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

Report of Inspection

Limited-Scope Inspection of Embassy Vilnius, Lithuania

Report Number ISP-I-08-42, June 2008

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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 instances of fraud, waste, or abuse exist; and whether adequate steps for detection, correction, and prevention have been taken.

METHODOLOGY

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



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

Office of Inspector General

PREFACE

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

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

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

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

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

Harold W. Geisel
Acting Inspector General

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KEY JUDGMENTS

- Embassy Vilnius is under the direction of a well-organized and thoughtful Ambassador assisted by an equally competent deputy chief of mission (DCM). Post management is successful in steering the bilateral relationship, advancing key U.S. goals, and keeping policy makers aware that Lithuanians are becoming more Eurocentric and likely to follow U.S. policy leads only when convinced of their underlying good sense.
- Developing and rightsizing a locally employed (LE) staff profile more in tune with Lithuania's rapidly developing economy and rising inflation is Embassy Vilnius' current greatest challenge. Some LE staff need to improve their performance, and LE staff compensation, not changed in four years, requires adjustment.
- A joint political/economic section is deeply engaged in promoting continued Lithuanian participation in several peacekeeping operations, in working to resolve outstanding Jewish property issues dating from the Second World War, and in carrying out numerous demarches from Washington. The press of business makes it difficult for the section to complete some of the analytic work scheduled in its reporting plan.
- The public diplomacy section (PAS) is experiencing a leadership challenge and is still adjusting to the spring 2007 move of the American Center from downtown Vilnius to a refurbished building on the embassy compound. Nevertheless, PAS is adequately accomplishing its mission. However, its LE staff would be capable of greater accomplishments with additional training, motivation, and strong leadership.

The Visa Waiver Program (VWP) is a major issue in the bilateral relationship. Although Lithuania is on a path to meet its benchmarks in the roadmap for the inclusion of Lithuania in the VWP, Lithuanian expectations must be managed and the Ambassador and his staff do an excellent job in that regard. A steadily declining workload has made the consular section overstaffed. A pending officer reduction and the resumption of immigrant visa processing may be the only adjustments necessary.

The inspection took place in Washington, DC, between January 4 and February 1, 2008, and in Vilnius, Lithuania between February 5 and 15, 2008.

It was part of a pilot project to determine whether a limited-scope inspection performed by a small team visiting small posts for a short time could adequately evaluate their performance in policy implementation and resource management. The inspection did not include a full review of security or information technology programs. This limited-scope inspection report sets forth the team's observations, informed impressions, findings, and recommendations.

CONTEXT

Lithuania's second foray as an independent state beginning in 1990 has been crowned with decidedly more success than its first from 1918-40. Two of its three



formerly troublesome neighbors – Germany, which killed many Lithuanian leaders and all but five percent of its large Jewish population between 1941 and 1944, and Poland, which occupied its capital city, Vilnius, from 1920 onward – are now close allies and fellow members of both the European Union (EU) and North Atlantic Treaty Organization (NATO). Russia, its third neighbor, executed or deported many of its ruling class during its initial occupation in 1940, and from 1944 onward made a systematic effort

to submerge Lithuania's people and culture in the Soviet system. Russia remains a resentful and potentially hostile power. Unlike its two Baltic neighbors, Lithuania has only a small Russian minority numbering approximately five percent. Like them, Lithuania's energy supplies are heavily dependent on, and open to manipulation by, Russia.

After gaining independence, Lithuania initially based its foreign policy on gratitude toward the United States, a country that never recognized its incorporation into the Soviet Union. Despite the small size of its military, it has undertaken deployment in Bosnia, Kosovo, and Iraq, and it is managing a provincial reconstruction team in Afghanistan. The new Lithuania is changing more rapidly than at any time in its past. Cities are modernizing, and the infrastructure is being upgraded at a phenomenal pace. The economy is booming, there is nearly full employment, and wages and prices are rising dramatically. Young people have been leaving for more lucrative employment in the West, a trend that may accelerate with the recent elimination of

visa requirements with the rest of the EU. The changes and oppression of recent history turned many older people into relatively passive observers of current events. Younger Lithuanians are much more Eurocentric and much more inclined to question American attitudes and policies. Lithuania's current population of 3.36 million continues on a slow decline.

In coming years, America's challenge will be to convince Lithuania's government and people through traditional and public diplomacy that we continue to share a common agenda.

