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

Report of Inspection

Embassy Rangoon, Burma

Report Number ISP-I-08-36A, 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 instance of fraud, waste, or abuse exist; and whether adequate steps for detection, correction, and prevention have been taken.

METHODOLOGY:

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



United States Department of State
and the Broadcasting Board of Governors

Office of Inspector General

PREFACE

This report was prepared by the Office of Inspector General (OIG) pursuant to the Inspector General Act of 1978, as amended, Section 209 of the Foreign Service Act of 1980, the Arms Control and Disarmament Amendments Act of 1987, and the Department of State and Related Agencies Appropriations Act, FY 1996. It is one of a series of audit, inspection, investigative, and special reports prepared by OIG periodically as part of its oversight responsibility with respect to the Department of State and the Broadcasting Board of Governors to identify and prevent fraud, waste, abuse, and mismanagement.

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 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 "Bill Todd", written in a cursive style.

William E. Todd
Acting Inspector General

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KEY JUDGMENTS

- The chargé d'affaires (CDA) and the deputy chief of mission (DCM) provided strong leadership to Embassy Rangoon on policy and program issues during a period of Burmese political crisis and intensified U.S. policy focus. They engaged heavily in the design and successful implementation of very imaginative small grants and public diplomacy programs, and the CDA communicated effectively in shaping U.S. policy.
- Leadership and management of the mission by the CDA and DCM have been inconsistent and have failed to provide the necessary communication, coordination, problem solving, and fairness to foster a genuine sense of teamwork or address morale problems at post.
- The entire embassy staff worked together to accomplish a successful move into a new chancery in September 2007, despite road closures, violent street demonstrations, heavy monsoon rains, and disruptions to power and communications. The new chancery is bright and well equipped and the embassy staff is functioning well within the new facility.
- Faced with the challenges of a hostile political environment and tightly controlled access to Burmese government officials and other contacts, the CDA and the embassy have reached out effectively to the political opposition and civil society. The political/economic section has produced a steady flow of reliable reporting and analysis that has been of value to U.S. policy makers at the highest levels, before, during, and after the September 2007 political crisis.
- In an environment where traditional public outreach is severely limited, the active and effective public diplomacy programs of the American Center enable the mission to reach out in a number of innovative ways to the Burmese people.

The inspection took place in Washington, DC, between January 2 and 25, 2008; and in Rangoon, Burma, between March 9 and 21, 2008.

CONTEXT

The bilateral relationship between the United States and the Burmese military regime, estranged for decades, worsened in September 2007 following the regime's brutal crackdown against widespread peaceful protests. Dozens of demonstrators,

including monks, were killed, and hundreds were imprisoned. Since seizing power in 1962, a small circle of Burmese generals has brutally suppressed public dissent, forcibly evicted ethnic minorities, and imprisoned thousands of political prisoners, including Nobel Peace Prize Laureate Aung San Suu Kyi, who was first detained in 1989 and remains under house arrest today.



U.S. sanctions, first levied in 1988, include an import ban on Burmese products; a ban on the provision of U.S. financial services to Burma; a ban on new U.S. investment in Burma; a prohibition on direct assistance to the government, and suspension of economic aid; an arms embargo; a visa ban on senior military officials and members

of their families; and most recently, strict sanctions against Burmese businessmen who support the regime. Embassy Rangoon has been headed by a chargé d'affaires since 1990. In 1988, the military regime changed the name of the country from Burma to the Union of Myanmar and the name of the former capital from Rangoon to Yangon. The democratic opposition in Burma, which won an overwhelming majority in the 1990 elections – the results of which have never been implemented

by the regime – does not recognize the name changes. It is also U.S. government policy not to recognize these changes. In 2005, the Burmese government relocated to Nay Pyi Taw, an isolated city north of Rangoon. The U.S. Embassy, as well as all other embassies, has elected to remain in Rangoon. The harsh environment imposed by the government of Burma on embassy movement and contacts was tightened further after the September 2007 disturbances.

Burma's population of 57 million is predominantly Buddhist and inhabits an area slightly smaller than Texas. When Burma became independent in 1948, it was the wealthiest nation in Southeast Asia. Today, with a gross domestic product per capita of \$225, it is the poorest, despite its major natural gas, oil, and mineral resources. In a country that once enjoyed the highest literacy rate in Asia and the finest universities in the region, fewer than half of all children currently complete primary school. The medical system has gone from state-of-the-art four decades ago to almost total collapse. Highly infectious diseases such as malaria, tuberculosis, and HIV/AIDS are on the rise. Once the world's largest rice exporter, Burma now struggles to feed its own people. More than a third of Burmese children are malnourished and the UN Children's Fund rates Burma as the fourth worst nation in the world for infant and child mortality. Burma is the world's second largest producer of heroin and a major regional producer of amphetamine drugs.

Policy and program goals of Embassy Rangoon include persuading the Burmese regime to enter into political dialogue with opposition leaders; ending Burmese military attacks on ethnic enclaves; supporting representatives of the democracy movement; eliminating production and trafficking of illegal narcotics; improving human rights; humanitarian assistance to the Burmese people; and providing the widest possible range of accurate, uncensored information.

Embassy Rangoon includes representatives from the Department of State (Department), the Department of Defense, the Drug Enforcement Administration (DEA), the Department of Agriculture, and the Library of Congress. The mission staff includes 52 direct-hire Americans and 325 locally employed (LE) staff. The total FY 2007 operating budget for the mission was approximately \$11 million.

EXECUTIVE DIRECTION

Embassy Rangoon has been headed by a CDA since 1990. The current CDA and DCM arrived in August 2005. The CDA has provided strong leadership to the mission on policy and program issues. She has engaged effectively in the intensive and ongoing discussion and review of U.S. policy and programs in Burma, particularly since high-level U.S. attention has increased following the disturbances of September 2007 and the regime's repressive crackdown. Embassy Rangoon has rightly become the source of "ground truth" in discussions of the situation in this semi-closed society. The CDA's frequent e-mails and other communications to Washington and regional actors are major touchstones in decisions on which U.S. policy measures will be effective or not in the current environment.

The CDA has engaged deeply in the embassy's preparation of the Mission Strategic Plan (MSP). She personally drafts the comprehensive chief of mission statement and the foreign assistance priorities paper which have helped shape the framework for U.S. policy in Burma. The entire country team actively supports U.S. policy toward Burma.

The CDA has also been an active contributor to the embassy's impressive reporting program through her input to cables and daily e-mail summaries drafted by the political/economic section and through her own frequent substantive cables and e-mails. She is also a key interlocutor for the UN special emissary designated to deal with the crisis in Burma and with diplomats and officials of other governments engaged on Burma. Even governments whose views are different from our own seek out and highly value the analysis and perspectives of our CDA.

The CDA and DCM have engaged heavily in the design and successful implementation of very imaginative small grants and public diplomacy programs in Burma, which have increased the embassy's outreach and influence. The CDA is very active in outreach to political opposition, civil society, and human rights activists, and frequently invites them to her residence. She travels around the country and encourages other embassy staff to travel as well. The CDA and DCM have only been able to maintain sporadic and mostly low-level contacts with the Burmese government. The Burmese government has chosen to isolate itself in the sparsely populated and remote new capital of Nay Pyi Taw and is not open to dialogue with

its critics. Notwithstanding these problems, the CDA and DCM have managed to present U.S. views to the government and utilize their contacts to overcome some of the logistical issues faced by the embassy and its personnel. However, they have not always communicated clearly to embassy staff and family members their strategy and efforts for overcoming such logistical problems.

