

~~**SENSITIVE BUT UNCLASSIFIED**~~

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

# Report of Inspection

## Inspection of Embassy Vientiane, Laos

**Report Number ISP-I-10-75A, August 2010**

### ~~**IMPORTANT NOTICE**~~

~~This report is intended solely for the official use of the Department of State or the Broadcasting Board of Governors, or any agency or organization receiving a copy directly from the Office of Inspector General. No secondary distribution may be made, in whole or in part, outside the Department of State or the Broadcasting Board of Governors, by them or by other agencies or organizations, without prior authorization by the Inspector General. Public availability of the document will be determined by the Inspector General under the U.S. Code, 5 U.S.C. 552. Improper disclosure of this report may result in criminal, civil, or administrative penalties.~~

~~**SENSITIVE BUT UNCLASSIFIED**~~

## **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.

### **PURPOSE**

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

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

### **METHODOLOGY**

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



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

*Office of Inspector General*

PREFACE

This report was prepared by the Office of Inspector General (OIG) pursuant to the Inspector General Act of 1978, as amended, 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

# TABLE OF CONTENTS

KEY JUDGMENTS .....	1
CONTEXT .....	3
EXECUTIVE DIRECTION .....	5
POLICY AND PROGRAM IMPLEMENTATION.....	9
Political/Economic .....	9
Law Enforcement and Narcotics Section.....	13
Political–Military .....	14
U.S. Agency for International Development .....	14
Security.....	15
Public Diplomacy .....	16
Consular Affairs.....	20
RESOURCE MANAGEMENT.....	25
Overview .....	25
Management Operations.....	26
Information Management and Information Security .....	35
QUALITY OF LIFE.....	39
MANAGEMENT CONTROLS .....	41
LIST OF RECOMMENDATIONS .....	43
INFORMAL RECOMMENDATIONS .....	45
PRINCIPAL OFFICIALS .....	49
ABBREVIATIONS .....	51





## CONTEXT

The Lao People's Democratic Republic (Laos) is a poor, Southeast Asian country ruled by an authoritarian, Communist, one-party government. Roughly the size of the state of Utah, Laos is surrounded by China, Burma, Thailand, Cambodia, and Vietnam. More than 70 percent of the approximately six million citizens of Laos live by subsistence agriculture. The country's economic development is hindered by a lack of infrastructure, few easily exploited natural resources, and a heavy dependency on imports and foreign assistance. In 2008, foreign assistance accounted for 84 percent of the government's capital budget. The Lao foreign debt was estimated at \$2.9 billion, more than 50 percent of the \$4.5 billion gross domestic product. A lack of skilled labor and a poor educational system compound the problem.



Although the Lao political system remains firmly under one-party Communist control, in recent years the government has become more technocratic and less ideological, has initiated a steady pace of economic reforms, and has made an effort to integrate itself into the international community. In 1997, Laos became a full member of Association of Southeast Asian Nations and in 1998, the government applied for membership in the World Trade Organization. In 2005, the United States and Laos brought into effect a bilateral trade agreement.

Although Laos has made progress toward achieving its goal of leaving the United Nations Least Developed Country status by 2020, significant challenges persist. Laos remains on the U.S. list of major opium producers. Unexploded ordinance (UXO) from decades of conflict in the region continue to inflict a heavy civilian toll, especially among children, who are killed or injured by the remaining tens of millions of unexploded cluster bombs that still contaminate an estimated 50 percent of the country's surface area.

In recent years, the Lao Government has demonstrated its interest in broadening its relationship with the United States as a counterweight to rapidly expanding Chinese investment and influence. Embassy Vientiane's goals are to help Laos fully integrate within the Association of Southeast Asian Nations and the global economy; to promote sustainable economic and social development; and to strengthen an emerging but fragile civil society with greater respect for human rights. To pursue these goals, the embassy is requesting additional personnel and the establishment of a permanent U.S. Agency for International Development (USAID) presence within the mission. In 2009, the United States and Laos exchanged defense attachés for the first time since the end of the Indochina conflict. The removal of UXO and the search for remains of Americans missing in action (MIA) during the Indochina conflict remain two of the embassy's highest priorities.