EXECUTIVE DIRECTION AND POLICY IMPLEMENTATION

EXECUTIVE DIRECTION

Embassy Vilnius is thoughtfully and effectively managed by an Ambassador who arrived one and a half years ago and a DCM who has been present for six months. A biweekly country team meeting and a weekly meeting with all American staff provide an opportunity to review ongoing issues. Meetings observed during the inspection were collegial and thorough. Post management supplements these sessions with a number of issue-focused scheduled and ad hoc meetings.

Mission Strategic Plan

Embassy Vilnius was in the process of preparing its Mission Strategic Plan (MSP) for FY 2010. At least one meeting of concerned staff had already taken place, and assignments and due dates were clear. The current MSP is a clear, well-written document that provides concrete performance indicators and quantifiable targets for each of its seven goals. Although there have not been embassy-wide reviews of the MSP once submitted, some section chiefs refer to it frequently and tie their activities and reporting to its goals. All who participated praised the simplified process initiated during the last MSP cycle. The inspection team suggested that Embassy Vilnius consider reviewing the MSP on a regular, perhaps quarterly, basis to include all section chiefs.

Entry-Level Officers

The DCM manages a comprehensive program designed to introduce entry-level officers and specialists into the overall workings of an American Embassy. During a two-year assignment; officers meet regularly with him as well as other embassy managers and visiting American officials, serve as control officer for visits, plan for and accompany the Ambassador on in-country travel, speak to Lithuanian audiences, and serve on embassy committees outside of their assigned area of responsibility. Entry-level officers express satisfaction with the program and with the DCM's effectiveness and availability as a counselor.

Local Employee Compensation and Composition

Rapid improvements in Lithuania's economic circumstances are having negative effects on LE staff at Embassy Vilnius. The LE staff attrition rate of seven percent in calendar 2007 is expected to rise this year unless compensation is increased. There has been no change in the compensation plan since March 2004, and LE staff view low salaries and the lack of adequate retirement and health coverage as reasons why their colleagues are leaving. They add that the national health system is collapsing as qualified doctors and nurses leave for Western Europe. This issue is discussed in further detail in this report. All services at Embassy Vilnius are provided by LE staff; there are no contractors.

POLICY IMPLEMENTATION

Political/Economic Reporting and Analysis

Embassy Vilnius has a combined political/economic section consisting of four Americans and four LE staff. The section is well-managed, knowledgeable about local issues of interest to the United States, and effective in influencing Lithuanian views and positions. A good deal of staff time is consumed by a few major issues, such as Lithuanian lack of progress on Jewish property restitution and Lithuania's participation in various peacekeeping operations. Much time is also spent on making and reporting on numerous demarches from Washington to Lithuania as a NATO and EU member.

Each year, the section develops and tries to fulfill a modest reporting plan. Department of State readers expressed satisfaction with the volume and quality of the reporting. Some readers thought the embassy could do more in exploring the significance of local developments and what might happen next. The Office of Inspector General (OIG) team shared this assessment and noted that several of the projected reports for calendar 2006 and 2007 that would have provided such analysis had not been written because of the press of other business. The OIG team suggested that the section coordinate its reporting plan with its country directorate in the Bureau of European and Eurasian Affairs (EUR) to make sure that the embassy covers areas of interest to the Department, and then make a concentrated effort to fulfill the reporting plan.

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Although Lithuania is on the Special 301 watch list for its weak record of protection of intellectual property rights, the embassy has pushed for improvement by Lithuania. The reward is an out-of-cycle review by the U.S. Special Trade Representative that may result in Lithuania’s removal from the watch list.¹

¹Section 301 of the 1974 Trade Act (19 USC § 2411) confers on the U.S. Government, the right to impose trade sanctions against foreign countries, whose policies and practices violate trade agreements with the United States, restrict U.S. commerce, or provide inadequate protections for the rights of U.S. intellectual property holders. According to section 301, any foreign country’s policy or practice that violates or is deemed unfavorable to the legal rights of the United States are sufficient to impose trade sanctions. There is an annual Special 301 review process. The Special 301 Committee receives submissions from foreign governments/authorities concerning potential placement of countries on the Special Trade Representative’s watch list.

