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

Report of Inspection

Embassy
Muscat, Oman

Report Number ISP-I-10-71A, August 2010

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PURPOSE, SCOPE AND METHODOLOGY OF THE INSPECTION

This inspection was conducted in accordance with the Quality Standards for Inspections, as issued by the President's Council on Integrity and Efficiency, and the Inspector's Handbook, as issued by the Office of Inspector General for the U.S. Department of State (Department) and the Broadcasting Board of Governors (BBG).

PURPOSE

The Office of Inspections provides the Secretary of State, the Chairman of the BBG, and Congress with systematic and independent evaluations of the operations of the Department and the BBG. Inspections cover three broad areas, consistent with Section 209 of the Foreign Service Act of 1980:

- **Policy Implementation:** whether policy goals and objectives are being effectively achieved; whether U.S. interests are being accurately and effectively represented; and whether all elements of an office or mission are being adequately coordinated.
- **Resource Management:** whether resources are being used and managed with maximum efficiency, effectiveness, and economy and whether financial transactions and accounts are properly conducted, maintained, and reported.
- **Management Controls:** whether the administration of activities and operations meets the requirements of applicable laws and regulations; whether internal management controls have been instituted to ensure quality of performance and reduce the likelihood of mismanagement; whether instances of fraud, waste, or abuse exist; and whether adequate steps for detection, correction, and prevention have been taken.

METHODOLOGY

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



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

Office of Inspector General

PREFACE

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

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

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

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

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

Harold W. Geisel
Deputy Inspector General

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CONTEXT

Located on the strategic southeastern corner of the Arabian Peninsula, Oman serves as a key military ally of the United States and an island of relative stability in the Persian Gulf. Under the nearly 40-year reign of the current Sultan, the United

States has cultivated a strong and productive relationship with Oman, cemented by an active program of military cooperation and a free trade agreement that went into force in 2009.



Map of Muscat, Oman
Source: U.S. Government

Slightly smaller than Kansas, with a population of 3.4 million, Oman enjoys positive relations with its neighbors, including Yemen and Iran. Oman's northernmost territories border the sensitive shipping lanes of the Strait of Hormuz, through which half the world's oil exports pass. Oman's population consists primarily of adherents to the moderate Iba-

dhi sect of Islam. Despite having only limited oil and natural gas reserves, Oman's investments in infrastructure and education have ensured rapid economic development and relative political stability. U.S. interests in Oman include enhancing regional stability and military cooperation, promoting counterterrorism coordination, and expanding public diplomacy outreach.

The embassy has expanded its staffing profile and resource base significantly since the last post inspection in 2004. Embassy resources now include 76 U.S. direct-hire employees and 125 LE staff from three federal agencies, including the Department of State, the Department of Defense, and the Department of Homeland Security. Operating budgets total \$16.7 million for all agencies, not including budgets for Department of Defense military personnel deployed under the authority of the combatant commander.

EXECUTIVE DIRECTION

The Ambassador arrived in Oman in September 2009; the DCM has been in place since September 2008. They have formed a very effective leadership team. Relations and communication between them are excellent.

The Ambassador and DCM have clearly laid out the goals and objectives of the embassy through an inclusive Mission Strategic and Resource Plan (MSRP) process that guides the embassy's work, programs, and resource allocation. They lead a cohesive and productive embassy team, bringing together all sections and agencies to work on key issues, through the country team as well as issue-specific committees and ad hoc groups. The Ambassador and DCM meet weekly or biweekly with all agency and section heads and more frequently on an informal basis.

The Ambassador instituted an open door policy for the front office, and he and the DCM are readily accessible to the embassy staff. They also walk around the embassy visiting offices, attending events, and frequenting the cafeteria. They know the names of practically all embassy staff.

The DCM received numerous compliments for his mentoring and advice from entry-level officers (ELO) and officers new to their positions. The Ambassador is also fully accessible to ELOs. ELOs are invited to attend all country team meetings and are included in representational and public diplomacy events. ELOs hold key positions throughout the embassy and are doing a remarkably good job. Under its current leadership, this is an excellent embassy for ELOs, a fact recognized by the Department, which has assigned three additional ELOs to arrive over the next 12 months.

The Ambassador and DCM assign a high priority to security and emergency preparedness. The regional security officer is extremely pleased with the support and leadership he receives from the front office. All elements of the embassy are brought into this effort. The OIG team had the opportunity to witness the embassy's actions on security related issues and incidents and was very impressed with its performance.

Public diplomacy plays a prominent role in the MSRP and enjoys the full support of the front office. The Ambassador, a public diplomacy cone officer, plays an active role in this area, but allows a talented public affairs section (PAS) to take the lead in creating and managing its programs.