The CDA is the public face of U.S. policy toward Burma, and has given numerous and prominently featured interviews with international media, which effectively highlighted the ongoing repression and violations of human rights taking place in Burma and U.S. policies toward Burma.

MISSION COORDINATION

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The CDA and DCM have reasonably effective relations with other agencies and work closely with the Defense attaché office and the Drug Enforcement Agency on issues which arise. The CDA and DCM exercise appropriate National Security Decision Directive-38¹ authority over mission staffing changes. They fully support the mission security program and have good relations with the regional security officer (RSO) to whom they look as their principal security adviser. During the September 2007 crisis, the CDA, DCM, and RSO took appropriate steps through the emergency action committee to assure the safety of American personnel and to alert American citizens regarding risks. The CDA and other embassy employees also met with American employees and community in a town hall forum.

The DCM exercises appropriate oversight of the management and public diplomacy sections. He and the CDA oversaw the successful move of the embassy into a new embassy compound, notwithstanding the complications of disruptions to power and movement within the city due to the September 2007 disturbances and simultaneous heavy monsoon rains.

MORALE

The CDA has organized and hosted a number of community events, but she has at times not included family members or international school staff in such events. The CDA told the OIG team that she recognizes the importance of doing more to demonstrate her interest and support for American staff and the community.

The CDA has devoted substantial time and effort to increasing communication with LE staff. The CDA and DCM have also integrated LE staff significantly in the core work of the embassy. LE staff appreciates the interest of the CDA in their concerns.

¹National Security Decision Directive-38, Staffing at Diplomatic Missions and Their Constituent Posts, issued on June 2, 1982, assigns ambassadors the authority and responsibility to determine the appropriate size, composition, and mandate of all staffing operating under their authority.

ENTRY LEVEL

The DCM has organized one lunch to mentor entry-level generalists and specialists. He and the CDA have also provided informal mentoring to entry-level staff. The embassy has not, however, had a regularized program for entry-level staff.

Recommendation 1: Embassy Rangoon should take steps to establish and implement a regular program to provide mentoring and other advice and assistance to entry-level generalists and specialists. (Action: Embassy Rangoon).

Equal Employment Opportunity

The CDA and DCM have been supportive of Equal Employment Opportunity (EEO) in the mission. There is a broader discussion of this topic later in the report.

POLICY AND PROGRAM IMPLEMENTATION

POLITICAL/ECONOMIC SECTION

Washington consumers praise Embassy Rangoon's political and economic reporting as both timely and informative. This is particularly noteworthy because Embassy Rangoon faces the unique and daunting challenge of having virtually no contact with those who make policy in Burma. The small clique of generals who make all policy decisions lives in total isolation in the remote town of Nay Pyi Taw, which they have designated as Burma's capital. Government representatives in Rangoon have little influence on policy and rarely accept requests for meetings from most embassies. Requests for meetings go unanswered, and most official communication, such as demarches, must be sent by fax or mail and often receive no response. Most of the foreign diplomatic community in Burma must operate within an information vacuum heavily influenced by rumor. Within this environment, Embassy Burma has excelled in its reporting, in large part because of the broad community of nongovernment contacts its officers and LE staff have developed. The section also works closely with other embassy elements to share information and contacts. During the inspection, Western media were ready to report that the head of the Burmese military regime had died, and the political/economic section was able to quickly determine through their contacts that this was a false rumor.

Reporting by Embassy Burma enjoys high-level interest in Washington from the White House down. The National Security Council chairs periodic principals committee meetings to discuss the situation in Burma, and these are supplemented by weekly National Security Council-chaired deputies committee meetings and weekly sub-policy coordination committee meetings. High-level interest since the September 2007 crackdown requires the political/economic section to provide a continuous stream of reporting to Washington. The section produces at least one reporting cable each day, usually more, and summarizes key points of formal reports and late-breaking developments in a daily "Burma update" e-mail that the bureau uses for its morning National Security Council briefing on Burma. Key areas of reporting include the pro-democracy opposition, the power structure of the military regime,

regime economic policies, human rights, and ethnic minority issues. A recent embassy series of reports on Burmese pro-regime business tycoons and how they make their money facilitated the imposition of new U.S. government sanctions against those supporters. Embassy Rangoon receives frequent kudos telegrams from various Department elements for excellent reporting.

The political/economic section consists of four American direct-hire officers, three LE specialists and one LE staff office management specialist. Foreign Agricultural Service, the Animal and Plant Health Inspection Service, and the Library of Congress each have one LE employee attached to the section. The section is headed by an experienced officer who combines strong analytical, reporting, and management skills to run an effective operation. The section chief and one officer focus on political reporting, one officer is responsible for economic reporting, and a recently created fourth officer position devotes the majority of her time managing the important small grants program that was established in 2006. As noted earlier, the CDA closely coordinates the embassy's reporting effort and contributes to that effort through frequent event reporting and analysis. Because of sanctions that prohibit new U.S. investment in Burma, the embassy does not promote economic and commercial opportunities in the country.

Small Grants Program

The political/economic section grants officer manages a small grants program to support and promote democracy and civil society in Burma. FY 2007 funding for this program was approximately \$290,000. The grants officer has received Foreign Service Institute grants management training and maintains detailed financial and performance files for each grant. The program faces numerous challenges within the very hostile political environment in Burma, but the program is a key element in the embassy's overall mission, and it is having a positive impact.

Law Enforcement and Narcotics Control

As one of the world's largest producers of heroin and amphetamines, Burma is a base for international criminal organizations that benefit from the corrupt government and move drugs across the country's porous borders. One of the only areas in which the Burmese regime is willing to work on a very limited scale with the U.S. government is narcotics control. The DEA is authorized four positions at the embassy, although currently only three are filled. DEA works directly with Burmese government counterparts to share information and conduct drug enforcement investigations. Joint investigations have led to drug seizures, arrests, and convictions in

the past, although cooperation remains limited. Because of the U.S. ban on assistance to the Burmese government, DEA does not provide counternarcotics training or material assistance. DEA and other embassy elements work closely with the UN Office on Drug Control and with the Australian, Japanese, Thai, and other embassies in Burma active in narcotics issues.

PUBLIC DIPLOMACY

In the hostile climate faced by Embassy Rangoon, traditional diplomacy is severely limited, and public diplomacy serves as the most important channel through which the United States engages the people of Burma. Public diplomacy is a key element of the MSP; the embassy's senior leadership strongly supports and is actively involved in the public diplomacy effort. Although the government of Burma places a number of obstacles in the way of public diplomacy activities, the public affairs section (PAS) creatively and effectively makes use of as many program tools as possible in this challenging environment. The PAS staff consists of the public affairs officer plus one American direct-hire position, supported by 23 LE staff and nine English language teachers/distance learning coordinators under grants issued by the Department and the U.S. Agency for International Development. Public opinion polling is nonexistent in Burma, but the large amount of anecdotal evidence suggests that the scope, effectiveness, and enthusiasm of the mission's public diplomacy effort in the face of the challenges posed by the regime are accomplishing its goals.

