Naples.

**Informal Recommendation 23:** Embassy Rome should require that the consular coordinator in Rome and consular section chiefs in the constituent posts arrange exchanges among entry-level officers.

Only the two consular officers in Consulate General Florence serve as duty officers.

**Informal Recommendation 24:** Embassy Rome should require that all American officers in Florence serve as duty officers.

Per 7 FAM 292.4, all articles of deceased U.S. citizens that the consular officer takes into possession should be kept in a locked storage area on the premises of the post.

**Informal Recommendation 25:** Embassy Rome should identify a lockable location at the consulate general in Florence to store the personal effects of deceased American citizens.

Consulate General Naples has excess physical capacity for processing visa applications.

**Informal Recommendation 26:** Embassy Rome should work with the Bureau of Consular Affairs to determine the best use of the existing facilities in the consular section in Naples, possibly expanding intake of Iranian cases.

The consular agency in Genoa lacks visible signage from the street.

**Informal Recommendation 27:** Embassy Rome should add additional signage, possibly including a U.S. flag and seal visible from the street, identifying the location of the consular agency in Genoa.

The consular agency in Venice lacks signage in the main airport terminal or at the location of the agency and it is difficult to locate the agency.

**Informal Recommendation 28:** Embassy Rome should add additional signage, possibly including a U.S. flag and seal visible from the street, identifying the location of the consular agency in Venice.

The consular agent in Venice lacks training on various administrative procedures relating to vouchers and cash replenishment.

**Informal Recommendation 29:** Embassy Rome should train the consular agent in Venice in the areas of vouchers, cash replenishment, and other fiscal procedures.

## RESOURCE MANAGEMENT

### Safety

The cafeteria, known as the Elephant Bar, lacks portable thermometers and its refrigeration units lack accurate thermometers. The health unit reported that cooked foods are allowed to cool at room temperature because appropriate hot plates or steam tables are not available.

**Informal Recommendation 30:** Embassy Rome should make all necessary improvements to the cafeteria required to bring it in line with the health unit's recommendations.

## HUMAN RESOURCES

Position descriptions of several LE staff in Rome's regional security office and one position at Consulate General Florence, are not current.

**Informal Recommendation 31:** Embassy Rome should sanction supervisors who do not keep position descriptions current.

The human resources officer needs to know of all outdated position descriptions so that embassy management can be apprised.

**Informal Recommendation 32:** Embassy Rome should establish and implement a process for tracking results from the annual review of position descriptions.

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**Informal Recommendation 33:** Embassy Rome should sanction supervisors who fail to complete performance evaluations on time.

While the inspection team did not find any problems with the hiring process, several individuals viewed the process as unfair. They cited the initial application screening process as being flawed.

**Informal Recommendation 34:** Embassy Rome should require that the employment committee exert oversight responsibility over the hiring process.

The embassy housing handbook states that representatives of CLO and the regional security office are ex-officio members of the interagency housing board, but neither office was represented at a meeting held in March 2010.

**Informal Recommendation 35:** Embassy Rome should require that representatives of the community liaison office and regional security office be present at all meetings of the interagency housing board.

The embassy housing handbook states that the management counselor is the single real property manager, and is an ex officio member of the interagency housing board. However, neither he nor the management officer attended the meeting held in March 2010.

**Informal Recommendation 36:** Embassy Rome should require that the management counselor or management officer be present at all meetings of the interagency housing board.

GSO does not provide information about lease costs to IAHB members.

**Informal Recommendation 37:** Embassy Rome should require that the general services office provide interagency housing board members with information regarding lease costs prior to each meeting.

The embassy rents a commercial warehouse and there are problems with roof leaks and the alarm system.

**Informal Recommendation 38:** Embassy Rome should press the landlord to repair the roof leaks, and should obtain funding to repair the alarm system.

There are several large boxes of files from GSO, HRO, and the financial management office stored in the commercial warehouse, many of which are from the 1990s and before.

**Informal Recommendation 39:** Embassy Rome should dispose of those records stored in the commercial warehouse that are beyond their retention dates.

## INFORMATION MANAGEMENT

Communication among the large and dispersed information management section is insufficient. By improving communication through digital video conferences, personnel exchanges, or other means, the IM section could further leverage innovations across the mission.

**Informal Recommendation 40:** Embassy Rome should establish and implement a plan to improve communication among all information management offices within Mission Italy.

Consulate General Milan recently auctioned old IT equipment and received new equipment but their inventory does not reflect these changes.

**Informal Recommendation 41:** Embassy Rome should direct Consulate General Milan to update all information technology inventory lists.

Consulate General Milan is effectively performing systems administration and information systems security officer functions, but is not consistently recording logs of those activities.

**Informal Recommendation 42:** Embassy Rome should direct Consulate General Milan to keep logs of systems administrator and information systems security officer duties performed on servers.

Consulate General Milan does not have detailed training plans for its LE staff. One result is that IM staff are missing training opportunities in SharePoint and BlackBerry systems. The Foreign Service Institute training resource guide for Foreign Service Nationals and locally employed staff is a helpful resource when establishing training plans.

**Informal Recommendation 43:** Embassy Rome should direct Consulate General Milan to codify training plans for locally employed staff.

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**Informal Recommendation 45:**

Consulate General Florence has no health unit.