The Ambassador, having served as a deputy assistant secretary in the Bureau of Near East Affairs (NEA), and before that as director of the Office of Iraq Affairs, knows well how to work with Washington to advance U.S. interests in Oman and the region. He has the confidence of the bureau's leadership, a vitally important factor for any chief of mission. The Ambassador, in his eight months at post, has established productive relationships with the Omani leadership, including the Sultan of Oman.

The Ambassador has also focused attention on advocacy for American companies, to enable them to compete fairly in an environment where European and other countries have longstanding relationships. This effort is also necessary to show concrete results from the free trade agreement the United States concluded with Oman. There is not a direct-hire U.S. and Foreign Commercial Service officer in the embassy, so the commercial responsibility falls to the political/economic section with the assistance of an LE staff member funded by the Department of Commerce. Implementation of the free trade agreement, consisting of both adherence to the provisions of the agreement and development of trade and investment, is a high priority for embassy leadership. The Office of the United States Trade Representative is pleased with the embassy's performance in this process, including the involvement of the Ambassador and DCM.

COMMUNICATION WITH LOCALLY EMPLOYED STAFF

One area that needs additional attention from the front office is communication with the LE staff. To their credit, the current leadership has successfully pressed for a compensation adjustment that will result in a significant pay increase for the LE staff. Mission management is also looking to increase health benefits and create a retirement program.

The embassy also has had to clean up a legacy of problems in the human resources (HR) area, caused in part by serious gaps in staffing. This has meant a necessary tightening of rules and practices. The OIG team found that some LE staff members have misinterpreted these changes in rules and practices, as well as other issues such as LE staff terminations and departures. Communication is made more difficult by the absence of an LE staff committee or association and the reluctance of many LE staff to raise issues with their superiors. When alerted to this issue by the OIG team, the Ambassador, who is respected by the LE staff, took immediate action to schedule town meetings to encourage them to raise issues of concern, and

to form a committee or association to allow for a more regular, structured interchange. He plans to note the positive developments as well as address perceived and actual problems.

The OIG team gives credit to embassy leadership for their firm but fair handling of National Security Decision Directive-38 issues, and for taking action to address employee conduct and performance issues. Mission leadership is sensitive to potential equal employment opportunity (EEO) issues, and no cases have been brought to the EEO counselor. The OIG team recommends in this report that the embassy nominate one or more LE staff as EEO liaisons.

POLICY AND PROGRAM IMPLEMENTATION

POLITICAL/ECONOMIC SECTION

The combined political/economic section provides a steady flow of reporting that is appreciated by Washington end-users. The high quality of the section's reporting reflects its excellent access to host country government officials. This is particularly laudable since, with the exception of the section chief, all officers in the section are ELOs and three of the five LE staff members are relatively new. An efficient and tech-savvy office management specialist prepares packages to submit to Washington for prospective recipients of training,¹ and occasionally drafts cables and memoranda of conversation. The office management specialist has initiated Sharepoint projects and other electronic initiatives to update project status and share this information with everyone in the section. Two new ELO positions are scheduled to be filled soon in the political/economic section. This will definitively resolve the section's chronic understaffing problems, but will increase mentoring and guidance responsibilities for the section chief and the DCM.

Particularly in light of the predominance of ELOs in the political/economic section, the section chief needs to provide stronger leadership both in giving direction to subordinates and in editing and drafting documents in a timely manner. Mission management has counseled him on these issues. On a positive note, both new and experienced LE staff praised the section chief for taking an interest in their professional development and for supporting their contributions to the mission's goals and objectives.

¹ Embassies undertake reviews of candidates for training to ensure that such candidates have not committed gross violations of human rights, consistent with Department instructions in 03 STATE 34981.

Commercial Advocacy

The 2009 free trade agreement between the United States and Oman has created conditions conducive to increasing the volume of bilateral trade. U.S. exports to Oman have doubled to \$2 billion since the implementation of the agreement in 2009. Despite this positive accomplishment, the embassy is not adequately staffed to take advantage of trade promotion opportunities in Oman. A commercial specialist LE staff position has been vacant for several years. The embassy can improve free trade agreement outreach by filling the long-vacant LE staff position in the economic section with an employee dedicated to commercial advocacy and outreach duties. The absence of a local employee to pursue a burgeoning workload in this area limits the embassy's ability to advocate effectively for American companies in Oman.

Recommendation 1: Embassy Muscat should request, and the Bureau of Near Eastern Affairs should provide, funding to fill the vacant economic/commercial specialist position with a qualified, Arabic-speaking employee. (Action: Embassy Muscat, in coordination with NEA)

Trafficking in Persons

Oman has made considerable progress in improving its record on trafficking in persons (TIP) issues. As a result of U.S. engagement and Omani determination to address this problem area, the government of Oman passed anti-trafficking legislation, and traffickers have been arrested, tried, and convicted. Oman improved its standing in the annual TIP evaluation, which is prepared by the Office to Combat and Monitor Trafficking, by taking actions needed to address TIP issues in the country. The embassy believes that the Omani government's concern for TIP issues is genuine and that the government will continue to take steps to protect expatriate workers from sexual and labor exploitation by their employers.