The PAS budget for FY 2008 is approximately \$425,000 supplemented by \$175,000 in economic support funds, and \$6,000 for representation. The Open Source Center provides a modest amount for subscriptions and shares the cost of a clerical position. The mission also recycles over \$240,000 from English teaching and library activities. PAS has an active program of English teaching that is supported by a combination of English Language Fellows, local-hire teachers, and grantees. The Rangoon American Center (RAC) offers a wide range of English teaching programs supported by a strong and active library program, student advising, audio-visual programs, locally produced Burmese language magazines, and translated books. The section has also worked to expand outreach activities by creating an American Corner at a local university, creating a small reading room in the former U.S. consulate building in Mandalay, and partnering with The Asia Foundation to distribute 12,000 books to more than 80 provincial libraries. Staffing levels are appropriate for the section's activities.

Program Direction

The embassy has been without a public affairs officer for almost a year. The assistant public affairs officer is a political cone officer on her first assignment in public diplomacy. Managing a very active and highly sensitive program in the face of the obstacles thrown up by the Burmese authorities is a challenging task. The DCM has been acting public affairs officer for much of this period, but his other responsibilities have made it difficult for him to provide extensive mentoring. Although necessary program decisions are being made and the two officers are in regular contact, OIG counseled both individuals to hold regular meetings to develop the assistant public affairs officer's managerial skills and program knowledge.

Information Advocacy

Burmese media are tightly controlled by the military regime; there is no ability to reach Burmese audiences through traditional public diplomacy media outreach. The embassy interacts with current and future media figures through a variety of programs. Additional discussion on this topic is included in the classified annex.

The information section monitors the local media and tracks electronic media maintained by opposition groups outside of Burma. A daily summary/translation is distributed within the embassy and to Washington readers.

A daily compilation of material from the Department's "america.gov." web site is prepared each day and distributed to key embassy contacts, in and out of government. Thirty copies are delivered by the motor pool, and an additional 120 copies are emailed to embassy contacts with access to the internet.

The Rangoon American Center

Located in a separate site in a residential area closer to the city center, the RAC is the focus of the mission's public diplomacy activities. The center has approximately 18,000 members who have access to the library; the self-access center, a facility that offers resources for self-study; and the language lab, which supports both self-study students and people enrolled in the regular English language courses offered by the RAC. The annual user fee is considered reasonable in the local context. The heart of the RAC is the library which attracts over 2,200 users each week who borrow approximately 10,000 titles each month. The small reading room is regularly filled to overflowing with patrons reading a diverse collection of books, magazines, and news material not available elsewhere in Burma.

The RAC also hosts an extensive program of extra curricular activities, book discussion clubs, regularly scheduled film showings, and provides Internet access.

English language instruction is one of the center's most important programs. The center runs three cycles of 12-week courses and one cycle of four-week courses each year. During FY 2007, 1,119 students participated in this program. The mission has been imaginative and creative in assembling a team of teachers that includes local-hire native speakers, English language fellows, and grantees hired with economic support funds or recycling funds. Additional discussion on this topic and a recommendation are contained in the classified annex. The American center also provides space and Internet access for Burmese students who are pursuing distance learning programs coordinated by two grantees from the U.S. Agency for International Development.

The RAC is also the embassy's chief program venue, providing an average of three or four programs each week, including speakers, movies, workshops, lectures, debates, and training sessions.

The RAC student advisor offers a variety of counseling services ranging from assistance in accessing on-line advising resources to individual counseling. The center is the only facility in Burma that administers the Graduate Record Examination and the Test of English as a Foreign Language, which over 1,000 Burmese took last year.

Exchange Activities

The Fulbright program in this noncommission country, which was once one of Asia's oldest programs, was suspended by the U.S. government in 1988. Two years ago, the program was restarted. Six grantees were selected for the academic year beginning in 2007. One returned soon after the civil unrest of September 2007, but the program is generally successful, and the embassy has a full slate of grantees ready for the next academic year.

The embassy also sent seven Burmese to the United States under the International Visitor Leadership Program. Program participants are selected by an embassy committee chaired by the DCM and represent the full diversity of Burmese nongovernment society. They are highly motivated and active participants in the program. Participants generally speak good English and participate in both individual and multi-regional group projects.

American Corners and Reading Rooms

American corners are partnerships with local institutions such as universities and public libraries, often located outside the capital to provide information about the United States to foreign audiences. The embassy has established an American Corner in Rangoon's Myanmar Institute of Theology. The institute offers a Bachelor of Arts degree that includes economics, social sciences, and fine arts and is one of the few institutions of higher education that continues to function effectively in the face of the Burmese government's educational policies. The American corner serves about 5,000 people each year.

The embassy also supports a small reading room in the northern city of Mandalay. Located in the former U.S. consulate in that city, the reading room includes a small collection of books and other reference material that is available to a limited number of mission contacts by appointment.

CONSULAR OPERATIONS

The small consular section in Rangoon is generally performing well. The staff is capable, and the staffing is adequate for a workload that is generally steady. There was a significant reduction in diversity visa cases in 2007 and a sharp spike in special consular services during the political crisis of 2007. The physical layout of the consular section in the new chancery is well designed and provides room for expansion.

Visa work in Rangoon is complicated by the poor political and economic situation, which leads to refusals of many applicants who cannot show strong reasons to return to Burma. This leads to efforts at relationship fraud in immigrant visa and refugee cases. Many other cases are time consuming because of the U.S. sanctions prohibiting the issuance of visas to high-level Burmese government officials, military officials, and businessmen tied to the regime as well as family members of the above. Applicants for nonimmigrant visas are asked to send their applications to the embassy in advance so that vetting of the names can be done before the visa interview.

Many Burmese names are common, and it is difficult for consular employees to match applicants to databases and determine family relationships. Many cases have to be referred back to the Department for advisory opinions.

The inadequate infrastructure in the country limits the ability of consular managers to implement efficiency measures that are now standard in most posts. For example, the banking system is so inadequate that it is not feasible to set up an offsite fee collection system for the nonimmigrant application fee. The Internet is periodically shut down by the government for political reasons and at other times is simply unreliable – with periods where the system is only available in the middle of the night. That limits the ability of the section to utilize the Internet-based visa appointment system developed by the Department. As a result, applicants make visa appointments directly with the consular staff.

Few American citizens live in Burma, and there are few American tourists. Nevertheless when American citizens have problems it can be difficult and time consuming for the embassy to assist them. Arrest cases are especially labor intensive. Burmese authorities often do not grant consular access to arrested Americans until the embassy has made repeated efforts over a lengthy period of time. Inquiries and diplomatic notes to government officials are often not answered. Currently there are three American citizens in long-term detention. One received a sentence that is excessively lengthy by standards of U.S. jurisprudence, and during the inspection the team provided guidance to the consular managers about ways to proceed on this case. An informal recommendation on this is included in the report.

