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

# Report of Inspection

## **Consulate General Hamilton, Bermuda**

**Report Number ISP-I-06-48, August 2006**

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## KEY JUDGMENTS

- Consulate General Hamilton has an active, successful public diplomacy program that is energetically led by a consul general who has invigorated the bilateral governmental relationship and strengthened the positive image of the United States in Bermuda.
- The consular section provides a high level of consular services and receives complete cooperation from local officials on all consular matters. Transferring immigrant visa (IV) processing responsibilities to Consulate General Montreal would permit elimination of one consular officer position.
- Given the demands of global repositioning, the consulate general should be restructured and its staff reduced. A two-officer post would be sufficient to manage U.S. interests and provide a lessened but adequate level of consular services. In any event, the Bureau of Western Hemisphere Affairs (WHA) should take over from the Bureau of European and Eurasian Affairs (EUR) responsibility for Consulate General Hamilton.
- The management section provides a reasonable level of service and has made significant progress in restructuring internal administrative operations.
- Management controls are adequate, although the Office of Inspector General (OIG) identified weaknesses in procurement and property management that should be addressed.

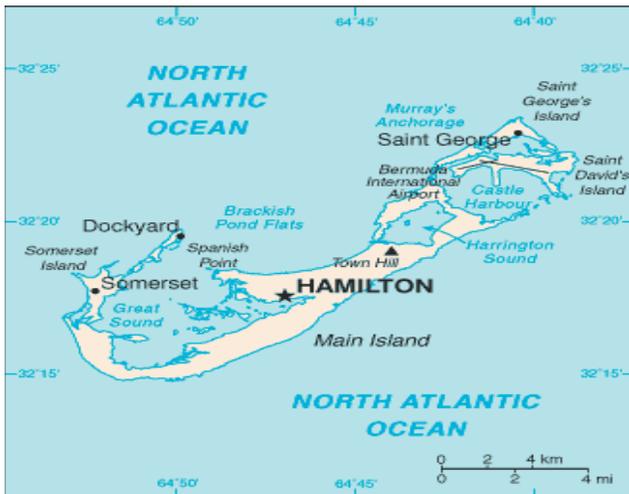
The inspection took place in Washington, DC, between April 17 and May 14, 2006, and in Hamilton, Bermuda, between June 5 and June 9, 2006.

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## CONTEXT

Bermuda is a small, stable, democratic, self-governing United Kingdom overseas territory. It has a population of 62,000 and is about 700 miles off the coast of North Carolina. Bermuda has strong ties to the United States and once played a key



national security role. Today, it is a burgeoning international insurance/reinsurance center focused on the United States. The 400,000 U.S. visitors it receives annually primarily drive tourism, the number two industry. There are 8,500 resident Americans. Eighty percent of Bermuda's exports come from the United States. As a self-governing British overseas territory, Bermuda is not an active player on the

international scene; the United Kingdom handles its foreign relations and defense. However, the current Bermudian government has sought closer association with the Caribbean Community, and the only flare-up in recent years in U.S.-Bermudian relations was over the Bermudian government's 2005 interest in advancing cultural ties with Cuba.

Historically, relations with Bermuda have been close and friendly. However, with the closure of the U.S. naval facilities in the 1990s, bilateral ties had atrophied over the years. From the perspective of the United States, there have been few issues of import demanding senior-level attention. Historically, the leadership of Bermuda's Progressive Labour Party viewed the United States warily. In that environment, Consulate General Hamilton drifted into a passive role, focused on its consular function, representational activities, some reporting, and operational coordination with the British Governor's Office and Bermudian authorities. A contributing factor was a continuing turnover of consuls general and long staffing gaps. There was a 14-month hiatus between the current incumbent and his predecessor.

Consulate General Hamilton is nominally a constituent post under the authority of Embassy London. In fact, it is a quasi-autonomous office having few ties to the embassy and a location that is 2,000 miles closer to Washington than London. The consulate general manages its own affairs, with support from the Department of State's (Department) Office of United Kingdom, Benelux, and Ireland Affairs (EUR/UBI), which handles major policy and security issues with the British Embassy. Embassy London indicates that it has not taken up a Bermuda-related issue with the British government in the past two years. Individual Embassy London sections have neither resource responsibility nor oversight of the consulate general's activities. They have, when called on, provided ad hoc sporadic support, with the exception of the regional security office, which is a regular visitor. Rather, EUR's Office of the Executive Director (EUR/EX) provides the consulate general with resource support, and WHA's Fort Lauderdale regional support office plays an increasingly large role in this regard.