PUBLIC DIPLOMACY

The PAS is experiencing a leadership challenge. The section is adjusting to the spring 2007 move of the American Center from downtown Vilnius to a refurbished building on the expanded embassy compound and is attempting to work around the loss of key skills either being available or being under its control. Nevertheless, PAS is adequately accomplishing its mission. Public diplomacy is a central element of the MSP. PAS is the lead section for one of the seven MSP goal papers and is a coordinating section on most MSP goals. Its eight LE staff members are capable of greater accomplishments with additional training, motivation, and strong leadership.

Public Diplomacy Leadership Challenge

The real face of U.S. public diplomacy in Lithuania is the Ambassador. He headlines a vigorous effort to reach out to Lithuanians by engaging them through media outlets, trips around the country, and through Department and embassy speaker programs. PAS supports and coordinates this outreach effort and provides tools used in this initiative. A major distraction for the PAS was the fact that the public affairs officer (PAO) who arrived in July 2007 requested the curtailment of his assignment. Midway through the inspection, the assistant PAO became the acting PAO. Although she had only arrived at post at the end of September 2007, she is energetic, capable, and enjoys the confidence of the Ambassador. Where she lacks experience, EUR's Office of Public Diplomacy and Public Affairs has arranged for distance-mentoring from the PAO at Embassy Stockholm. She will have an extended period as acting PAO before the Department sends another PAO. She is capable of providing the strong, focused leadership needed in PAS and to energize and motivate the LE staff. However, additional staff training and resources would be necessary to harness the full potential of the PAS. Unfortunately, that may be difficult to obtain in the context of the very tight embassy fiscal situation. Even so, over half of the PAS budget of \$400,000 is available for programming initiatives.

Relocation and Public Access

In January 2007, the American Center moved from its former location in downtown Vilnius to a beautifully renovated building on the embassy compound that formerly housed the Embassy of Kazakhstan. The building is across from the chancery and management buildings and near the compound access control facility. The building is primarily devoted to PAS, but a small portion is shared with another agency, and the basement level is home to the embassy cafeteria. All of the officers and LE staff are in well-designed space, there is a well-used multipurpose room,

outreach to schools and universities as a component of his travel and presentations. The PAS makes good use of the American Corner in the town of Siauliai, over 200 kilometers northwest of Vilnius, even though that relationship has been problematic, and works with educational advising centers in Vilnius and Lithuania's second city, Kaunas. One impressive accomplishment was the January 31, 2008, signing of a memorandum of understanding between the U.S. and Lithuanian governments on the Fulbright academic exchange program. Under the agreement, the government of Lithuania undertook to fund three Lithuanian Fulbright exchange program participants to the United States for each of the next five years. This achievement is all the more impressive given that there is no Fulbright commission in Lithuania.

Overall, the mission has successfully carried out its public diplomacy strategy as presented in the MSP goal paper, *Building Support for American Values and Policies*. However, the embassy needs to improve its performance indicators. Currently, those public diplomacy performance indicators stress activities, in particular the number of speaking events or visits to the embassy website, and do not measure outcomes. The embassy does commission an annual opinion poll, the results of which are encouraging. The last poll, conducted in March 2007, showed the level of support for the United States at 80 percent, a slight increase over the previous year's statistic of 78 percent, and significantly higher than the 71 percent level measured in 2005.

CONSULAR

The consular section at Embassy Vilnius is well staffed and well managed. Its three officers and eight LE staff, including an eligible family member (EFM) consular associate, when at full strength provide high quality service in a timely manner. An appointment system and off-site fee collection help with the management of a smooth workflow. The consular waiting room is pleasant and roomy. Office space is modern and well appointed but insufficient to permit the vice consuls to work in the section and observe the LE staff other than when they are at the windows on the line. However, line-of-sight supervisory oversight is maintained by the section chief. One vice consul has no office and always sits at a visa window.

In the short term, the space situation is likely to be made worse by a project to install a fire escape door in a corner of the section that will cause the loss of one or two desks used by LE staff equivalent to up to one-third of the LE staff desk space in the section. Of even larger concern is a project to remove the roof over the section and add on a second floor in order to expand controlled access area space in the chancery building where the consular section is located. It is a project that will take months to complete and presents a challenge to post management and the consular section to schedule construction and consular work so that disruptions are minimized and the consular working environment remains acceptable.