In recent years Embassy Rangoon facilitated the mailing of notifications to winners in Burma of the diversity visa program (popularly known as the visa lottery). The diversity visa program gives a chance to foreigners who have no other basis to immigrate to the United States (such as through family ties or employment-based criteria) to immigrate. The embassy instituted this procedure in consultation with the Department because Burmese postal authorities were either failing to deliver notifications to recipients or extorting bribes in order to deliver the mail. The procedure involves receiving the notifications by courier service from the Department and turning them over to another courier service for delivery within Burma. In the first year, the number of diversity visa applicants increased 55 percent from 273 applicants in 2004 to 422 applicants in 2005. In 2007, the mailing procedure was changed back to the previous system so that the embassy no longer facilitates the mailing of these notifications. The number of diversity visa applicants decreased 82 percent from 576 applicants in 2006 to 103 applicants in 2007. There is a strong correlation

between the process and the number of people in Burma who are applying. Because the Department had previously approved the facilitation of mailings and the embassy has characterized the workload impact as modest, the embassy should reinstitute the facilitation in order to effectively carry out its responsibilities under the diversity visa program.

Recommendation 2: Embassy Rangoon, in coordination with the Bureau of Consular Affairs, should reinstitute the procedure in which the initial notifications to diversity visa program winners in Burma be sent by courier service through the consular section of the embassy. (Action: Embassy Rangoon, in coordination with CA)

Employees who have worked for the U.S. government for at least 15 years are eligible under the visa law to apply for special immigrant visas. In most countries, employees have to serve a minimum of 20 years before they can possibly qualify unless they have done something extraordinary such as an act of heroism. However, there are countries with which our relations are so tense that working for the U.S. government puts employees at risk. That provision is contained in 9 FAM 42.32(d) (2) N6.5-2(3). A case can be made that Burma is such a country, but in recent years the special immigrant visa committee of the embassy, which vets applications and makes recommendations to the CDA, has not been using the Foreign Affairs Manual note in assessing the qualifications of applicants for special immigrant visas. The notices to employees providing instructions for applying have also not made reference to this provision. The embassy should take this note into account in assessing applications, although each case will still have to be judged on its own merits.

Recommendation 3: Embassy Rangoon should issue a new management instruction to all staff explaining the full range of criteria for evaluating applications for special immigrant visas. (Action: Embassy Rangoon)

Recommendation 4: Embassy Rangoon should evaluate applications for special immigrant visas for U.S. government employees using the full range of criteria in the Foreign Affairs Manual. (Action: Embassy Rangoon)

AVIAN INFLUENZA

There is a Burmese poultry health specialist employed under contract by the Foreign Agricultural Service. There were major bird (poultry) flu outbreaks in 2006 and 2007 in Burma necessitating the killing of hundreds of thousands of birds. Only one child was infected. The infection was caught in its early stage, and the child recovered as a result of treatment. There are two avian flu detection systems in Burma. One located in Rangoon, the other in Mandalay. The Department has provided drugs and medical supplies for the embassy community should there be an outbreak of avian flu.

RESOURCE MANAGEMENT

Agency	U.S. Direct-Hire Staff	U.S. Local-Hire Staff	Foreign National Staff	Total Staff	Total Funding FY 2007 \$000
State – D&CP	16	2	12	30	984
State – ICASS	13	3	113	129	3,805
State – Public Diplomacy	2	1	23	26	717
State – Diplomatic Security	3	2	113	118	694
State – Marine Security	7		4	11	129
State – Representation	-	-	-	-	12
PD - Representation	-	-	-	-	6
State – Bureau of Overseas Buildings Operations (OBO)**	2	3	44	49	4,017
Defense Attaché Office	5		2	7	164
Drug Enforcement Agency	4		1	5	*
Library of Congress		-	1	1	*
Foreign Agricultural Svc -- APHIS			1	1	
Totals	52	11	314	377	10,528

* Funding data not available

** OBO staff dedicated to finalizing new embassy construction and departed FY 2008. Facilities maintenance mgr supervises an LE staff of 44. OBO funding for maintenance was \$787,000.

MANAGEMENT OPERATIONS

Management operations overall are satisfactory. The management officer also serves as the human resources officer. In addition, he supervises the financial management officer, the general services officer, information management personnel, the medical officer, the facilities maintenance manager, and the community liaison office

coordinator. The performance of the individual units ranges from an outstanding financial management unit to a barely satisfactory health unit.

The section's major accomplishment in the fall of 2007 was successfully moving all embassy staff, documents, and equipment from the old chancery to the new embassy compound (NEC) in very few days during a period of violent demonstrations, road closures, power outages, and monsoon rains.

FINANCIAL MANAGEMENT

Financial operations led by an American officer are outstanding. All categories of fiscal operations such as overall management of financial services, timeliness of voucher processing, and cashiering ranked among the top 12 of the 53 activities scored on the OIG workplace and quality of life questionnaire. The LE staff are knowledgeable and thorough. Documents reviewed by the OIG team were well supported. Cashier operations received the highest rating. The cashier at the time of the inspection was responsible. There is no viable banking system in Burma. Consequently, transactions are mainly in cash. Exchange rate problems adversely impact operations.

Exchange Rates

The ruling military regime in Burma does not formally set an exchange rate against other global currencies such as the U.S. dollar or the Euro. Although the official currency of Burma is the kyat, the government also issues Foreign Exchange Certificates (FEC). In 1977, the Burmese government officially pegged the kyat to the International Monetary Fund Special Drawing Rates. It pegged the kyat to the U.S. dollar at a six kyat to \$1 rate. According to the International Monetary Fund, the official exchange rate is overvalued by approximately 20,000 percent. FEC, at the time of the inspection were exchanged at 450 FEC to \$1. The actual value of the kyat as determined by the parallel unofficial "street" market was 1,150 – 1,200 kyat to \$1.

The embassy uses FEC at the 450 FEC to \$1 exchange rate for official transactions. Although the embassy cashier can provide accommodation exchange as defined in 4 FAH 360-3H-361.1-2 to U.S. citizen employees of the mission, the employees do not purchase FEC or kyat from the embassy cashier. The cashier provides check cashing services in dollars.

Inspection report OIG-I-03-40, dated August 2003, addressed the exchange rate issue and formally recommended that Embassy Rangoon describe the situation and seek guidance from the Bureau of Resource Management and the Office of the Legal Adviser. The embassy has prepared annual memoranda, signed by the CDA, based on 3 FAM 4123.1(2) addressing restrictions on employment and outside activities and prohibitions in any foreign country. However, there is no documentation available confirming that the embassy has received any guidance on this issue from the Department.

Recommendation 5: Embassy Rangoon should describe the currency situation in Burma to the Bureau of Resources Management and the Office of the Legal Adviser and obtain guidance on how to deal with the currency issues. (Action: Embassy Rangoon, in coordination with RM and L)

Embassy Rangoon, through several public affairs programs, receives payments in Kyat. The kyat collected is deposited in the Myanmar Foreign Trade Bank. At the time of the last inspection there was 73 million kyat in the account. At the time of this inspection there is over 341 million kyat in the account. This equated to about \$757,000 at the 450 kyat to \$1 rate and about \$296,000 at 1,150 kyat to \$1 rate. The public affairs programs are successful, and the account will continue to grow at an accelerated rate. The currency cannot be used for official transactions because of the requirement to use FEC. If exceptions could be made to the requirements of 4 FAM 360 and 4 FAH-3 H-360 to provide accommodation exchange to employees at the parallel rate, the account could be drawn down.