Middle East Partnership Initiative

MEPI has an important and active program at Embassy Muscat. MEPI in Oman works closely with American Mideast Educational and Training Services, a nongovernmental organization that promotes cooperation between the United States and the region through education, information and development programs. MEPI provides a productive platform to engage Omanis on civil society, rule of law, women's issues, human rights, and TIP issues. The government of Oman supports U.S. efforts to engage its citizens through MEPI projects. Under MEPI, the embassy has made

good use of limited funding (approximately \$200,000 in ongoing programs) to build volunteerism, train junior journalists, and promote women's environmental and legal education.

A committee chaired by the DCM and including political/economic and PAS officers monitors regional grants and provides input to Washington-based grants. Embassy Muscat does not always agree with MEPI Washington's actions on MEPI projects, and these projects sometimes must be fine-tuned to fit Omani cultural sensitivities. Because MEPI Washington is organized by program sector rather than by country, there is sometimes confusion about who should respond to Embassy Muscat's concerns. A February 2010 visit by the Washington-based MEPI director resolved some misunderstandings between the embassy and MEPI Washington. Going forward, NEA will continue to consult Embassy Muscat closely and consider the embassy's perspective in the project selection process. Overall, MEPI Oman is an excellent and well-executed program that is important to the positive relationship among the embassy, the Omani government, and a wide range of grant recipients in civil society.

Export Control and Related Border Security Program

Within the political/economic section, a personal services contractor manages the Export Control and Related Border Security (EXBS) program with one LE staff member and oversees \$1 million in annual funding. The employee has regional responsibilities but is based in Oman, where he spends about 75 percent of his time. The program is designed to provide Oman with resources to detect and prevent trafficking of weapons of mass destruction, and to encourage Oman to remain vigilant to prevent it from becoming a supply route for terrorist organizations. To date, property accountability and end-use monitoring in the Oman EXBS program have been satisfactory.

Arabic Language Proficiency

None of the section's officers has reached a level of language competence that allows them to discuss embassy business in Arabic at a professional level. Government officials and educated interlocutors usually speak English, but the lack of Arabic proficiency among political and economic officers limits outreach beyond society's elite. One employee remarked that the lack of language ability insulates American officers from Omani culture. This is to be expected in a section staffed primarily by ELOs, who cannot receive the full two years of Arabic language training needed to establish proficiency in the language. The embassy is delaying the arrival of one of the new ELOs to allow for one full year of Arabic language training.

Social Media

PAS makes good use of somewhat limited opportunities to use social media as part of its outreach to Omanis. Internet penetration in Oman is only 16 percent, and many Omanis have limited access to computers. Nevertheless, PAS reaches out to the public using a variety of electronic media and uses email distribution lists to contact the local press. In recent years, PAS has monitored Arabic discussion forums and more recently has engaged directly with leading local bloggers. Twitter is in its infancy in Oman, with fewer than 1,000 users, but PAS has plans to use that platform to reach Omanis when it becomes viable. The Ambassador currently is undertaking his first blog interview.

American Corners

PAS maintains five active American Corners at institutions throughout Oman. One cannot exaggerate the importance of an American Corner in a country where there were no university libraries until the 1970s, and there are still no public libraries today. In Oman, the embassy's American Corners book collections are still valuable resources for the public diplomacy effort. Internet connections are slow, unreliable, and costly, limiting the ability of American Corners in-country to use the full range of resources normally found at an American Corners institution.

DEPARTMENT OF DEFENSE

Because military cooperation in Oman is an essential U.S. national interest in the region, there is a substantial Department of Defense presence at the embassy. A base access agreement between the United States and Oman is one manifestation of the two countries' close military ties. The Department of Defense maintains three offices in Embassy Muscat: the Office of Military Cooperation, the Executive Coordinating Agency, and the Defense attaché office. Taken together, the three entities make up approximately 50 percent of the embassy's U.S. direct-hire staff.

DEPARTMENT OF HOMELAND SECURITY

In the southern port city of Salallah, the Department of Homeland Security maintains a presence consisting of one direct-hire officer and five LE staff members. The officer is assigned to support the Container Security Initiative to enhance the capabilities of Oman's port authorities in preventing the transportation of weapons of mass destruction.

The Department of Homeland Security LE staff report to an American Department of Homeland Security supervisor in the United States, rather than to the American employee assigned to Salallah. This arrangement is less than optimal for maintaining oversight of resources and proper supervision of these employees. Recent incidents involving potential misuse of government resources on the part of these LE staff underscore the need for more direct supervision by the parent agency. Alternative supervisorial relationships could include assigning supervisory responsibility either directly to the American employee in Salallah or to a Department of Homeland Security employee in the region.