The post's anomalous situation creates problems, the most pressing of which is lack of clarity on how to handle military issues that are not routine. Embassy London's Defense attaché office has no direct responsibility for the consulate general and, illustrative of the problem, the attaché office has pointed out that Bermuda is covered by the U.S. Second Fleet while the United Kingdom is under the U.S. Sixth Fleet.

**Recommendation 1:** The Bureau of European and Eurasian Affairs, in coordination with the Bureau of Political-Military Affairs, should establish with the Department of Defense clear guidelines and a defined line of communication for coordination with Consulate General Hamilton on military-related issues. (Action: EUR, in coordination with PM)

The consulate general has four Department officers: the consul general, the deputy principal officer, and two consular officers and 29 locally employed staff. The only other agency represented in Bermuda is the 14-officer preclearance facility of the Department of Homeland Security's (DHS) U.S. Customs and Border Protection (CBP), which is located at the international airport.

## EXECUTIVE DIRECTION

In the 10 months since the arrival of the present consul general, the consulate general has been transformed from a quiet, backwater operation into an initially turbulent, busy operation.

At the consul general's request, EUR sent out an experienced temporary duty senior officer to serve as acting deputy principal officer (DPO). Since then, the consulate general has seen a significant turnaround. The consul general and the DPO have established a close working relationship that has allowed the consul general to focus on his priority objectives, strengthening the U.S.-Bermudian relationship and burnishing the image of the United States, while the acting DPO has focused on internal management and coordination within the post. That arrangement has worked well, The challenge now facing the post is preserving the present effective management pattern with the arrival of the new DPO and consular section chief, scheduled for the summer of 2006.

The consul general has recognized that public diplomacy is the single most important tool that he has and has made it his top priority in his pursuit of a strengthened, invigorated bilateral relationship. He has also worked hard and successfully in establishing close, personal relationships across the whole Bermudian leadership spectrum - political, economic, and social. Bermuda's political leaders in the government and the opposition party see him as a friend of Bermuda and have high regard for him. The May 17-18, 2006, official visit to Washington of Bermuda's premier and several ministers was inspired and arranged by the consul general, using his political contacts in Congress and the executive branch. It was a clear success, and the premier came back with a heightened, highly positive sense of the importance of the United States to Bermuda. Another major public diplomacy initiative by the consul

general was the 2006 Independence Day celebration, with the Bermuda American Society, a formerly moribund entity, as the vehicle to put it on. The well-conceived affair was expected to attract 5,000 guests, generate \$100,000 for Bermudian charities, and have as its honorary chairs the premier and the leader of the opposition. The consul general also arranged the participation of the U.S. Coast Guard tall ship *Eagle* in the 2006 Newport to Bermuda sailboat race.

The consul general deserves credit and recognition for these initiatives, which have impacted positively in Bermuda to the benefit of the United States. OIG has only two cautions - not criticisms. First, having pulled off these major, highly publicized successes, the consulate general should now take a more tempered, longer-term approach to tending the relationship. That includes a systematic approach to addressing the small number of issues emanating from the premier's visit. Although not of major importance, dealing with these issues will give more substantive content to the governmental dialogue, while paying due attention to the British government's role where appropriate. Second, the consulate general is now able to pace itself on further major public diplomacy initiatives after these initial, highly publicized events.

There is only one other U.S. federal agency in Bermuda, the 14-officer CBP preclearance operation. Established over 50 years ago, the CBP operation is viewed by the Bermudian government, population, and business community as an immense asset, contributing importantly to business access and tourism. The overall CBP relationship to the consulate general has not been formally defined, but it is by far the largest user of International Cooperative Administrative Support Services (ICASS) system housing and community liaison office services. As a result of the consul general's initiative, the consulate has a monthly "country team" meeting that includes the CBP port director. Its location alternates between the consulate general and the CBP airport facility 13 miles away. The CBP port director has given the consul general high praise for his gesture in bringing CBP more closely into the consulate general family.

## **MISSION PERFORMANCE PLAN**

Under last-minute instruction from the Department, the consulate general was told not to prepare its annual Mission Performance Plan (MPP) submission for FY 2008, but simply to provide the data for Embassy London to include in its MPP. Predictably, that made the process a useless exercise for the consulate general. Given the new activism of the consulate general, the Department should require the post to prepare its own plan for FY 2009. Such a submission is the only vehicle for the

consulate general and the Department to assess in a structured way the post's goals, objectives, and performance and resource needs.

**Recommendation 2:** The Bureau of European and Eurasian Affairs should require Consulate General Hamilton to submit an FY 2009 performance plan. (Action: EUR)

## **ENTRY-LEVEL OFFICER PROGRAM**

There is one entry-level officer at post, the vice consul, an experienced former Department civil servant. Her supervisor, the consul, is also her mentor. OIG informally recommended that the new DPO be assigned responsibility for the vice consul's mentoring under the entry-level officer program.