Recommendation 6: Embassy Rangoon should request authorization from the Bureau of Resource Management and the Office of the Legal Adviser to use kyat on deposit as a source for accommodation exchange to be performed for employees at the parallel rate at the time of the transaction. (Action: Embassy Rangoon)

INTERNATIONAL COOPERATIVE ADMINISTRATIVE SUPPORT SERVICES

Embassy Rangoon adapted International Cooperative Administrative Support Services (ICASS) Lite in FY 2006. Customer service standards were being updated at the time of the inspection. The embassy provides adequate administrative services to four agencies. The ICASS council meets regularly and whenever needed. A budget committee has also been established and is functioning. Relations among agencies are professional. There is no unnecessary duplication of administrative services.

HUMAN RESOURCES

The unit lost two of its most senior and experienced LE staff in the past year. The remaining LE staff are working diligently to provide customer service, and overall service is satisfactory. Support to the unit such as job classification is provided by the human resources unit of Embassy Bangkok. There are several areas that need to be addressed. These include employment procedures for eligible family members, implementation of a sorely needed wage increase for the LE staff that has not seen an increase since 2002, updating the LE staff handbook, and ensuring the proper storage of sensitive personal information.

Employment Procedures

Procedures for the employment of eligible family members need to be strengthened to ensure equity in the selection process, particularly in maintaining the independence of the post employment committee (Appendix A 3 FAM 123.8-4a). Fairness of eligible family member hiring ranked among the lowest 10 of 53 categories on the workplace and quality of life questionnaire. There were reported instances of interference in the process by members of the embassy community that in at least one instance it is alleged may have influenced the selection process.

Recommendation 7: Embassy Rangoon should establish procedures and controls to eliminate interference in the hiring process by persons that are not directly involved. (Action: Embassy Rangoon)

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Recommendation 8:

The Locally Employed Staff Handbook

The current LE staff handbook, last revised in 1997, is incomplete and out of date. Policies and procedures for EEO as they pertain to LE staff, for example, are missing. A new handbook was being planned at the time of the inspection.

Recommendation 9: Embassy Rangoon should complete, publish, and distribute a current locally employed staff handbook. (Action: Embassy Rangoon)

Recommendation 10:

REAL PROPERTY

OBO and Embassy Rangoon are addressing open questions about the future disposition of government-owned properties vacated with the move to the NEC September 24, 2007. The former chancery building and Marine security guard quarters (MSGQ) are now empty, and both have been decommissioned. Embassy Rangoon has hired a Burmese lawyer to determine if the Burmese government will allow OBO to sell the property at its current market value. To date, the Burmese government's position has been that properties could only be sold at the original purchase price. The chancery was purchased for \$23,940 in 1948. If it is determined that properties can be sold at fair market value, OBO and post will have the former chancery and the former MSGQ appraised and will plan accordingly. The embassy is considering options for eventually moving the American Center from its two leased properties, which currently incur an annual cost of \$104,016. This subject is addressed more fully in the classified annex of this report. The OIG team also supports OBO and post's decision to keep, maintain, and use the former Mandalay consulate as an American Center.

Embassy Rangoon's lessons learned cable (2008 Rangoon 42) on the NEC construction and the move into the new facility provides some very useful information. The text of the cable was reviewed with the facilities manager. Two key points of the cable are that power should be tested and certified correct before a move, and when possible one facilities manager should be assigned to bridge the period from construction through the break-in period.

During the inspection, the building automation system that programs the air conditioning and air handling systems remained problematic. Electrical spikes were experienced in March 2008 when city power failed, and the generators switched on may have contributed to the problem. An American-based contractor, hired to fix the problem, was expected in April 2008. In the interim, the facilities maintenance staff is making manual adjustments to the dampers.

The NEC consists of the chancery building, MSGQ, and utility building housing the warehouse, auto garage, gym, print shop, maintenance shops, and offices. By most accounts, the NEC meets post requirements and is viewed favorably,

Vehicle maintenance is hindered somewhat by the height of the vehicle garage ceiling which is too low to allow the lift to be fully extended. The lift is nevertheless used.

In addition to the CDA residence, DCM residence, and MSGQ, the post has 10 other government-owned residences. It lost seven other residences when the NEC was constructed on the Washington Park compound. It also has 21 leased residences that include 12 residences in fully serviced apartments. This major shift to fully serviced apartments has occurred in the last two years. A fully serviced apartment requires no facilities maintenance service and only limited assistance from general services operations. Landlords of fully serviced apartments take full responsibility for all maintenance and repairs and provide fully furnished apartments. The general services office will provide American appliances at tenants' request.

FACILITIES MANAGEMENT OFFICE

The facilities manager is attempting to create a cohesive team, but this may take time because of the need to learn the complexities and technical requirements of the systems in the new chancery. The facilities management office has a staff of one American direct-hire and 44 LE employees. Some have received training in maintaining the new NEC systems and some, including the American facilities manager, have

not. Providing appropriate training for the staff is one of the facilities manager's highest priorities. His preference is to bring outside trainers to Rangoon to provide the necessary systems and equipment training.

The composition of the facilities workforce has changed somewhat to reflect the requirements of the consolidated mission, but more needs to be done. Colocation at the NEC, and the move from government-owned residences to fully serviced apartments, should have resulted in staff reductions. Some staff have left and either have not been replaced or have been replaced by more technically able replacements. There are currently 10 vacant positions, six of which need not be filled.

Recommendation 11: Embassy Rangoon should abolish six vacant positions in the facilities management office: Mason P52617, Maintenance Man P52639, Maintenance Supervisor N52600, Maintenance Man P52625, Steel Metal Mechanic, N52643, and Maintenance Man P52649. (Action: Embassy Rangoon)

The disparity between workload and staff is most pronounced in the 17-member team that performs unscheduled repairs to residences. With 22 residential properties to maintain, including only 13 government-owned and nine leased residences, this team appears to be over staffed. The team does little work on the NEC. With time, the facilities manager intends to make residential landlords assume full responsibility for repairs and maintenance as spelled out in the leases, which should further reduce the unscheduled repairs team's workload.

Considering the apparent surplus of workers in the unscheduled repairs team, the facilities manager needs to determine the appropriate size of this team and reduce staffing accordingly. He has already determined not to fill positions as they become vacant. Relying solely on attrition to resolve this situation may not be sufficient. During the inspection, the unscheduled repairs team had a backlog of 21 residential work orders. The facilities manager is attempting to get the unscheduled repairs team to work more quickly and effectively but is meeting resistance. Workers may equate a high work order back log with job security. Any staffing decision will have to take this into consideration.

Recommendation 12: Embassy Rangoon should determine the appropriate size of its unscheduled repairs team and reduce staffing accordingly. (Action: Embassy Rangoon)

GENERAL SERVICES OFFICE

The general services office consists of a general services officer and 42 LE staff. With only a few exceptions, the office is performing well. Technical improvements are required in the procurement office, and customer service needs to be enhanced in both the travel office and the customs and shipping office, as cited by the embassy community in several surveys. The consolidation of all general services office operations into the NEC has produced operational efficiencies. However, to date, staff reductions commensurate with the improved working environment have not been realized despite the obvious overstaffing in the office, especially in the 15 person motor pool and the 11 person property and inventory office.