Recommendation 2: Embassy Muscat, in coordination with the Bureau of Near Eastern Affairs, should work with the Department of Homeland Security to identify an alternative supervisory arrangement for locally employed staff assigned to Salallah, Oman. (Action: Embassy Muscat, in coordination with NEA)

CONSULAR AFFAIRS

The consular section is capably led by a Civil Service employee on an excursion tour. This employee and an entry-level consular officer supervise local staff who are cross-trained in all consular functions. During the inspection, a temporary duty officer from Embassy Kuwait provided temporary coverage during the summer transfer season. The OIG team observed and received highly positive feedback on the section's collegial atmosphere and excellent customer relations. The section engages actively and effectively with the front office, PAS, and other embassy sections which have law enforcement responsibilities to protect American citizens and borders, to promote international travel, and to enhance the image of the United States. The embassy receives excellent support from the regional consular officer based in Cairo.

LE staff performance evaluations have been completed on time, but all three consular LE staff positions (N31001, N31002, and C31006) need to be reviewed and updated to include actual functions and percentages of time devoted to major responsibilities. The issue of position description updates is addressed in the human resources section of this report.

Workplace and Visitor Access Issues

The consular staff work area is adequate for the projected workload and is configured appropriately. Due to an efficient online appointment system the consular waiting room, although small, is rarely crowded. During the inspection, the embassy received long awaited funding to replace aging interview windows, and to install new microphones and an electronic queuing system. These upgrades will speed the interview process, enhance confidentiality, and improve the embassy's public image. Improved interior and exterior directional signage has been ordered and will be installed at the same time.

The process of obtaining fingerprints from visa applicants is time consuming and contributes to delays in processing visa applicants. These delays stem from the limited numbers of staff performing the fingerprint scans, the unfamiliarity of applicants with the process, and variations in skin moisture that make it necessary for consular staff to perform multiple attempts to acquire clear electronic fingerprints from applicants. The embassy plans to hire an eligible family member (EFM) to work in the consular section during the summer. The OIG team made informal recommendations that this EFM's responsibilities include taking fingerprints and providing moisturizing hand wipes to increase the efficiency of the fingerprint collection process.

Streamlining Consular Visitor Services

The manual visitor screening process also creates occasional bottlenecks at Embassy Muscat. In many overseas missions, consular sections provide lists of scheduled visa appointments to the RSO to help speed the screening process and reduce the risk of unauthorized visitors gaining access to the compound. This information can be generated with existing consular software. The OIG team made an informal recommendation that visitor appointment lists be provided to the RSO.

When consular clients need to provide additional documentation in support of requests for services or to pick up travel documents, they must repeat the process of walking some 400 feet from the embassy's public entry to the consular waiting room. This unnecessarily crowds the consular waiting room, adds extra time to the security screening process, and is an inconvenience to the public. The consular section should install a locked drop box for delivering required consular documents and staff a desk in the screening area for brief periods to facilitate delivery of travel documents. These measures would improve traffic flow and allow the section to manage its workload more efficiently. The OIG team made an informal recommendation to this effect.

Visa Referrals and In-House Requests for Services

Visa referrals by American officer are infrequent and are handled correctly. However, there is no separate drop box for passports and supporting documentation for visa referrals. As a result, the section experiences disruptions in handling requests that are delivered on an ad hoc basis by embassy staff, particularly during peak periods. Similar disruptions occur when embassy staff members seek routine services, such as notariats and passport renewals, because the embassy has not established regular hours during which these services will be provided. The OIG team informally recommended that the embassy place a drop box in a separate part of the chancery and establish specific hours for handling in-house consular services.

Fraud Prevention

The consular section devotes correct attention to anti-fraud concerns and handles the majority of its fraud investigations without outside assistance. When additional help is required, the section refers cases to the RSO, whose staff conducts appropriate follow-up action. There are no consular-funded RSO positions at Embassy Muscat.

Visas Viper

Embassy Muscat has a commendably active Visas Viper committee that is coordinated by the consular chief. Its monthly meetings are normally chaired by the Ambassador, and all relevant offices represented at the embassy attend regularly. One name was submitted in 2009, and two were submitted in early 2010.