The difficult relationship between the ethnic Hmong minority and the Lao Government following the Indochina conflict resulted in the immigration over the years of more than 250,000 Hmong to the United States. Issues related to the Hmong minority remain an Embassy Vientiane priority.

Embassy Vientiane employs 41 American staff (27 from the Department of State, 10 from the Department of Defense, 3 from the Drug Enforcement Administration (DEA), and 1 from the Centers for Disease Control and Prevention). There are also 218 LE staff members, including the local guard force. There is no Marine security guard detachment at the embassy.

## EXECUTIVE DIRECTION

Embassy Vientiane is growing in size and in the scope of its mission. It requires strong leadership to advance U.S. political, economic, and humanitarian interests in Laos and throughout the region. The Ambassador and the deputy chief of mission (DCM) have extensive background in the region, as well as a deep knowledge of the issues and the dynamics affecting U.S. interests. They use their Lao language skills and contacts in Laos—and their frequent communications with key U.S. officials in the Department of State (Department), the Department of Defense, the U.S. Pacific Command of the Armed forces, and interested congressmen—to advance U.S. interests effectively. They maintain a keen focus on the longstanding U.S. priorities in Laos, of recovering remains of American MIAs and assuring humanitarian protection for the Hmong minority community. They intervene frequently and effectively with the Lao authorities and appropriate U.S. agencies to advance those interests and find practical solutions to problems that arise.

The Ambassador has taken advantage of greater Lao openness to an expanded relationship with the United States, to broaden the range of U.S. activities in Laos. The new activities include increased military and law enforcement contacts and cooperation, and greater bilateral cooperation in monitoring and responding to pandemic diseases. In 2009, the Ambassador succeeded in overcoming longstanding Lao reluctance to establish a U.S. Defense attaché office in Laos, and the office is developing useful military-to-military programs. The Ambassador has good relations with the U.S. Pacific Command and has encouraged increased humanitarian and other activities coordinated through the Defense attaché office. He also has clearly defined the command and security responsibilities among military elements present in the mission.

The Ambassador argues strongly for the resources to open a permanent USAID presence in Laos, in order to develop programs to advance economic reform, health, humanitarian, and governance goals. The OIG team observed that the limited and regionally administered U.S. development program is not as robust or agile in support of U.S. policy goals as a USAID mission based in Laos would be. The Ambassador's advocacy of increased U.S. programs, personnel, and resources in Laos has, at times, exceeded the priorities accorded by the Department or other agencies to Laos. In several instances, the case for new positions has not been justified by the likely workload. The Ambassador believes it is important to advocate strongly in favor of increased engagement at a time when the Lao Government is receptive to the United States, without limiting his request to what is likely to be approved.

The Ambassador and the DCM maintain a heavy schedule of weekly meetings with all mission elements to provide direction and assure coordination in pursuing U.S. programs and activities. In addition to the weekly country team meeting, the Ambassador or the DCM (or both) meet separately or as part of a working group with virtually every element of the mission on a weekly or more frequent basis. Making use of his Lao language skills, the Ambassador bears the larger share of responsibilities for public speaking and for representation with senior Lao officials. However, the DCM also uses his Lao language skills as the principal interlocutor with Lao officials and others on some sensitive refugee issues. The DCM bears the larger share of internal management responsibilities, particularly with respect to security issues, but the Ambassador also chairs weekly meetings on management and consular issues that include the regional security officer (RSO) and monthly meetings with the community liaison office (CLO) coordinator.

The Ambassador and DCM also meet weekly with the political/economic and public diplomacy section chiefs, and hold weekly law enforcement working group meetings that involve all interested parties, including the consular section chief and RSO. They also provide frequent guidance and support to the law enforcement and narcotics officer, and they meet bi-monthly with the Joint Prisoners of War/Missing in Action Accounting Command (JPAC) commander and the Centers for Disease Control representative. The Ambassador and DCM transmit their policy and other priorities effectively to the staff, although the demanding pace of work sometimes places strains on the limited number of embassy staff.