Housing Office

The one-person housing office is providing excellent service and is highly rated by the community. The housing office competes for housing with the UN office, other embassies, and nongovernmental organizations. A very comprehensive housing handbook was issued in 2007. However, the TMTHREE cable needs to be revised to address housing options more fully. The general services officer concurs with this observation and will take action to revise the TMTHREE cable. The housing board is active, and on several occasions has allowed officers to move. The OBO standard lease is used, and the term of a lease is usually one year with options to renew.

Procurement Office

The procurement office performs well in a very challenging environment. The awarding of the two gardening contracts raises concerns over the propriety of the procurement process. A request was made for proposals for gardening services for seven locations, and the contract was to be awarded to the technically qualified lowest priced firm. Three firms were determined to be technically qualified, but the lowest priced, technically qualified firm was not awarded a contract. The two other firms were each awarded contracts. The explanation given the OIG team was that the lowest priced, technically qualified firm was subsequently judged to be inferior to the other two firms. This action violates Federal Acquisition Regulation (FAR) 15.101-2 and FAR 15.206. A remedy is necessary.

Recommendation 13: Embassy Rangoon should prepare new requests for proposals for gardening services and award contracts to the lowest priced technically qualified firms. (Action: Embassy Rangoon)

Motor Pool

The motor pool is recognized by the mission as a top performer. The motor pool has a supervisor, 14 drivers, and three vacant driver positions. There are 37 vehicles, including four that are designated for disposal and vehicles used by the facilities management office. The embassy was encouraged by the OIG team to review its fleet requirements with a view towards reducing the size of the motor pool fleet. The general services officer agreed and will reduce the size of the fleet. Two drivers are dedicated to the CDA and one to the DCM. The public affairs section requires driver services full time.

A shuttle transports LE staff that requires the service to the closest bus stop mornings and evenings.

On an average day, each of the 10 nondedicated drivers makes approximately two trips. The statistics argue for fewer drivers.

Recommendation 14: Embassy Rangoon should abolish its three current vacant chauffeur positions: P52707, P52714, and P52718. (Action: Embassy Rangoon)

Recommendation 15: Embassy Rangoon should determine the appropriate number of chauffeur positions for the motor pool and reduce staffing accordingly. (Action: Embassy Rangoon)

By all accounts, the four person auto garage is performing well and is highly regarded by the embassy community. The mechanics are dealing with the challenge of a lift that lacks sufficient overhead clearance. This is particularly problematic when vans are being serviced.

Property and Inventory Office

The property and inventory office does a good job in securing and managing nonexpendable and expendable property. The 11 LE staff have good offices and abundant warehouse space in the NEC annex building. Current staffing includes two warehouseman, three laborers, and one driver/laborer. Two additional warehouseman positions are vacant. A review of the documentation supporting FY 2006 Certification of Inventory Reconciliation made in 2007, residential property inventories, property sales, and spot checks of selected nonexpendable property and expendable office, auto, and warehouse property indicates that proper procedures are in place.

The staffing of the property and inventory office has not been adjusted to reflect its colocation with the chancery and the switch from government-owned and unfurnished leased residences to the 12 fully serviced and furnished apartments. Embassy Rangoon has chosen to keep residential leases for multiple years so furniture and furnishings moves are minimal. This argues for staffing reductions in the property and inventory office. Rather than abolish the two vacant warehouseman positions, post would be better served if it were to abolish two laborer positions.

Recommendation 16: Embassy Rangoon should abolish two laborer positions: Laborer P52240 and P52235. (Action: Embassy Rangoon)

Recommendation 17: Embassy Rangoon should determine the appropriate size of its property and inventory office and reduce staffing accordingly. (Action: Embassy Rangoon)

Travel Office

The two-person travel office is performing adequate services, although embassy workplace and quality of life questionnaires satisfaction scores for those services are not high. American Express (AMEX) is not allowed to open an office in Burma so the travel office must correspond with the AMEX office at Embassy Bangkok for most international tickets. It has a memorandum of understanding (MOU) with AMEX for this service. It also has an MOU with a Burmese travel agency for domestic travel and flights to Bangkok. This MOU guarantees that all domestic travel segments will be booked by the local agency, including flights to Bangkok. The travel

office claims that the Rangoon-Bangkok segment would cost 75 percent more if purchased through AMEX. The MOU should be rewritten to eliminate the guarantee to the local agency for flights to Bangkok. Fares from both travel service providers for flights to Bangkok should be compared and ticketing done accordingly, and an informal recommendation was made to address this issue.

Customs and Shipping Office

The four-person customs and shipping office performs its responsibilities well, but is not highly regarded by the embassy community. This may be due in part to conditions beyond the control of the embassy. To its credit, the customs and shipping office did an outstanding job handling over 500 OBO shipments related to the NEC project. Customs clearance procedures, while not complicated, are time consuming as documentation has to go by driver from Rangoon to the distant capital of Nay Pyi Taw. Customs clearance can take up to a month for incoming shipments and longer for outgoing shipments. This office is also responsible for obtaining Burmese drivers licenses and third-party liability insurance.

SECURITY

The design and implementation of the security program at Embassy Rangoon is very good. Operationally, the RSO has a professional, well managed, and dedicated local guard and surveillance detection program. The Foreign Service national investigator is up to date on all security suitability background investigations for LE staff. He provides excellent support to the RSO during meetings with the local police. Because of the hostile Burmese government, his support is critical in establishing acceptable working relationships between the embassy and the local police and security personnel. The RSO has established a strong working relationship with both the CDA and DCM, and there is a continuous exchange of information with the front office. Physical security at the embassy compound and off compound sites is good.

An example of the excellent working relationships between the security office and other sections within the embassy is the manner in which the security office established a badge system for use at the RAC. The RAC was experiencing a loss of books and materials from the library. The public affairs officer and the security office worked together to create a photo badge system and access control procedures that restricts visitors to selected areas of the RAC facility, greatly reducing the opportunity for the loss of materials.

A more detailed review of the security program is found in the classified annex of this report.

INFORMATION MANAGEMENT AND INFORMATION SYSTEMS SECURITY

Embassy Rangoon operates an adequate information management program. The OIG team assessed standard operating procedures, systems documentation, and performed random checks of post's files. Additional discussion on this subject is included in the classified annex of this report.

The embassy's information technology staff includes four direct-hire American employees who provide unclassified and classified systems support for approximately 252 workstations, 12 servers, and 312 user accounts. Two LE staff provide unclassified system support, two provide telephone support, two manage the mailroom, and one serves as a telephone operator. The information technology staff provides support for the embassy chancery, the chargé's residence, the DCM residence, the American center, and the American club. This support includes encrypted wireless connections between buildings.

The OIG team counseled the information management officer regarding labeling of equipment, regional computer security officer's visit, unclassified pouch closing, expired accounts, and limited access area lists. The embassy has resolved these issues.