RESOURCE MANAGEMENT

Agency	U.S. Direct-Hire Staff	U.S. Local-Hire Staff	Locally Employed Staff	Total Staff	Total Funding FY 2010
State – Program	14*	1	6	21	\$1,312,830
State – ICASS	5	5	70	80	\$2,860,300
State – Public Diplomacy	2	-	6	8	\$401,876
State – Diplomatic Security	5**	-	24	29	\$1,524,804
State – Machine Read- able Visa	2	-	1	3	\$125,871
State – Marine Security	7	-	5	12	\$185,508
State – Representation	-	-	-	-	\$30,698
State – OBO	1	-	-	1	\$1,999,323
Department of Defense – Defense Attaché Office	8	-	1	9	\$306,427
Department of Defense-- Executive Coordinating Agency	18	-	1	19	\$6,700,000
Department of Defense – Office of Military Cooperation	12	-	2	14	\$1,000,000
Department of Homeland Security	1	-	4	5	\$192,515
Total	75	6	120	201	\$16,640,152

*Includes one personal services contractor for the Export Control and Border Security Assistance Program

**Includes one Seabee

MANAGEMENT OPERATIONS

Embassy Muscat's management section is performing well overall. The management section in Muscat is led by an experienced, management cone officer on her first tour as head of the section. She has a good feel for the present condition of the section and a vision for taking it where it needs to go. In conversations with inspectors, she repeatedly demonstrated a detailed grasp of current operations, operational adjustments necessary for an upcoming Bureau of Overseas Buildings Operations-funded project, staff strengths and weaknesses, and strategies for engaging Washington offices.

Working with the new management officer and DCM, the Ambassador prepared a front-channel cable outlining management issues to pursue with the Department at the start of her tour. The embassy has made impressive progress in accomplishing this agenda.

In general, the management section could try to be more customer-focused by finding ways to be responsive to the needs of customers within the limits of policies and regulations.

An extended series of staffing gaps and curtailments, all outside the mission's control, affected management efficiency over the past two years. Permanently assigned American employees are now on board for all management section positions except the HR officer position. A first-tour HR officer is expected to arrive in several months, and the two general services office (GSO) positions are also filled by ELOs.

Electronic Work Processes

Embassy Muscat relies on paper-intensive procurement and financial management processes and has not yet fully implemented many corporate applications, such as eServices, Sharepoint, and the Integrated Logistics Management System, that would allow automation of administrative functions. The OIG team made an informal recommendation that the embassy's management section lead a staff review of internal processes and develop an action plan with a schedule to install these programs and train users in their operations.

In the interim, the management section can streamline certain internal processes. For example, the procurement unit prints a purchase order form to physically send to financial management for fiscal data, a two-step process that can be shortened by sending the form electronically, with no loss of accountability.

Rightsizing

Embassy Muscat completed its draft rightsizing report to the Office of Management Policy, Rightsizing and Innovation in May 2010. The embassy makes a case for establishing additional LE positions in the management section to support the administrative platform. The OIG team believes the positions are now justified, and may be required to maintain the level of management support as additional U.S. direct-hire and LE desk positions are established in Muscat. The embassy’s draft report requests an additional two U.S. direct-hire positions. Three U.S. direct-hire positions – two political/economic officers and an HR officer – have been established under the Diplomacy 3.0 staffing increase initiative.

The management section has cited a need for two additional drivers to reduce or eliminate the need for employees to drive themselves to official appointments. Oman’s high rate of traffic accidents and fatalities makes this a prudent measure. The OIG team agreed that officers paying official calls are best transported by professional drivers, as movement about town in Omani traffic during the business day is a safety issue. Additional EFM and LE staff positions are requested in other areas as well.

HUMAN RESOURCES

The HR unit is one of the weaker management offices. Although a temporary duty HR officer has done much to rectify longstanding problems in this area, more remains to be done to improve HR services. The unit did not have a full-time American HR officer for 11 months and lacked a senior LE staff assistant for 4 months. A newly hired HR assistant, with HR experience at another U.S. embassy, began work at Embassy Muscat during the inspection. Until recently, a single American officer supervised both the financial management and HR units. The new, first-tour HR officer is due to arrive later in 2010. At the time of the inspection, a retired HR officer was due to depart in May 2010, creating another three-month gap. Inconsistent staffing in this office created problems that have had repercussions throughout the mission. As noted above, the Department has assigned a new HR officer, who is expected to arrive this summer.

Internal Communication on Human Resources Issues

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Recommendation 4: The Bureau of Near Eastern Affairs should require that the regional human resources officer stationed in Manama, Bahrain, complete a memorandum of understanding to establish a formal support relationship with Embassy Muscat's human resources officer. (Action: NEA, in coordination with Embassy Muscat)

U.S. Direct-Hire Position Classifications

Embassy Muscat has requested that the Department review the grade structure of American officer and specialist positions, with a view toward possibly raising the grade level of at least four positions (09 Muscat 541). However, at the time of the inspection, the Department had not responded to Embassy Muscat's request.