Visa Waiver Program

The VWP is a major issue in the bilateral relationship. The consular section works this issue in concert with the Ambassador, DCM, political/economic section, and the PAS. Lithuania is on a path to meet its benchmarks in the roadmap for the inclusion of Lithuania in the VWP under the provisions of the security waiver in the Implementing Recommendations of the 911 Commission Act of 2007.³ Realistically, this means that Lithuania could not be included before FY 2009. The roadmap requires the Department of Homeland Security to certify Lithuania to the Secretary for inclusion, and also to put in place certain systems and procedures required in the revised legislation. In the meantime, Lithuanian expectations must be managed. The consular section is doing its part in that task through participation in an annual media day with PAS and the Ambassador to brief the media on the current status of Lithuania's inclusion in the VWP. Consular officers also address the VWP as part of their participation in the *Get To Know An American Diplomat* embassy speaker program coordinated by PAS. Although early inclusion of Lithuania is a bilateral priority, the OIG team is confident that the steep decline in the global adjusted NIV refusal rate is the result of environmental factors rather than visa adjudicating officers bending to any perceived pressures. The integrity of the NIV issuance process in Vilnius is solid and has not been compromised.

³Pub. L. No. 110-53, §711m 121 Stat. 266. See also Immigration and Nationality Act, 8 U.S.C., §1187 and the Enhanced Border Security and Visa Entry Reform Act (EBSVERA) Pub. L. No. 107-173; 116 Stat. 543 (2002).

Balancing Consular Workload and Staffing

At the time of the inspection, three of the eight permanent LE staff members were out on long-term maternity leave. Although one position was being temporarily filled, the OIG team did not observe a strain on the section's capacity to handle the NIV workload, even though the section was already in the early portions of its seasonal surge represented by applications for the popular summer work and travel program. Neither the time to get an appointment nor the processing time had changed. This may indicate that permanent LE staff reductions are possible. Given the marked decline in NIV applications at Embassy Vilnius since Lithuanian accession to the EU and NATO in 2004 (21,048 NIV cases in FY 2002 and 10,925 NIV cases in FY 2007), the Department plans not to fill one of the two vice consul positions when one of the incumbents departs in April 2009 upon completion of her tour of duty. Some of the work done by that officer will be picked up by LE staff.

In addition, the post is planning to take on the processing of immigrant visa work that has been done by the consular sections, first at Embassy Moscow, and subsequently at Embassy Warsaw, for the past 16 years. The timing of the immigrant visa work load transfer will be done with an eye toward managing the disruptions from construction work described above, but need not be deferred until that work is expected to be completed in the summer of 2009. The addition of immigrant visa processing will serve to soak up some of the excess capacity apparent in the section. However, there has also been a trend of a steep decline in immigrant visas. In FY 2004, Embassy Warsaw issued 228 immigrant visas in nondiversity visa categories and 1,295 diversity visas to Lithuanian applicants. In FY 2007, Embassy Warsaw issued 232 immigrant visas in nondiversity visa categories and 192 diversity visas to Lithuanians.

Consular Service and Public Relations

As mentioned above, the consular section is involved in the embassy's program of public outreach, and that is working well. An OIG team member met with the staff of the American Chamber of Commerce during the inspection. The consular section received high praise from the Chamber, which values its relationship with the embassy as a whole and with the consular section in particular. However, the OIG team informally suggested two additional initiatives: briefing the Chamber on the B-1

work visa process, and processing the B-2 NIVs for any accompanying immediate family members at the same time as NIVs are done for the principal B-1 business traveler affiliated with and vetted by the Chamber.

Another issue that the consular section is addressing, in coordination with the political/economic section, is working for a desirable outcome to visa eligibility restrictions on the dependents of non-EU investors and employees. The section did go through a period of adverse press over public dissatisfaction with the compromised privacy of conversations in its new waiting room. In the small-town environment of Vilnius, this was a serious issue. The section chief addressed this problem adequately with the local construction of two tempered-glass booths at the service counter that help to muffle conversations between clients and staff without impairing line-of-sight supervision. The OIG team suggested some additional low-cost enhancements to the interview booth environment that would further improve the confidentiality of conversations.

Antiterrorist Coordination

The consular section chief coordinates the Visas Viper committee chaired by the DCM. The need for this committee to function well has been made more urgent by the Schengen Agreement Zone⁴ expansion in December 2007, potentially opening Lithuania to terrorists from other parts of the EU. The committee meets monthly and reports at that time.

⁴A borderless zone of some member countries of the European Union.