During the OIG inspection, there was a disruption in electrical service to the NEC information systems center during nonworking hours causing the server room to overheat and the system to shut down. The information management staff was not alerted to this problem until the next morning when they discovered the overheated server room and nonfunctioning systems. They were not able to bring the systems back into service until the server room and equipment could be cooled down. According to embassy employees, this is a recurring problem. The embassy server room is not in compliance with 12 FAM 629.4-4c which addresses computer room temperature specifications. Repeated overheating of the server room could cause significant damage to the equipment and extended breaks in service. The underlying problem of erratic electrical service within the NEC is addressed in the

real property section of this report where it is noted that Embassy Rangoon is in the process of trying to resolve this problem. The information system server room should be equipped with a temperature sensor that will alert security guard post if the server room overheats.

Recommendation 18: Embassy Rangoon should install a temperature monitoring device that notifies the embassy security guard of overheating in the information systems center. (Action: Embassy Rangoon)

Customer Service

Prior to the move from the old chancery to the NEC, ICASS scores for the information management section were high. During and after the move, a number of issues caused the scores to drop considerably. During the move itself there were multiple problems in equipment and software installation. Following the move, there are ongoing concerns regarding customer service. The workplace and quality of life questionnaire item “Adequacy of Internet & Telecomm” had the lowest rating of all items in the questionnaire. The OIG team found problems with customer service attributed to inadequate communication between information management staff and other embassy elements. Embassy Rangoon’s management officer, who directly supervises the information management officer, should work closely with the information management officer and his staff to improve service to embassy elements through improved communications. The management officer and information management officer have developed a plan to resolve the communications problems and a survey to track results of the action. The OIG team also noted the absence of an adequate system to track service requests.

Recommendation 19: Embassy Rangoon should require the management officer and the information management staff to develop and implement a plan and survey to improve communications with and service to embassy elements. (Action: Embassy Rangoon)

Recommendation 20: Embassy Rangoon should implement a help-desk tracking system for trouble calls including full end user participation with management oversight. (Action: Embassy Rangoon)

Information Systems Security

The alternate information system security officer has not had the recommended training required to perform the information system security officer duties.

Recommendation 21: Embassy Rangoon should provide the information system security officer training for the alternate information system security officer. (Action: Embassy Rangoon)

Training

The information management officer does not have individual development training plans for either American or LE staff as required by 5 FAM 121.1 b (3)(d). Without individual development training plans, information technology management is not able to identify areas where training may be required to ensure sufficient customer service. Because of visa problems affecting American employees and problems LE staff encounter obtaining passports, training outside of Burma is currently not a viable option. In order to provide support staff adequate on-going training, Embassy Rangoon should develop computer-based training options and schedule such training during normal duty hours. The OIG team made two informal recommendations on these issues.

EQUAL EMPLOYMENT OPPORTUNITY ISSUES

At the time of the inspection, there were no outstanding EEO cases and no complaints of cases being handled inappropriately. A new EEO counselor was nominated in the fall of 2007 and received training shortly thereafter. The notification of his role as EEO counselor is prominently displayed on the main embassy bulletin board, and there is detailed information about EEO on the embassy's Intranet web site. Upon the counselor's return from training, he noted that the embassy did

not have an LE staff liaison designee for EEO issues and took steps to correct the problem. During the inspection, a management notice was sent to all staff soliciting volunteers for two liaison positions.

QUALITY OF LIFE

HEALTH UNIT

The health unit is staffed by a Burmese doctor, an eligible family member registered nurse, a Burmese laboratory technician, and a Burmese receptionist. The unit needs closer oversight and supervision. The unit's scores were very low on the OIG workplace and quality of life questionnaire and received no favorable comments on the latest ICASS survey, although there were over a dozen negative comments. Several employees and their families refuse to use the health unit. There were allegations of wrong diagnoses and incorrect prescriptions for medications. In addition, little or no attention has been given to the requirements in both 14 FAM and 16 FAM for the ordering, receiving, and control over supplies and equipment. Medications including controlled substances such as morphine that were beyond their expiration date, were still on hand. Destruction procedures had not been initiated. In addition, controlled substances and medications were not being inventoried as required monthly (16 FAM 742). The general services office needs to be directly involved in the supply management functions of the unit.

Professional oversight by the regional medical officer in Bangkok has been limited because of the Burmese government's deliberate policy of infrequently granting visas to official Americans. The embassy in its MSP cited a need for the establishment and assignment of a Foreign Service health practitioner. A similar request made in 2006 was rejected by the Department. A Foreign Service health practitioner is sorely needed in this isolated post.

Recommendation 22: Embassy Rangoon, in coordination with the Office of Medical Services, should initiate procedures to provide close oversight of the health unit, to include more frequent visits by the regional medical officer. (Action: Embassy Rangoon, in coordination with M/MED)

Recommendation 23: The Office of Medical Services, in coordination with the Bureau of East Asian and Pacific Affairs should establish and assign a Foreign Service health practitioner to Embassy Rangoon. (Action: M/MED, in coordination with EAP)

COMMUNITY LIAISON OFFICE

A new community liaison office coordinator was appointed in October 2007, and according to a broad cross-section of the embassy community she is doing an outstanding job. In the months since her appointment, she has organized 20 events with a variety of themes and targeted audiences. She has also provided guidance and referrals to over 24 individuals. Given the many hardships of serving in Rangoon, including isolation, poor communications links, and political tension, these activities by the community liaison office take on added importance.

AMERICAN EMBASSY RECREATION ASSOCIATION

The American Embassy Recreation Association (AERA) primarily operates a commissary store, club and restaurant, an embassy cafeteria, swimming pool, and tennis courts. There are three types of membership – full, affiliate (third-country diplomats), and associate (American school teachers). In 1996, the Department authorized AERA to provide commissary and recreation privileges to third-country diplomats. The AERA is solvent. The current board provides close oversight and guidance to the Burmese association staff.

OVERSEAS SCHOOLS

..... is supported by grants from the
Office of Overseas Schools.

..... is currently accredited,
and is in the process of having its accreditation renewed. The school's finances are sound, and the school was able to fund the building of a new elementary classroom building two years ago without having to take a loan.

The new director was hired in 2006, and the consensus among board members and parents is that he is much stronger than the previous director and is making progress on several fronts. In the past two years, there have been tensions between the embassy and the school about some disciplinary cases, and as a result some parents have chosen to put their children in other international schools in Rangoon or to send their high school children to the United States to study. Embassy employees generally rated the elementary school as very good, but had mixed reviews about the middle school and generally negative views about the high school. It is impossible for [redacted] to provide the full range of activities available in a large American high school because of the small size of the student body. [redacted] is planning to introduce an International Baccalaureate program in the next two years.

The director described his working-level relations with the embassy and the support from Office of Overseas Schools as excellent. In particular, he praised the support he receives from the regional security office and the management section. The teachers and administrators (almost all of whom are American citizens) face significant professional challenges because of the slow and erratic Internet service in Burma. The Internet problems hamper the ability of [redacted] to utilize administrative and educational programs. The embassy is exploring options to assist the school access better internet service.