Recommendation 5: The Bureau of Near Eastern Affairs, in coordination with the Bureau of Human Resources, should respond to 09 Muscat 541, in which the embassy requested a grade structure review of four positions. (Action: NEA, in coordination with DGHR)

During the inspection, Embassy Muscat implemented a large pay increase for the LE staff ranging from 10 percent to 48 percent of basic pay depending on position grade. In contrast to past years, this increase is being funded by the Department, unlike smaller increases implemented in 2008 (2.5 percent) and 2009 (1.1 percent). The impact of the two earlier increases meant that the embassy had to cut back on discretionary spending. One of the areas cut was training. LE staff lamented the lack of training opportunities and training received low marks on local staff questionnaires. Embassy Muscat needs to systematically identify LE staff training and cross-training opportunities. The OIG team made an informal recommendation on this subject.

Locally Employed Staff Non-Salary Benefits

The embassy's local compensation plan contains other non-salary benefits that may need to be revised. Local employees have no retirement plan, but do receive a severance package. In addition, a housing allowance, previously paid as a separate allowance, was incorporated into overall total compensation in 2006. The Department authorized implementation of a temporary schedule revision allowance, so that employees would not receive a decrease in pay. An unanticipated result of rolling the housing benefit into the basic pay plan was that some employees did not receive the entire, within-grade increase authorized in the following years, because they had

reached the maximum step in the temporary revision schedule. These two benefits issues, in combination, may make the embassy less competitive as an employer. A team from the Office of Overseas Employment will travel to the region shortly to look, region-wide, at benefit packages for LE staff; this process will provide an ideal opportunity for an in-depth review of these issues.

Recommendation 6: The Bureau of Human Resources, in coordination with Embassy Muscat, should examine the structure of Embassy Muscat's local compensation package to determine the feasibility of implementing a local retirement plan and whether allowances should remain incorporated into employee basic pay. (Action: DGHR, in coordination with Embassy Muscat)

Position Descriptions, Work Requirements, and Performance Evaluations

The mission does not have a good record of preparing timely position descriptions, work requirements statements, or evaluation reports for U.S. direct-hire and LE staff. At least one specialist's employee evaluation report was eight months overdue. In one case, an American supervisor departed post without completing employee evaluation reports on U.S. direct-hire subordinates. In some cases, EFMs received neither work requirements statements nor evaluation reports. Some LE staff received late pay adjustments because of delays in completing their evaluations. The HR office documented that 17 LE staff evaluation reports were overdue, and one was 10 months overdue. In general, the tracking systems used to ensure compliance with these report deadlines and other mechanisms, such as checkout procedures, were not functioning well.

Recommendation 7: Embassy Muscat should institute tracking systems for position descriptions, work requirement statements, and employee evaluation reports. (Action: Embassy Muscat)

Allowances

American civilian employees do not receive a post hardship differential, which may put Embassy Muscat at a competitive disadvantage in recruiting U.S. direct-hire employees and may contribute to staffing gaps. The embassy last submitted a post hardship differential report in 2006. Although submission of a hardship differential report is optional, the embassy can do so periodically, as living conditions in the

country change. The OIG team made an informal recommendation that the embassy submit a post hardship differential report to the Office of Allowances.

On a related issue, the management section has just contracted with an embassy spouse to conduct a retail price survey and living patterns survey. The embassy is taking these steps to provide assurances that the cost of living allowance adequately reflects the cost of living in Oman.

Equal Employment Opportunity

The Equal Employment Opportunity (EEO) program works well. There have been no reported EEO incidents. The embassy has formally designated an EEO counselor, who has received the appropriate Department training. EEO and sexual harassment refresher trainings for local staff are scheduled to occur immediately following the inspection.

The inspection team's survey identified concerns among the LE staff about a lack of EEO sensitivity from their American supervisors. Mission management should encourage the LE staff to nominate one or more local employees as EEO liaisons; the liaisons would interface with the American EEO coordinator, as well as any local staff who may have EEO-related complaints. The inspectors made two informal recommendations addressing these points.

FINANCIAL MANAGEMENT

The financial management office is led by a first-tour financial management officer. The office is running smoothly and has experienced LE staff, but the assignment of an American officer will enhance internal controls and oversight. Greater attention to Interagency Cooperative Administrative Services (ICASS) issues is required. The ICASS council chairperson is an ELO with no formal ICASS training. The ICASS council meets on an irregular basis, does not keep minutes of its meetings, and is not actively involved in discussions with the service provider about administrative services. The OIG team made an informal recommendation that training be provided to increase the effectiveness of the ICASS platform.

GENERAL SERVICES

The GSO runs smoothly and provides excellent support to all mission elements. It is staffed by two first-tour GSO specialists and LE staff. The first-tour specialists were fortuitous choices for Muscat, and they bring to the mission highly desirable and transferable skills and backgrounds from previous employment. Relations with other management units are good, and the unit receives strong marks on ICASS and OIG customer service surveys.