## **EQUAL EMPLOYMENT OPPORTUNITY**

No Equal Employment Opportunity (EEO) complaints have been filed at this post in recent years. However, the post's EEO counselor has not received the training required by 3 FAM 1514.1(c) and has not been formally designated as an EEO counselor by the Department. OIG informally recommended that the vice consul be designated as EEO counselor and sent to Washington for appropriate training.

## **RIGHTSIZING**

Consulate General Hamilton is one of the Department's most expensive posts, costing it over \$2 million annually to support four officers. Furthermore, there has long been debate over the necessity of any consular presence in Bermuda because of the lack of major substantive content in the bilateral relationship, the small size of the population served by the post, and Bermuda's proximity to the United States. Separately, OIG is recommending transfer of the post's immigrant visa responsibility to Consulate General Montreal and the elimination of one consular position. Given the growing demands of the global repositioning program, OIG believes the post

in its present configuration is excessively staffed and that U.S. interests could be met by downsizing it to a two-person post, eliminating one additional position beyond the consular position. That would require significantly reducing the management reporting requirements and responsibilities that now burden the post. It would also be unrealistic if the consul general position continues to be filled by a presidential appointee. However, a two-person post could maintain a visible, active American presence on an island that could become independent in the future and where there are significant banking and reinsurance interests. A two-person post would also provide a reduced but adequate level of consular services.

**Recommendation 3:** The Bureau of European and Eurasian Affairs, in coordination with the Bureau of Human Resources, should develop a plan and a timeline to restructure Consulate General Hamilton, reducing it to a two-officer post. (Action: EUR, in coordination with DGHR)

## **TRANSFERRING RESPONSIBILITY TO THE BUREAU OF WESTERN HEMISPHERE AFFAIRS**

Although there are considerations on both sides of the equation, EUR should transfer responsibility for Consulate General Hamilton to WHA. On the one hand, the consulate general has historically been considered part of EUR and is, however tenuously, an Embassy London constituent post. In addition, EUR/UBI and EUR/EX have supported the post well. On the other hand, WHA's Ft. Lauderdale regional center has proven to be an effective nearby and responsive source of assistance, and could take on full responsibility for support of Consulate General Hamilton. On the policy side, the Bermudian government leadership is looking to increase its association with the Caribbean Community, in which it is already an associate member. There is also consensus within the Department that, in the event of Bermuda's independence, WHA would take responsibility. On balance, the case for transferring responsibility to WHA is slightly stronger because of the greater ease of support available from WHA.

**Recommendation 4:** The Bureau of European and Eurasian Affairs should transfer responsibility for Consulate General Hamilton to the Bureau of Western Hemisphere Affairs. (Action: EUR, in coordination with WHA)

## **POLICY AND PROGRAM IMPLEMENTATION**

### **PUBLIC DIPLOMACY**

In an initial step to emphasize public diplomacy, the consul general redesignated the post's political assistant, a Foreign Service national (FSN), as the public diplomacy assistant. She now devotes nearly all her time to media affairs and public diplomacy and has time for only a minimum of required reporting. Her major priority is working with the press and television to gain coverage of the newsworthy activities of the consulate general and consul general. With help from the Department, the post was able for the first time to sponsor a six-person youth development group under the Voluntary Visitor program. This year, the post is following up with a seven-person group that focuses on the family in crisis.

Although a public diplomacy position is needed, the consulate general should also create a modest reporting program, in consultation with EUR/UBI. The program would cover those few areas where there is a U.S. interest in Bermudian developments, such as elections, independence developments, and major activities involving the United States and the consulate general. The consulate general has proposed abolishing a vacant management FSN position and reprogramming it to an economic position. OIG believes that this would be possible, but the position should also perform limited political reporting responsibilities outlined above.

The consulate general has not covered either economic or commercial affairs as distinct reporting areas, but it is now trying to create an FSN economic position from its existing resources. OIG advised the post of the recommended restructuring of the consular section, which would free up a half-time position that could be used for economic affairs. When the restructuring is done, the consulate general may consider putting political as well as economic reporting responsibilities within the unit, completely freeing the public diplomacy assistant from reporting responsibilities.

## CONSULAR OPERATIONS

Given Bermuda's proximity and the historically strong ties between the island and the United States, providing consular services is an essential reason for the consulate general's existence. The two-officer consular section offers the full range of consular services. The section is well managed and has a strong sense of public service. The officers are well connected with key local officials, who are very cooperative on all consular matters. The section seldom needs the front office to weigh in on consular issues, but the front office is supportive when necessary and provides appropriate oversight. Although there is a visa referral system, in compliance with Department regulations, there has been only one referral in the past three years. The DPO reviews the consular section chief's visa decisions. The consulate general holds a Visas Viper meeting once a month, after the country team meeting. The section works productively with the CBP officers at the international airport on issues relating to border security.