LAW ENFORCEMENT

Apart from the Department's Diplomatic Security Service representation in the person of the regional security officer (RSO), there are no law enforcement agencies assigned at Embassy Vilnius. Regional coverage is provided by the Federal Bureau of Investigation legal attaché in Tallinn, the Drug Enforcement Administration and Department of Homeland Security in Copenhagen, and the Secret Service in Paris. The RSO reports that all four agencies coordinate closely with him. He has instituted a law enforcement working group to include all four, and he plans to use teleconferencing as a way to increase contact. The Drug Enforcement Administration and the Federal Bureau of Investigation are the most frequent visitors, coming almost monthly for what are considered fruitful contacts with the Lithuanian government, with the other two visiting less regularly. All four agencies always request proper country clearance before arriving.

RESOURCE MANAGEMENT

Embassy Vilnius faces considerable challenges as it improves management controls, automates key procedures,

Nonetheless, the management officer and her staff have taken the right steps in identifying management shortcomings and developing plans to correct them. They are in the midst of implementing their action plans, but the long term solutions lie in transition to operations based on principles embodied in the Department's collaborative management initiatives, regionalization, and rightsizing programs. The knowledgeable and capable management officer understands clearly the mandate and the necessity. She has rightly focused first on basic management controls and plans to move forward to take on these high-level leadership and management challenges.

Agency	U.S. Direct-Hire Staff	U.S. Local-Hire Staff	Foreign National Staff*	Total Staff	Total USD Funding FY 2007
State – D&CP	22	1	10	33	\$1,440,300
State – ICASS (Traditional, OBO, LGP)	2	4	78	84	3,083,100
State – Public Diplomacy	-	-	8	8	396,272
State – Diplomatic Security (SD, Res.)	1	-	15	16	435,850
State – Marine Security	6	-	4	10	165,861
State – Representation	-	-	-	-	27,650
State – OBO	1	-	-	1	1,996,490
Defense Attaché Office	4	-	1	5	263,190
Office of Defense Cooperation	2	-	2	4	**
MRV (Consular Affairs)	-	1	4	5	149,650
Miscellaneous recurring grants (A/OPR/OS school grants \$40,000; ***BFIF grant \$6,400)					46,400
Totals	38	6	122	166	\$8,004,763

*Only employees in pay status are indicated. These are five employees on maternity leave currently at post.

**Data not available

***Business Facilitation Incentive Fund grant from BFB/CRA

REGIONALIZATION

This former Special Embassy Program post relies on and receives considerable outside management support, especially from the Regional Support Center (RSC) Frankfurt. When the management officer arrived at post and realized significant gaps existed in management controls and administrative procedures, she called on the RSC to help assess and address the shortcomings. RSC responded in a timely and comprehensive manner by sending specialists in human resources, financial management, and general services operations. Team members consisted of American officers and LE staff EUR executive corps members, who identified weak areas and provided technical training, as well as more general training in areas such as team building and Equal Employment Opportunity.

Embassy Vilnius is exploring other aspects of regionalization, such as providing warehousing services to the neighboring post of Embassy Minsk. Currently in the early feasibility stage, the two posts will determine whether aspects of property management could be consolidated in Vilnius, resulting in acceptable service at lower costs. Embassy Vilnius also shows great interest in outsourcing some communications services, which could help balance the workload of its remaining two information resources personnel after the loss of one American position.

INTERNATIONAL COOPERATIVE ADMINISTRATIVE SUPPORT SERVICES

The current management officer has reenergized the International Cooperative Administrative Support Services subscription at post, which was relatively dormant due to the small number of agencies and the lack of controversies that would raise interest or prompt action. The council has begun to meet on a regular basis, but the subscription of services and the service standards are out of date, as evidenced by the reference to Wang VS computer services.

Recommendation 2: Embassy Vilnius should update its International Cooperative Administration Support Services subscription of services and service standards. (Action: Embassy Vilnius)

FINANCIAL MANAGEMENT

The financial management section is well led by a senior LE staff member who is very knowledgeable and effective. She has completed several budget and accounting courses, as well as the seven-week financial management officer course at the Foreign Service Institute. In recognition of her abilities and trustworthiness, she was designated as a certifying officer, a duty she assumed several weeks before the inspection. This reduces the workload of the management officer and clearly illustrates the benefits of LE staff empowerment, particularly at posts that have no financial management officer assigned.