Real Property

Embassy Muscat's real property holdings include the government-owned chancery compound, 8 government-owned housing units, 58 short-term leased housing units, and the short-term leased warehouse. Inspectors visited five staff housing units, the chief of mission residence, the Marine security guard residence, and the warehouse. All the housing units were in good repair and within space standards. The GSO works with landlords to follow up with maintenance requirements, and it actively seeks to replace units owned by landlords who decline to support the maintenance needs of their properties.

Procurement

Embassy Muscat appropriately uses the full range of procurement methods to meet its acquisition requirements. The travel agency contract incorporates Federal Acquisition Regulation (FAR) Part 52.222-5, which prohibits certain activities related to trafficking in persons and labor abuses by companies that receive U.S. government contracts. The gardening and janitorial contracts predate the requirement to incorporate FAR Part 52.222-5. The solicitations, and subsequent contracts, list conditions for protection of the labor force. Offerors are required to show evidence that they have in place a contract dispute resolution process, attest that they will hire workers with their own labor cards, and observe Omani labor laws. The OIG team reviewed blanket purchase agreement, contract, purchase order, and purchase card files and record keeping. Separation of duties standards are in place and are reflected in procurement files.

Embassy Training Facility

The embassy has a computer training room that is not connected to the OpenNet system. The training room could be made more effective by converting the work stations from their current, dedicated Internet network configuration to the OpenNet system. The OIG team made an informal recommendation on this matter.

back from the community in this manner was an excellent idea and could be followed by establishing a CLO committee to meet periodically with the CLO coordinator to plan activities. The OIG team made two informal recommendations to establish such a committee and to increase the number of events sponsored by the CLO.

EFM employment received the lowest score on OIG's work life quality of life questionnaire. One cause of the low score seems to be the EFMs' lack of familiarity with hiring procedures and the timeframes needed to process their appointments, including the sometimes lengthy delays inherent in the appointment process. The inspectors made an informal recommendation that the embassy increase communication concerning this process to better manage people's expectations about realistic timeframes for appointments.

HEALTH UNIT

The health unit is staffed by a locally hired nurse who works 40 hours a week. She receives regional support, from the regional medical officer in Kuwait four times a year and from the regional psychiatrist three to four times a year. Health care is excellent in Oman and the health unit received high marks on the quality of life questionnaire. Embassy Muscat has had 9 medical evacuations in the past 12 months, an unusually large number for a small post.

MUSCAT EMPLOYEE ASSOCIATION

The Muscat Employee Association is financially stable. It operates a small retail store, a cafeteria, a recreation center, and two TDY apartments. The charter and by-laws are up-to-date. The association's employment contract with the manager expired one year prior to the inspection, and the Muscat Employee Association board was negotiating a contract renewal during the OIG inspection.

The association makes a substantial net profit. The Office of Commissary and Recreation Affairs advised the association to establish a contingency fund to cover liabilities that would occur should the association cease operations. The association expects to fully fund its contingency fund later this year. At that point, the association's board may need to find a way to make productive use of its excess profits. As a nonprofit instrumentality of the U.S. Government, the association is not permitted

to accumulate substantial profits. The OIG team made an informal recommendation concerning this issue. Additionally, there is no Muscat Employee Association information on the mission's intranet Web site. The inspectors made informal recommendations addressing this area as well.

INFORMAL RECOMMENDATIONS

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

Political/Economic

Biographic reports are not available online for reference by users outside of Oman.

Informal Recommendation 1: Embassy Muscat should immediately start to use Diplopedia for classified biographic information.

The embassy's front office and PAS hold a weekly Omani press summary in which LE staff members review articles that are of particular interest to the embassy.

Informal Recommendation 2: Embassy Muscat should open the weekly press summaries to any American officer who wants to attend as a way to learn about important political, economic and social developments within the host country.

Consular Affairs

Embassy Muscat experiences bottlenecks in taking fingerprints of visa applicants due to limited staff performing the fingerprint scans and other technical issues involved in collecting fingerprints.

Informal Recommendation 3: Embassy Muscat should use the services of an eligible family member to take fingerprints during peak periods.

Informal Recommendation 4: Embassy Muscat should install sanitary hand wipe dispensers in the interview booths for applicants to use to clean and moisten their hands prior to fingerprinting.

Management

Embassy Muscat's business processes in the management section rely too much on paper processes that could be automated or streamlined.

Informal Recommendation 11: Embassy Muscat should lead a review of internal processes aimed at identifying uneconomical or unnecessary administrative practices that can be eliminated, modified, or automated in the interest of service quality improvement and cost reduction.

Human Resources

Embassy Muscat last submitted a post hardship differential report in 2006.

Informal Recommendation 12: Embassy Muscat should submit a post hardship differential report.