## CONSULAR STAFFING

IV processing in Hamilton requires a second consular officer there, and this results in great expense to the Department. Regardless of whether the post is right-sized as a result of the recommendation earlier in this report, the consular section should be reduced by one position. However, doing so would entail reassignment of the remaining consular officer's most burdensome ancillary duties, which include serving as post security officer, information systems security officer, and contracting officer. The nonimmigrant visa workload of about 3,000 applications per year and the American citizens services workload of about 800 passports and some emergency cases per year could be managed by one officer. At least 20 hours of a full-time FSN's workweek in the consular section would be freed by this action for other duties, and consular operations could be handled by one full-time consular officer. Consulate General Montreal is the logical place to transfer IV processing because of the daily direct flights there from Bermuda.

**Recommendation 5:** The Bureau of Consular Affairs, in coordination with the Bureau of European and Eurasian Affairs and the Bureau of Western Hemisphere Affairs, should transfer immigrant visa processing for Bermuda to Consulate General Montreal. (Action: CA, in coordination with EUR and WHA)

**Recommendation 6:** The Bureau of European and Eurasian Affairs, in coordination with the Bureau of Consular Affairs and the Bureau of Human Resources, should eliminate the entry-level officer consular position (position number 03-7006) upon completion of the current officer's tour. (Action: EUR, in coordination with CA and DGHR)

## CONSULAR FACILITIES

The interview windows at the consular facility offer little privacy, and for about two weeks in the summer the public waiting room is cramped. The consular work area's accessibility is not limited to consular employees, and line-of-sight in the section is poor. However, given the section's small size and the constant interaction of officers with local staff, these concerns are not significant weaknesses.

## CONSULAR MANAGEMENT

In 2005, the section launched a public web site that has helped disseminate basic information, reducing the time spent answering public inquiries. With the encouragement of the consul general, the section uses public diplomacy extensively and effectively. The officers have appeared on several talk shows, conducted numerous media interviews, and have gone to high schools and other organizations. The section also uses public diplomacy to educate Bermudians about visa waivers, to get out information such as voting news to Americans, to promote use of the web site, and to disseminate general consular information. It has been particularly effective in getting out word of the new Western Hemisphere Travel Initiative passport requirement.

However, the consular section does not have local standard operating procedures. These are essential management tools that create procedural consistency even when there is staff turnover. OIG informally recommended that the section draft local standard operating procedures for all consular procedures.

A local-hire computer systems manager provides information management support to the section, and the regional information management officer from Fort Lauderdale comes approximately every six weeks. Although the section has had

problems with the new ACS Plus system, which was installed in May 2006, no computer problems have seriously affected the consular section's service to the public.

## **VISAS AND FRAUD PREVENTION**

The U.S. Immigration and Nationality Act grants Bermudians visa-free entry to the United States. The only Bermudians who need visas are those subject to an ineligibility and therefore need a waiver from DHS, most commonly for past narcotics convictions. Prior to June 2005, CBP officers at Hamilton airport quickly processed waiver requests. Since then, these requests have been processed at a DHS office in Minnesota and take six months or more. Processing approximately 200 waivers each year has become a major workload for the consular section. Although DHS has always responded quickly to emergency waiver requests, the section chief has worked with the Bureau of Consular Affairs (CA) and the DHS office in Minnesota to speed up the waiver process. Local politicians have raised the waiver requirement as an important bilateral issue because a local expunging of the criminal record does not eliminate the DHS waiver requirement under U.S. law. The section's officers have an ongoing effort to explain U.S. visa law to the government and public. The section chief even briefed Bermuda's cabinet on the issue in August 2005. The officers also frequently address the issue during public outreach. The Bermudian public has had a hard time dealing with the change.

Once the consulate opened its web site, visa applicants in the United States who needed to renew their H-1B visas began to call about applying in Hamilton. Currently the consular section only accepts applications from those who have other legitimate business in Bermuda. The consulate general has learned that CA will soon host a web-based appointment system for Hamilton. The post will then be able to schedule more H-1B applications but control the number. Bermudians and third country nationals resident in Bermuda or employed on visiting cruise ships do not need appointments for visas.