Embassy Vilnius enjoys very good relations with RSC Frankfurt and the Charleston Financial Services Center. The OIG inspector reviewed trip reports from assistance visits conducted by RSC Frankfurt in 2006 and 2007, both of which indicated that the financial management section operates efficiently and with appropriate internal controls. More recent feedback from Charleston showed that post's financial information was within normal-reasonable ranges for accounting, payroll, and banking activity. The only discrepancies noted were due to data corruption rather than end-user error.

Post could improve knowledge management and customer service by providing other offices it services, i.e., Defense Attaché Office, Office of Defense Cooperation, and PAS, with access to the automated Consolidated Overseas Accountability Support Toolbox (COAST). This would grant their clients direct access to daily updates on all financial transactions and the ability to analyze data using various queries and reports. The OIG inspector informally recommended granting access to COAST as a measure that would improve service while reducing workload of financial management section personnel.

GENERAL SERVICES

Many of post's management control and procedural problems were in the area of general services operations. The management officer, with the support of the front office and RSC Frankfurt, has devoted much energy, effort, and attention to the diagnosis, prescription, and treatment of these fundamental elements of good operations. The second-tour general services officer had no relevant experience in this area prior to his arrival other than the training he received at the Foreign Service Institute.

In the area of procurement, post and RSC Frankfurt discovered cases of processing duplicate purchase orders, using incorrect or inefficient procurement means, and unauthorized commitments. The situation was exacerbated by the loss of both procurement employees, one for cause and one by resignation. Their replacements have been in place for only a few months, and the management officer has taken pains to train them using Foreign Service Institute offerings, as well as through visits by EUR Foreign Service national executive corps members. Nevertheless, the complexity of procurement and the inexperience of the new procurement employees means that the movement up the learning curve will take some time, as well as attention by the general services officer.

The property section also had some shortcomings, primarily in accounting for nonexpendable items that were transferred from one location to another and approval of expendable items issued. The problem was properly diagnosed and measures were prescribed and taken to implement better management controls. At the same time, there were clear indications of problems in the receiving process, so that invoices for goods or services were processed without proper confirmation that they were received. The general services officer intends to move a position from elsewhere in his section to provide better separation of duties, and therefore better management controls, in property management.

On a positive note, post has begun using the International Through Government Bill of Lading for shipments of unaccompanied baggage, household effects, and privately-owned vehicles, which is a method promoted by the Department to reduce costs. Embassy Vilnius implemented the program in November 2007 and has processed two shipments using this method. They will continue to evaluate the effectiveness of the bill as more shipments are sent and received.

The planned implementation by April 2008 of WebPASS Procurement will automate most of the procurement and receiving functions and impose some discipline on the process. It will not be a panacea, but WebPASS will provide a valuable tool for enforcing management controls and eliminating some of the shortcomings noted in procurement. Additionally, it will provide an important interface with the financial management section to facilitate verification of funds availability and close-out of purchase orders.

FACILITIES MANAGEMENT

The facilities management section has seen a number of post-managed projects through to substantial completion, though some important aspects remain to be done.

A number of important projects remain pending, and close coordination between post and OBO will be necessary to complete them. OBO has advised OIG of its intention to address these projects, detailed in the three following recommendations, once funding has been established. The first project affects fire and life safety and therefore should be given high priority. It involves the installation of a fire alarm system in the administrative section building, in which 55 employees work and in which two temporary duty apartments are located. Post has been working with OBO for three years to correct this serious deficiency, and there appears to be agreement that it must be corrected but action has stalled.

Recommendation 4: Embassy Vilnius should coordinate with the Bureau of Overseas Buildings Operations for the installation of an appropriate fire detection/alarm system in the administrative annex building. (Action: Embassy Vilnius, in coordination with OBO)

The second project involves the demolition of a building, called the “Gray Building,” which is connected to the public affairs building and which was purchased with the intention of demolishing it to create setback space from the compound perimeter. Post’s independent government estimate fell substantially short of the proposals received from local contractors to complete the project, so funding available from OBO was insufficient to undertake the project. Post believes that the cost discrepancy was due to the seasonal nature of the Lithuanian construction year and intends to synchronize the project timeline to take advantage of “low” season costs.