**Informal Recommendation 46:** Embassy Rome and the regional medical officer should assess the medical needs of Americans assigned to Consulate General Florence and how best to meet them, given that the consulate is too small to merit its own health unit.

Neither Consulate General Florence's driver nor those LE staff who self-drive have had medical examinations.

**Informal Recommendation 47:** Embassy Rome should require that LE staff who drive government-owned vehicles at Consulate General Florence have passed medical examinations.

## GENERAL SERVICES OPERATIONS

The controls over gasoline coupons at Consulate General Florence are lax.

**Informal Recommendation 48:** Embassy Rome should require Consulate General Florence to strengthen management controls over gasoline coupons.

The controls over expendable supplies at Consulate General Florence are lax.

**Informal Recommendation 49:** Embassy Rome should require Consulate General Florence to strengthen management controls over expendable supplies.

Back-up cashiers are not regularly scheduled to serve cashier duty. When they serve on short notice they frequently have forgotten their passwords and the opening or closing procedures.

**Informal Recommendation 50:** Embassy Rome should require that all back-up consular cashiers schedule periodic (once-a-month) rotations as consular cashiers to stay fresh on processes.

In Rome's consular systems several user ID's have no roles or have expired but they are still enabled in the consular shared tables.

**Informal Recommendation 51:** Embassy Rome should disable inactive user identifications in consular systems.



## PRINCIPAL OFFICERS

	Name	Arrival Date
Ambassador	David H. Thorne	8/09
Deputy Chief of Mission	Elizabeth Dibble	8/08

### Principal Officers:

Consul General Milan	Carol Perez	5/09
Consul General Naples	J. Patrick Truhn	10/07
Consul General Florence	Mary Ellen Countryman	9/08

### Chiefs of Sections:

Administrative	Frank J. Ledahowsky	8/08
Consular	Phil Egger	8/08
Economic	George White	11/09
Political	Barbara Leaf	8/08
Public Affairs	Ben Ziff	8/09
Regional Security	Nace Crawford	10/07
Overseas Buildings Office	Kegham Shiranian	10/08
U.S. Marine Security Guard Detachment	Harvey Braddam	6/08

### Other Agencies:

Department of Agriculture		
Foreign Agricultural Service	James Dever	8/08
Department of Commerce		
Foreign Commercial Service	Thomas Moore	1/07

Department of Defense

Defense Attaché Office	Clifford Olsen	6/09
Office of Defense Cooperation	Vincent Freeman	10/08
Military Liaison Office	Salvatore Arria	8/08
U.S. Naval Criminal Investigative Service	Charles Caballero	8/09
U.S. Air Force Office of Special Investigations	John Maldonado	1/08
U.S. Army Training and Doctrine Commission	Timothy Buchen	3/08
U.S. Sending State Office	Kevin Brew	7/08

Department of Homeland Security

Transportation Security Agency	Anthony Giovanniello	11/05
U.S. Secret Service	Robert Gombar	7/98
U.S. Customs and Border Protection	Sharon Davies	1/07
U.S. Citizenship and Immigration Services	John Lafferty	3/08
U.S. Immigration and Customs Enforcement	Craig Stevens	3/08

Department of Justice

Criminal Division	Donald Ashley	2/06
Legal Attaché	Stewart Roberts	7/09
Drug Enforcement Agency	Russell Benson	12/05

Social Security Administration	Loretta Terry	1/08
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Department of Veterans Affairs

American Battle Monuments Commission	Ronald Grosso	1/96
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## ABBREVIATIONS

A/OPR/OS	Office of Overseas Schools
ACS	American citizen services
BBG	Broadcasting Board of Governors
BEST	Business Exchange and Student Training
CA	Bureau of Consular Affairs
CLO	Community liaison office
DCM	Deputy chief of mission
DVC	Digital video conference
ECA	Bureau of Educational and Cultural Affairs
EEO	Equal Employment Opportunity
EFM	Eligible family member
ELO	Entry-level officer
ESTH	Environment, Science, Technology and Health
EUR	Bureau of European and Eurasian Affairs
FAH	Foreign Affairs Handbook
FAM	Foreign Affairs Manual
FS	Foreign Service
FY	Fiscal year
G-8	Group of Eight
GSO	General services office
HR	Bureau of Human Resources
HRO	Human resources officer
IAHB	Interagency housing board
ICASS	International Cooperative Administrative Support Services

ILMS	Integrated Logistics Management System
IM	Information management
IMO	Information management officer
IRC	Information resource center
IRM	Bureau of Information Resource Management
ISC	Information systems center
IT	Information technology
IV	Immigrant visa
IVLP	International Visitor Leadership Program
LE	Locally employed
LN	Lega Nord
MSP	Mission strategic plan
NATO	North Atlantic Treaty Organization
NIV	Nonimmigrant visa
NSDD	National Security Decision Directive
OBO	Bureau of Overseas Buildings Operations
OIG	Office of Inspector General
OMS	Office management specialist
PAO	Public affairs officer
PAS	Public affairs section
RMO	Regional medical officer
RSO	Regional security officer
SMART	State Messaging and Archive Retrieval Toolset
SBU	Sensitive but Unclassified
SHEM	Safety, Health and Environmental Management
TAGS	Traffic Analysis by Geography and Subject
UN	United Nations
USUN	United States Mission to the United Nations
VAT	Value added tax
WQLQ	Workplace and Quality of Life Questionnaires

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