Until recently, third country nationals who had work permits were usually considered good applicants, but recently the government of Bermuda began enforcing the six-year limit on work permits. Now more third country nationals are potential intending immigrants, and the refusal rate for them has increased from about 30 percent to 50 percent. Because there are flights only to the United States, Canada, and the United Kingdom, third country nationals can get stranded in Bermuda. Some third country nationals are brought in on charter flights by employers, but then have no way to go home without a visa. The consular section chief is working

to get Bermuda to address the question of controlling entry of those who do not have a way out of Bermuda. The number of nonimmigrant visa applicants using the electronic visa application form is low, but since the introduction of the consulate general's web site and the increase in the consular section's outreach, more and more applicants are using the form. The IV workload of 100 cases per year is small but time consuming. The main IV FSN retired in 2002, and the new employee now responsible for IVs is still learning the job. The backup IV employee is not yet fully trained.

Although the consular section is too small to have a fraud prevention unit and fraud is not a big problem in Bermuda, the section works closely with local immigration and CBP officers to deal with the cases that arise and to keep abreast of any fraud, law enforcement, or terrorism trends. The only document the section relies on during a visa interview is the local work permit, a secure document.

## **AMERICAN CITIZENS SERVICES**

There are about 8,500 Americans residing in Bermuda, and 400,000 American tourists visit the island annually. The consular section processes about 900 passport applications and 100 reports of birth of American citizens each year. It also deals with an average of seven arrests and 12 reports of deaths of Americans each year. The section has an institution-based warden system that uses 42 organizations to disseminate messages to American citizens. With the implementation of ACS Plus, the section will soon be able to send e-mails directly to registered American citizens. Many tourists come to Bermuda on cruise ships. The shipping companies involved in these visits are usually well prepared to take care of passenger emergencies, and therefore these tourists add little to the section's workload.

The consular officers have extensive contacts and good knowledge of some aspects of local disaster planning. Bermuda's Emergency Measures Organization handles disaster preparation. The airport manager is an American who has experience in running airports in the United States. The post has conducted two crisis-management exercises in the last few years and has engaged in tabletop exercises. The Bermudian government and residents are experienced in dealing with hurricanes, but it is less clear how well prepared the island is for other types of disasters, such as large airplane crashes. The consular officers have made appropriate contacts, but they can do more to plan for a disaster. OIG informally recommended that the post complete its local disaster assistance plan by obtaining more detailed information on Bermuda's plans and capabilities for handling a large-scale accident.



# RESOURCE MANAGEMENT

**Table 1: Staff and Funding of Consulate General Hamilton**

Agency	U.S. Direct-Hire Staff	U.S. Local-Hire Staff	Foreign National Staff	Total Staff	Total Funding FY 2005
Department of State	4	1	23	28	711,300
Diplomatic and Consular Programs					
ICASS					924,800
Representation					11,200
Diplomatic Security					413,550
DHS	14	5		19	
U.S. Customs and Border Protection					
<b>Total</b>	<b>18</b>	<b>6</b>	<b>23</b>	<b>47</b>	<b>2,060,850</b>

Source: Consulate General Hamilton

## ADMINISTRATIVE OPERATIONS

Consulate General Hamilton is a small post that has four American officers and 29 FSNs and local-hire Americans. A separate group of 14 officers and five local-hire Americans works at the CBP preclearance facility. As a small post in which all Americans and FSNs necessarily perform many duties, the need for cross training and separation of duties between functions increases the workload and training requirements. In terms of administrative priorities, the consul general's residence (CGR) continues to require considerable time and energy from staff because it is undergoing some initial renovation.

The management section provides good service to the consulate general community. The scores the post received on the worldwide ICASS customer service surveys are close to EUR's average for most administrative services. The acting DPO has focused on restructuring administrative processes and on building a professional support team. His expertise and strong management skills have done much to establish a more productive work environment.

## CONSUL GENERAL RESIDENCE

In 1999, the Department sold the former CGR, a 14-acre property known as Chelston. Since then, the post has been plagued by costly and disruptive moves between several short-term-leased CGRs. The current CGR is the third residence that has been leased by the Department in the last seven years. Each relocation has entailed at least \$100,000 in moving, make-ready, decommissioning, and temporary quarters expenses, in addition to hundreds of hours of staff time. It is not likely that the Department will retain the current CGR, leased at an annual cost of \$360,000, beyond the tour of the incumbent consul general. This is largely because the consul general currently pays \$60,000 of the lease expenses for this property from personal funds.

**Recommendation 7:** Consulate General Hamilton, in coordination with the Bureau of Overseas Buildings Operations, should request authority to conduct a market survey of executive housing in Bermuda for a permanent consul general's residence. (Action: Consulate General Hamilton, in coordination with OBO)

## REGIONAL SUPPORT

Consulate General Hamilton receives regional support from a constellation of providers that are located as far afield as Guatemala City. Under an intrabureau agreement with WHA, the Florida Regional Center has assumed responsibility for supporting the consulate general's information management and human resources (HR) operations and has done so with notable success. The successful transfer of management support responsibilities could be expanded if authority for the post were transferred to WHA, as recommended in the executive direction section of this report. Regional support for services other than security, IT, and HR tends to respond to specific post requests.