Recommendation 5: Embassy Vilnius should coordinate with the Bureau of Overseas Buildings Operations to rework the “Gray Building” demolition project in order to create the setback originally planned with the acquisition of the building and to meet security requirements. (Action: Embassy Vilnius, in coordination with OBO)

The third project entails demolition of various barriers and walls that existed prior to consolidation of the embassy buildings into one compound. The remaining remnants of walls now provide no function; on the contrary, they create a circuitous route for visa applicants walking from the compound access control point to the consular section.

Recommendation 6: Embassy Vilnius should coordinate with the Bureau of Overseas Buildings Operations for the removal of unneeded barriers and structures

(Action: Embassy Vilnius, in coordination with OBO)

A major chancery renovation project, originally planned for 2003, will begin in March 2008. Construction should last 18 months and be completed by September 2009, but that will constitute only the first phase of a larger project. The second phase is projected to begin in FY 2011. The OBO project director is at post, and a site security manager will also be assigned. When finally complete, the project will provide much improved office space for the executive and political/economic sections.

REGIONAL SECURITY OFFICE

The security program at Embassy Vilnius is generally strong, and the RSO has a full plate—perhaps too full for a one-RSO post—managing the surveillance detection program, local guard force, physical security, personnel security, and law enforcement coordination duties inherent in his position. Post’s emergency action plan was updated in July 2007, and it is shown in published status in the automated Crisis and Emergency Planning Application.

Recommendation 9:

Overall, the OIG team found the RSO to be proficient, dedicated, and capable. His workload is formidable, but he shoulders it with no misgivings or complaint. The burden of reporting, which is sometimes redundant, can be disconcerting for an RSO under those circumstances.

INFORMATION RESOURCES MANAGEMENT

The information management section lost one of its American positions, and therefore now has two American officers, both of whom arrived within six months of the inspection. The section also includes four LE staff positions: two are currently encumbered, one was recently hired, and one is vacant. The post faces stiff competition on the local market for information technology professionals, and it has had great difficulty recruiting and retaining them. Staffing shortages on both sides of the house present significant challenges in providing office coverage and services.

The OIG team noticed that the PAS is paying more than \$16,000 a year for Integrated Services Digital Network lines for digital videoconferences, which may be possible over Internet protocol using existing bandwidth. The financial management section identified several active telephone lines that should have been terminated years ago, but for which the embassy needlessly had been paying. In a very constrained budget environment, post is looking for ways to cut costs, and this may represent one way do so. The OIG inspector informally recommended that the information technology section and other sections review their expenditures with an eye towards identifying costs that are no longer valid.

Recommendation 10:

QUALITY OF LIFE

The American staff morale is good,

Quality of life indicators, such as housing, are quite positive. The EFM employment program is robust, attributed by many to the efforts of the front office. There is no embassy association, but no significant complaint about its absence. At the time of the inspection, the embassy had selected a new community liaison office coordinator, but she was not yet on board.

Health Unit

There are concerns about the medical care in Lithuania, as medical professionals are being drained away by the lure of higher salaries in other parts of the EU. This is a major concern at a post that had several recent medical evacuations, including one during the inspection. However, Embassy Vilnius has a well-appointed, sufficiently supplied, and highly regarded health unit staffed by a contract medical practitioner and an LE medical secretary. The regional medical officer visits quarterly from Embassy Warsaw, and the psychiatric regional medical officer visits twice a year. The post medical practitioner was unavailable during the inspection due to personal medical issues. The OIG team spoke with the regional medical officer by telephone and inspected the health unit without the local medical practitioner present. Although the OIG team found that newly assigned officers were getting a different message from the Department's Office of Medical Services in Washington about the advisability of receiving vaccinations against tick-borne diseases, newly arrived officers were pleased by the counseling received at post upon arrival and by the availability of immunizations, if desired. The post *Health and Medical Information Guide* was updated in March 2007 in coordination with the regional medical officer and the Department's website. The Department's website has a link to immunization information that provides full and accurate information for those considering bidding on assignments in Vilnius. The OIG team informally recommended that the health unit do a better job of disposing of medical waste after observing a large overflowing sharps container.

The embassy's consular section chief was a board member and noted no problems with the school. On the contrary, he indicated that enrollment had increased over the past few years and that the school had become more solvent by admitting some local students. This addition has meant that some embassy parents are concerned that local student weakness in English is slowing down overall class progress. Grades eight, nine, and 10 have few students, raising quality concerns for some parents.