Embassy Muscat has made indistinguishable the difference between management policies and management notices.

Informal Recommendation 13: Embassy Muscat should reviews its policies, updating and adding ones that are required, while observing the distinction between policies and notices.

Embassy Muscat has an outdated LE staff handbook that has been removed from the embassy intranet Web site. A revised version is near completion.

Informal Recommendation 14: Embassy Muscat should complete the locally employed staff handbook, translate it into Arabic, post it on the Web site, and have a town hall meeting with the locally employed staff to answer any questions they may have about existing policies.

LE staff questionnaires, employee interviews, and embassy records indicate that LE staff training has not been a priority at post. Cross-training in certain areas has also been neglected.

Informal Recommendation 15: Embassy Muscat should conduct a thorough needs assessment of training available to the locally employed staff and budget additional financial resources to allow the training to occur if warranted.

Embassy Muscat has not trained its LE staff on issues relating to EEO.

Informal Recommendation 16: Embassy Muscat should organize an Equal Employment Opportunity training program for the locally employed staff.

Embassy Muscat does not have an LE staff liaison to work with the EEO counselor.

Informal Recommendation 17: Embassy Muscat should encourage one or more locally employed staff to volunteer for the position of Equal Employment Opportunity liaison.

Embassy Muscat does not have a CLO committee that would advise the CLO regarding particular needs and desires of the community.

Informal Recommendation 18: Embassy Muscat should form a community liaison office advisory committee.

A CLO needs assessment and comments from the community indicated a desire for additional event planning.

Informal Recommendation 19: Embassy Muscat should perform more event planning

Although 16 spousal members of the community have employment both inside and outside the mission, procedures and policies leading up to the hiring and the time needed for hired employees to begin their jobs are uneven.

Informal Recommendation 20: Embassy Muscat should review its eligible family member hiring policy and reissue one that addresses procedures and timing of hiring.

The Muscat Employee Association has a large income surplus every month. Currently, the surplus is being deposited into a contingency fund as required by the Office of Commissary and Recreation Affairs. The association expects to fully fund its contingency fund later this year. At that point, the association's board needs to make productive use of its excess profits.

Informal Recommendation 21: Embassy Muscat should prepare a plan for spending its anticipated profits.

Embassy Muscat's intranet Web site does not include any information on the Muscat Employee Association.

Informal Recommendation 22: Embassy Muscat should establish a Muscat Employee Association page on the embassy's intranet Web site and post information such as the charter, bylaws, and meeting minutes on the site.

Informal Recommendation 29: Embassy Muscat should relocate at least one satellite phone to the alternate command center.

The ACC room has a powerful air conditioning unit installed, but the window is not covered with sun blocking film to control the bright sunlight that not only heats up the room, but can also adversely affect the computer equipment.

Informal Recommendation 30: Embassy Muscat should cover the alternate command center window with sun blocking film, shades, or blinds.

The ACC is not stocked with a minimal amount of office supplies.

Informal Recommendation 31: Embassy Muscat should stock the alternate command center with a minimal amount of office supplies.

The computer training room can realize a wider potential by adding the terminals to the OpenNet system.

Informal Recommendation 32: Embassy Muscat should convert the training room computer terminals from to OpenNet.

PRINCIPAL OFFICIALS

	Name	Arrival Date
Ambassador	Richard J. Schmierer	9/2009
Deputy Chief of Mission	L. Victor Hurtado	8/2008

Chiefs of Sections:

Management	Amy H. Vrampas	8/2009
Consular	Tracey R. Thornton	11/2008
Political/Economic	John C. Clarkson	6/2009
Public Affairs	Robert H. Arbuckle	3/2009
Regional Security	William K. Makaneole	5/2009

Other Agencies:

Department of Defense

Office of Military Cooperation	COL Frank Molinari	6/2008
Executive Coordinating Agency	LTCOL Patrick Alderman	7/2009
Defense Attache Office	LTCOL Edward Sullivan	8/2008
Department of Homeland Security	Saeed Abubakar	9/2009

ABBREVIATIONS

ACC	Alternate command center
CLO	Community liaison office
DCM	Deputy chief of mission
EEO	Equal Employment Opportunity
EFM	Eligible family member
ELO	Entry-level officer
EXBS	Export Control and Related Border Security program
FAR	Federal Acquisition Regulation
GSO	General services office
HR	Human resources
ICASS	International Cooperative Administrative Support Services
LE	Locally employed
MEPI	Middle East Partnership Initiative
MSRP	Mission Strategic Resource Plan
NEA	Bureau of Near Eastern Affairs
NIV	Nonimmigrant visa
OIG	Office of Inspector General
PAS	Public affairs section
PAO	Public affairs officer
RSO	Regional security office
TIP	Trafficking in persons

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