## **HUMAN RESOURCES**

The HR function is adequately managed. A regional HR officer at the Florida Regional Center has made three visits in the past year to update the local compensation plan, review employee performance issues, and oversee FSN employee reclassifications. With two exceptions, all American and FSN employee evaluations are current. FSNs received a 6.5-percent pay increase after the last compensation survey, but still are well below the local market compensation target. Spousal employment is not an issue because high-paying employment opportunities exist in the local economy. The post maintains a commendable commitment to FSN training.

The employee awards program is seen by many FSNs as ineffective. Awards are given only once a year and are subject to funds availability. Furthermore, FSNs believe that the process lacks transparency. However, the consulate general does make regular use of on-the-spot awards. There is no FSN committee to meet regularly with management to discuss issues of concern to the local staff. OIG made informal recommendations in each of these areas.

## **FINANCIAL MANAGEMENT**

The financial management unit is well managed. The post regularly deobligates account balances, conducts cashing operations efficiently, and prepares post budgets in a timely manner. A sample of vouchers reviewed by OIG contained the required signatures and obligating documents. The representation budget is modest but at approximately the same level as Department allotments for posts of similar size. OIG informally recommended that the post contact the Global Financial Services Center in Charleston to institute electronic funds transfers for FSN payroll and vendor payments, which are currently paid by paper checks. Eliminating paper checks would increase efficiency of voucher processing.

ICASS has two customers, the Department and CBP. Draft ICASS service standards have been established and are being implemented. The post has already conducted informal customer service surveys to identify areas for improvement, a move initiated by the consul general. OIG encouraged the post to make use of the ICASS worldwide customer service survey and the ICASS standards process to enhance service delivery.

## FACILITIES AND REAL PROPERTY

The consulate's real estate holdings consist of a U.S. government-owned consulate general building and 18 residences that are leased on a short-term basis. Because of the exceptionally high cost of housing in Bermuda, all residences require lease waivers from the Bureau of Overseas Buildings Operations. The post maintains accurate real property inventories in the Real Property Application, assigns employees according to interagency housing board standards, complies with the space standards applicable to residences (with one exception noted below), and provides new employees with a housing handbook. The sole lease of a residence that exceeds the housing space standards will be terminated upon the departure of the incumbent officer in the next several months.

The maintenance of the post's housing elicited complaints from some employees. As mandated by the consul general, the post has instituted standard work order tracking, and work orders are completed in a reasonable amount of time. Because maintenance of short-term-leased properties is the landlord's responsibility, consulate staff cannot perform repairs and must instead turn to landlords. This requirement means that customers sometimes do not understand the reasons for the delays that arise in executing requests.

The consulate general does not have warehouse space, although the consul general is actively seeking approval to use CBP space at the Hamilton airport hangar for warehouse purposes. The lack of storage space has made ordering and disposing of furniture and supplies problematic. Office space shortages have forced five employees into cramped quarters in an adjacent annex. OIG's recommendation in the rightsizing section of this report may allow several of these employees to move to the consulate general building.

## GENERAL SERVICES

The post's general services operations have received needed attention from the acting DPO. Prior to the arrival of the current temporary duty DPO, there was little evidence of previous active American management involvement in GSO functions. Property management and procurement and contracting still need improvement and should be a focus for the incoming DPO. Other GSO functions, such as vehicle registration, customs and shipping, and travel, function smoothly.

## PROCUREMENT AND CONTRACTING

The post's procurement and contracting practices need improvement. The post does not use standard procurement file jackets and has not competed procurements over the \$2,500 micro-purchase threshold when required to do so. Procurements could be more efficiently managed by competing contracts and using fewer purchase orders for routine purchases. In general, more attention must be paid to completing procurement documents correctly. This includes obtaining fiscal data prior to purchases and ensuring that the American contracting officer approves all procurements. The consulate general has requested an assistance visit from the Office of the Procurement Executive to train staff and provide guidance on procedures. OIG informally recommended that the consulate general develop and implement standard operating procedures for procurement and contracting in conjunction with this visit.

## PROPERTY MANAGEMENT

The post has acceptable procedures to manage government property, with one exception noted below. The post's property inventories include high-value items such as artwork and rugs. OIG found that property disposal procedures need to be strengthened. Property disposal reports sometimes lack the signature of the American property disposal officer, despite the requirement in 14 FAM 411.2-3. The post does not maintain adequate records of auctions and other sales to document advertising and participation of the property disposal officer in the process, despite the requirement in 14 FAM 417.3-3. Moreover, the names of individuals who receive government property by donation are not in the files, nor is there documentation that the sale or transfer to other government agencies was considered as a method of disposal.