Recommendation 8:

Recommendation 9:

Recommendation 10:

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

Embassy Vilnius' MSP for FY 2009 was well-written and laid out quantifiable performance indicators and targets. During the inspection, the MSP for FY 2010 was being drafted with every indication that it will be an equally clear document. While some section chiefs consult the MSP regularly to measure their section's performance, there is no overall mission review of the document.

Informal Recommendation 1: Embassy Vilnius should institute a periodical, perhaps quarterly, review of its Mission Strategic Plan, to include all section chiefs.

Political/Economic

The OIG team reviewed the reporting plans for calendars 2006, 2007, and 2008, each of which had been developed by officers assigned to post. These plans were not discussed with or made available to the Country Directorate in EUR. Doing so would give the embassy the benefit of Washington thinking as to what subjects might benefit from additional reporting and analysis.

Informal Recommendation 2: Embassy Vilnius should prepare its reporting plan in coordination with its Country Directorate in the Department.

Consular

The principal clients for work visas, other than for the summer work/travel program, are affiliated with the American Chamber of Commerce. However, the consular section has usually advised such applicants to talk to their U.S. company sponsors in the United States regarding the work visa process.

Informal Recommendation 3: The Embassy Vilnius consular section should offer to brief the American Chamber of Commerce on the work visa process at an upcoming regular luncheon event hosted by the Chamber.

Although the consular section generates good will with the American Chamber of Commerce with its procedure for handling business visas (B-1), it squanders some of that good will by requiring accompanying immediate family members to apply separately for B-2 visas, actually adding an extra wait and process.

Informal Recommendation 4: The Embassy Vilnius consular section should process the nonimmigrant visa applications for any accompanying immediate family members of a principal business traveler vetted by its arrangement with the American Chamber of Commerce at the same time as nonimmigrant visas are done for the principal business traveler.

Management

COAST is the automated system provided by Resource Management to access data on financial transactions. The system is updated daily, which gives users current information that is helpful in tracking transactions and making financial management decisions. Many posts are pushing access as far downward as possible, particularly to offices that are separately budgeted, to more effectively share knowledge and information.

Informal Recommendation 5: Embassy Vilnius should enable desktop access to COAST by offices that are separately budgeted, that is, the Defense Attaché Office, the Office of Defense Cooperation, and the public affairs section.

Post may be paying for services that are unnecessary, such as Integrated Services Digital Network lines to support digital videoconferences. At the same time, it is experiencing serious budget cuts. A thorough review of budget line-items may yield savings that will help post through difficult financial times.

Informal Recommendation 6: Embassy Vilnius information management and other sections should review their expenditures with an eye towards identifying costs that are no longer valid.

A large eight-quart sharps container in the health unit is overflowing. Additional smaller sharps containers are being used without resolving the need to completely dispose of medical waste properly.

Informal Recommendation 7: The Embassy Vilnius health unit should dispose of medical waste being stockpiled in the unit.

PRINCIPAL OFFICIALS

	Name	Arrival Date
Ambassador	John A. Cloud	08/06
Deputy Chief of Mission	Damian R. Leader	08/07
Chiefs of Sections:		
Consular	James D. Fellows	08/05
Political/Economic/Commercial	Rebecca J. Dunham	07/06
Public Diplomacy	Ilya D. Levin	08/07
	Rona R. Rathod, Acting	09/07
Regional Affairs	Wayne M. Rosen	08/06
Management	Andrea S. Baker	07/07
General Services	Joseph A. Strzalka	06/06
Information Management	Roy D. Wright	11/07
Other Agencies:		
Department of Defense		
Defense Attaché	LTC USArmy Joseph B. King	08/05
U.S. Marine Security Guard		
Detachment Commander	GySgt USMC Alan L. Lent	06/06

ABBREVIATIONS

COAST	Consolidated Overseas Accountability Support Toolbox
DCM	Deputy chief of mission
EFM	Eligible family member
EU	European Union
EUR	Bureau of European and Eurasian Affairs
LE	Locally employed
IRC	Information Resources Center
MSP	Mission Strategic Plan
NATO	North Atlantic Treaty Organization
NIV	Nonimmigrant visa
OBO	Bureau of Overseas Buildings Operations
OIG	Office of Inspector General
PAO	Public affairs officer
PAS	Public affairs section
RSC	Regional Support Center
RSO	Regional security officer
VWP	Visa Waiver Program
WebPASS	Post Administrative Software Suite

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