MANAGEMENT CONTROLS

Embassy Rangoon has a solid management controls program. The management officer is the management controls coordinator. The CDA is active in management controls matters and the post has a waste, fraud, and mismanagement committee with the DCM, general services officer, and the financial management officer as key members. To test its management controls, the post completed the risk assessment questionnaire and OIG functional questionnaires last year. The risk assessment questionnaire was not scored at the Department. The risk assessment questionnaire and the completed functional questionnaires were reviewed for vulnerabilities, and only a very few were identified and corrected.

The 2007 Chief of Mission Annual Management Certification was submitted on time. With the certification were three enclosures: 1) Significant Improvements in Management Control, 2) Assurance Statement for Financial and Property Management, and 3) Overseas Housing Program – Certification of Compliance.

FORMAL RECOMMENDATIONS

- Recommendation 1:** Embassy Rangoon should take steps to establish and implement a regular program to provide mentoring and other advice and assistance to entry-level generalists and specialists. (Action: Embassy Rangoon).
- Recommendation 2:** Embassy Rangoon, in coordination with the Bureau of Consular Affairs, should reinstitute the procedure in which the initial notifications to diversity visa program winners in Burma be sent by courier service through the consular section of the embassy. (Action: Embassy Rangoon, in coordination with CA)
- Recommendation 3:** Embassy Rangoon should issue a new management instruction to all staff explaining the full range of criteria for evaluating applications for special immigrant visas. (Action: Embassy Rangoon)
- Recommendation 4:** Embassy Rangoon should evaluate applications for special immigrant visas for U.S. government employees using the full range of criteria in the Foreign Affairs Manual. (Action: Embassy Rangoon)
- Recommendation 5:** Embassy Rangoon should describe the currency situation in Burma to the Bureau of Resources Management and the Office of the Legal Adviser and obtain guidance on how to deal with the currency issues. (Action: Embassy Rangoon, in coordination with RM and L)
- Recommendation 6:** Embassy Rangoon should request authorization from the Bureau of Resource Management and the Office of the Legal Adviser to use kyat on deposit as a source for accommodation exchange to be performed for employees at the parallel rate at the time of the transaction. (Action: Embassy Rangoon)
- Recommendation 7:** Embassy Rangoon should establish procedures and controls to eliminate interference in the hiring process by persons that are not directly involved. (Action: Embassy Rangoon)
- Recommendation 8:**

Recommendation 9: Embassy Rangoon should complete, publish, and distribute a current locally employed staff handbook. (Action: Embassy Rangoon)

Recommendation 10:

Recommendation 11: Embassy Rangoon should abolish six vacant positions in the facilities management office: Mason P52617, Maintenance Man P52639, Maintenance Supervisor N52600, Maintenance Man P52625, Steel Metal Mechanic, N52643, and Maintenance Man P52649. (Action: Embassy Rangoon)

Recommendation 12: Embassy Rangoon should determine the appropriate size of its unscheduled repairs team and reduce staffing accordingly. (Action: Embassy Rangoon)

Recommendation 13: Embassy Rangoon should prepare new requests for proposals for gardening services and award contracts to the lowest priced technically qualified firms. (Action: Embassy Rangoon)

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Recommendation 19: Embassy Rangoon should require the management officer and the information management staff to develop and implement a plan and survey to improve communications with and service to embassy elements. (Action: Embassy Rangoon)

Recommendation 20: Embassy Rangoon should implement a help-desk tracking system for trouble calls including full end user participation with management oversight. (Action: Embassy Rangoon)

Recommendation 21: Embassy Rangoon should provide the information system security officer training for the alternate information system security officer. (Action: Embassy Rangoon)

Recommendation 22: Embassy Rangoon, in coordination with the Office of Medical Services, should initiate procedures to provide close oversight of the health unit, to include more frequent visits by the regional medical officer. (Action: Embassy Rangoon, in coordination with M/MED)

Recommendation 23: The Office of Medical Services, in coordination with the Bureau of East Asian and Pacific Affairs should establish and assign a Foreign Service health practitioner to Embassy Rangoon. (Action: M/MED, in coordination with EAP)

~~**SENSITIVE BUT UNCLASSIFIED**~~

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INFORMAL RECOMMENDATIONS

Informal recommendations cover matters not requiring action by organizations outside of the inspected unit and/or the parent regional bureau and are not 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.

Consular

Most of the LE staff have not completed the consular correspondence courses, and with such a small staff, they need to be capable of backing up each other.

Informal Recommendation 1: Consular management should set timelines for each locally employed staff member to complete the consular correspondence courses.

The embassy regularly requests early release for an American citizen who was given a lengthy sentence for a relatively minor offence, but there is no indication that the Department has been consulted on this.

Informal Recommendation 2: The embassy should send a cable to the Department seeking guidance on the issue of requesting early release for this American prisoner.

Management

An MOU with a local Burmese travel agency guarantees it will have all bookings for domestic travel and flights to Bangkok. The guarantee for travel to Bangkok is not acceptable as AMEX can also book these flights. AMEX is not being asked to price flights to Bangkok to compare with the local travel agency's quoted fares.

Informal Recommendation 3: Embassy Rangoon should rewrite the Memorandum of Understanding with the local Burmese travel agency to eliminate the guarantee for all business relating to flights to Bangkok.

Informal Recommendation 4: Embassy Rangoon should price flights to Bangkok at both American Express and the local travel agency and, in accordance with Department travel regulations and guidance, book the least expensive tickets.

Information Management

The information management officer does not have individual development training plans for either American or local-hire staff, and training abroad is limited.

Informal Recommendation 5: Embassy Rangoon should develop an individual development training plan for each American and local-hire information technology employee based on assigned job responsibilities, mission needs, and professional development goals.

Because of the current difficulties American employees have in obtaining visas and LE staff have in obtaining passports, travel outside of Burma to receive training is not a reliable option. The embassy should explore the variety of computer-based training options that are available and set aside designated times for such training to be accomplished.

Informal Recommendation 6: Embassy Rangoon should develop computer-based training options for information management staff and set aside designated times for each American and local employee to accomplish training.

PRINCIPAL OFFICIALS

	Name	Arrival Date
Chargé d’Affaires	Shari Villarosa	08/05
Deputy Chief of Mission	Karl Stoltz	08/05
Chiefs of Sections:		
Management	Robert Bare	09/06
Consular	Lee McManis	07/06
Political/Economic	Leslie Hayden	07/06
Public Affairs	Vacant	
Regional Security	Tom McDonough	09/06
Other Agencies:		
Department of Defense	Colonel Daniel Tarter	05/05
Drug Enforcement Administration	John Whalen	09/07

ABBREVIATIONS

AERA	American Embassy Recreation Association
AMEX	American Express
APHIS	Animal and Plant Health Inspection Service
CDA	Chargé d'affaires
DCM	Deputy chief of mission
DEA	Drug Enforcement Agency
EAP	Bureau of East Asian and Pacific
EEO	Equal Employment Opportunity
ICASS	International Cooperative Administrative Support Services
.....
LE	Locally employed
MOU	Memorandum of Understanding
MSGQ	Marine security guards quarters
MSP	Mission Strategic Plan
NEC	New embassy compound
OIG	Office of Inspector General
OBO	Bureau of Overseas Buildings Operations
PAS	Public affairs section
RAC	Rangoon American Center
RSO	Regional security officer
TMTHREE	Travel Message Three

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