**Recommendation 8:** Consulate General Hamilton should establish and implement written standard operating procedures for nonexpendable and expendable government personal property. (Action: Consulate General Hamilton)

## **PREMIUM CLASS TRAVEL**

During the past year, the post authorized premium-class travel for three trips. Itineraries for the trips exceeded 14 hours and thus qualified for premium-class travel under Department regulations at 14 FAM 567.2-2. However, explicit authorization of premium-class travel was not noted on the orders. OIG informally recommended that the post document reasons for premium-class travel in the future.

## **INFORMATION MANAGEMENT**

The information management program at post meets the consulate general's needs. Even with extensive regional support, there are extremely difficult technical systems problems that challenge the local staff. The problem areas in information management are classified systems and financial applications. In the absence of an American information management specialist, the post's needs are met by an FSN systems administrator and the consul, who serves as the information systems security officer. The regional information management officer adheres to a schedule of six visits a year.

## **SECURITY**

This inspection did not involve a full-scope security review. OIG did review the post's progress on compliance with recommendations from OIG's 2003 security inspection and is satisfied that the two remaining open recommendations from that report are on track for completion. OIG also discussed with post management the need to involve CBP personnel more closely in the post's emergency action plan. CBP has an important, but not clearly defined role, in the evacuation of U.S. citizens in a natural disaster or other emergency. OIG informally recommended that the post meet with CBP to more firmly establish that agency's role in emergency planning.

## **AVIAN INFLUENZA**

The consulate general takes its contingency planning responsibilities for avian influenza seriously. The consul and the regional medical officer met with senior hospital managers at the island's sole hospital to identify medical response capabilities. That exercise established that an avian influenza emergency could have serious and immediate consequences for the post. The post has also stockpiled Tamiflu in the event of an avian influenza outbreak. The consular warden network was activated in the last six months to share information on avian influenza with the local American community.



## QUALITY OF LIFE

Bermuda has a pleasant climate, low crime, a high standard of living, modern medical facilities, and decent schools. Because of the high cost of living, the post receives a 60-percent post allowance, one of the highest in the world.

### COMMUNITY LIAISON OFFICE

The community liaison office coordinator, a CBP spouse, receives good marks for his efforts. He is particularly active in helping new consulate general and CBP employees get settled and has arranged several successful community events. He is seen as a positive asset, particularly in exposing CBP families to the consulate general community.

### SCHOOLS

There are no schools at post that have been deemed adequate by the Office of Overseas Schools.

schools are reportedly of good quality, several issues require the post's attention. The children of U.S. government employees do not have preference in admissions, for instance. Other concerns are related to curriculum adequacy and special needs programs. The regional education officer has not visited the post in 11 years. OIG informally recommended that the post request a visit from the regional educational officer, who could discuss these issues with local school officials.

### MEDICAL

The consulate general has no medical unit. The regional medical officer and the regional psychiatric officer have visited the post in the past six months. The consulate general has established an agreement with the local hospital concerning medical evacuations and payments for employees who require hospitalization.



## MANAGEMENT CONTROLS

Management controls are generally adequate. The inspection found several areas, notably property management and contracting, where closer oversight by American officers is warranted. The post submitted the annual management controls certification to the Department in June 2005 and identified no internal controls weaknesses.



## FORMAL RECOMMENDATIONS

- Recommendation 1:** The Bureau of European and Eurasian Affairs, in coordination with the Bureau of Political-Military Affairs, should establish with the Department of Defense clear guidelines and a defined line of communication for coordination with Consulate General Hamilton on military-related issues. (Action: EUR, in coordination with PM)
- Recommendation 2:** The Bureau of European and Eurasian Affairs should require Consulate General Hamilton to submit an FY 2009 performance plan. (Action: EUR)
- Recommendation 3:** The Bureau of European and Eurasian Affairs, in coordination with the Bureau of Human Resources, should develop a plan and a timeline to restructure Consulate General Hamilton, reducing it to a two-officer post. (Action: EUR, in coordination with DGHR)
- Recommendation 4:** The Bureau of European and Eurasian Affairs should transfer responsibility for Consulate General Hamilton to the Bureau of Western Hemisphere Affairs. (Action: EUR, in coordination with WHA)
- Recommendation 5:** The Bureau of Consular Affairs, in coordination with the Bureau of European and Eurasian Affairs and the Bureau of Western Hemisphere Affairs, should transfer immigrant visa processing for Bermuda to Consulate General Montreal. (Action: CA, in coordination with EUR and WHA)
- Recommendation 6:** The Bureau of European and Eurasian Affairs, in coordination with the Bureau of Consular Affairs and the Bureau of Human Resources, should eliminate the entry-level officer consular position (position number 03-7006) upon completion of the current officer's tour. (Action: EUR, in coordination with CA and DGHR)

**Recommendation 7:** Consulate General Hamilton, in coordination with the Bureau of Overseas Buildings Operations, should request authority to conduct a market survey of executive housing in Bermuda for a permanent consul general's residence. (Action: Consulate General Hamilton, in coordination with OBO)

**Recommendation 8:** Consulate General Hamilton should establish and implement written standard operating procedures for nonexpendable and expendable government personal property. (Action: Consulate General Hamilton)

## 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 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.

### **Public Diplomacy/Political Reporting**

Consulate General Hamilton needs a modest reporting plan.

**Informal Recommendation 1:** Consulate General Hamilton, in coordination with the Bureau of European and Eurasian Affairs, should establish a modest reporting plan covering those areas of interest to Washington, such as the elections, Bermudian independence, and major activities/events relating to the United States and the consulate general.

### **Consular**

The consular section does not have local standard operating procedures, which are essential management tools that create procedural consistency even when there is a staff turnover.

**Informal Recommendation 2:** Consulate General Hamilton should prepare local, written standard operating procedures for all consular procedures.

The consular officers have made appropriate contacts, but can do more to learn about the local government's plans for responding to a major accident.

**Informal Recommendation 3:** Consulate General Hamilton should complete the local disaster assistance plan by obtaining more complete information on Bermuda's plans and capabilities for handling a large-scale accident.

## Management

FSNs at the consulate general do not have a formal mechanism for discussing employee concerns with the consul general.

**Informal Recommendation 4:** Consulate General Hamilton should establish a Foreign Service national committee to share employee perspectives with the consul general regularly.

Employee awards are given only once a year. The criteria for these awards are unclear to FSNs, and several employees believe that the awards process is not transparent.

**Informal Recommendation 5:** Consulate General Hamilton should review the awards committee process and use an administrative notice to advise personnel of the procedures for awards.

The post's EEO counselor has not received mandatory EEO training.

**Informal Recommendation 6:** Consulate General Hamilton should designate the vice consul as Equal Employment Opportunity counselor and schedule her for the required training.

The post does not use standard procurement jackets to record information for the contracting officer such as competitive bids and other information.

**Informal Recommendation 7:** Consulate General Hamilton should use standard procurement jackets and maintain the documentation of competitive bids where warranted.

The fiscal data for procurements are often obtained after the procurement has been made. This practice is contrary to regulation.

**Informal Recommendation 8:** Consulate General Hamilton should obtain fiscal data before executing procurement actions.

The post's procedures for petty cash procurements circumvent the contracting officer, and staff members are sometimes uncertain as to when the contracting officer's signature is required for procurements.

**Informal Recommendation 9:** Consulate General Hamilton should establish standard operating procedures for procurement and contracting in conjunction with an upcoming regional support visit from the Office of the Procurement Executive.

The reasons for premium class travel are required under 14 FAM 567.2-2 but are not being noted on travel orders.

**Informal Recommendation 10:** Consulate General Hamilton should document the reasons for premium-class travel when such travel is authorized.

### **Security**

Although the CBP contingent is part of the emergency action committee planning process, the CBP contingent's emergency responsibilities are not clearly delineated.

**Informal Recommendation 11:** Consulate General Hamilton should meet with officers of the Bureau of U.S. Customs and Border Protection to more firmly establish that agency's role in emergency planning.



**PRINCIPAL OFFICIALS**

	<b>Name</b>	<b>Arrival Date</b>
Consul General	Gregory W. Slayton	09/05
Deputy Principal Officer/ Management Officer	Frank M. Fulgham	02/05
Chief of Consular Section:	Jill M. Esposito	08/03
Other Agencies: Bureau of Customs and Border Protection	Stephen W. Greenberg	12/05



## ABBREVIATIONS

CA	Bureau of Consular Affairs
CBP	U.S. Customs and Border Protection
CGR	Consul general's residence
DHS	Department of Homeland Security
DPO	Deputy principal officer
EEO	Equal Employment Opportunity
EUR	Bureau of European and Eurasian Affairs
EUR/EX	Bureau of European and Eurasian Affairs, Office of the Executive Director
EUR/UBI	Office of United Kingdom, Benelux, and Ireland Affairs
FSN	Foreign Service national
HR	Human Resources
ICASS	International Cooperative Administrative Support Services
IV	Immigrant visa
MPP	Mission Performance Plan
OIG	Office of Inspector General
RM	Bureau of Resource Management
WHA	Bureau of Western Hemisphere Affairs

~~SENSITIVE BUT UNCLASSIFIED~~

~~SENSITIVE BUT UNCLASSIFIED~~