The FY 2011 Mission Strategic Resource Plan (MSRP) argued effectively for increased staffing of the embassy. The Department has proposed assigning a Foreign Service health professional, a public diplomacy officer, and a political/economic officer later in 2010. The MSRP requested additional management positions, but no additional management or security positions have been assigned, and the Embassy must not let growth in program staff outpace the embassy's ability to provide security and administrative support services for the expanding mission.

The executive leadership of the embassy has had the opportunity to review all requests to increase or decrease the presence of personnel at the embassy through the National Security Defense Directive-38 (NSDD-38) process. Under this process, the embassy agreed to the establishment and composition of the Defense attaché office. The embassy objected to the DEA's NSDD-38 request to close its office in Laos; the objection was based on the foreign policy argument that closing the office would impede realization of the mission's goals and materially damage prospects for future law enforcement cooperation with an important illegal drug transit and source country. DEA does not plan to fill the two positions it currently has in Laos when

the last incumbent's tour expires in the summer of 2010, and the OIG team does not have a programmatic or budgetary basis to contest DEA's decision. The issue of whether the DEA office will be closed remains unresolved, but DEA will no longer have staff in Laos as of this summer.

In 2010 the embassy approved NSDD-38 requests by the Department to fill three positions. The mission had sought these positions but, in the initial response the embassy did not fully address the security implications of adding three new positions. The embassy subsequently submitted revised NSDD-38 responses that addressed the additional security costs of the three positions. In light of this situation, the OIG team informally recommended that the embassy institute procedures whereby all NSDD-38 responses will carefully address the security implications of additional personnel proposed for assignment to the embassy.

The Ambassador played a major role in advancing a long-term interest of the United States by ending a long period of indecision and accepting a property swap with the Lao Government to secure the real estate for a new embassy compound. Construction now may start as early as 2011. His action successfully addressed the recommendation made in the 2003 OIG inspection of Embassy Vientiane.

The Ambassador and the DCM are conscious that they are responsible for the security of the mission, and the DCM works closely with the RSO to assure that security concerns are addressed appropriately. (This subject is discussed further in the security annex to this report.)

The DCM meets regularly with the only entry-level officer in the embassy to discuss career objectives and planning. As the mission expands, the embassy will need to establish a more formal entry-level officer program.

The Ambassador and DCM provide strong support for Equal Employment Opportunity (EEO) in the mission. The Ambassador requested and received an EEO training visit from the Bangkok regional human resources office and also had a newly trained embassy EEO counselor give refresher training to American staff. The DCM also recommended the RSO for an EEO award, based on his effective integration of female guards into the embassy guard force: a visible symbol of the U.S. Government's commitment to EEO.



## POLICY AND PROGRAM IMPLEMENTATION

### POLITICAL/ECONOMIC

The political/economic section is operating smoothly in its combined format. With two American officers and four LE staff, the section is well managed. With the expected arrival of an entry-level economic officer in the fall of 2010, it will be appropriately staffed. Interchange between political and economic officers is frequent, collegial, and devoid of turf consciousness. The section chief fosters a collaborative environment among the small number of LE staff members, through staff meetings, counseling, and the inclusion of back-up duties in work requirements statements.

### Reporting and Analysis

The section's reporting is not voluminous, but it is policy-relevant, forward looking, and well sourced with value added by the provision of context. End users in Washington were almost uniformly complimentary. Visitors to Laos are not numerous enough to hinder reporting, but required reports levied by the Department are time consuming at this small mission. In the absence of a USAID mission, considerable time is spent on a number of small development programs. There are few counterterrorism issues in Laos. Cable summaries are succinct and coherent. At least 70 percent of the section's communication with the Department is by cable rather than email. The section shows a discerning but still improvable use of the traffic analysis by geography and subject labeling system to facilitate telegram distribution. The OIG team left an informal recommendation that the embassy increase its use of the system.

Biographic reporting is excellent, but the mission as a whole needs to produce more. There is no sense at the embassy that biographic reporting is everybody's job, not just that of the political and economic section or the front office. The OIG team left an informal recommendation on this subject.

## Advocacy and Operations

The political/economic section is focused on advocating for U.S. interests, including the improvement of U.S. relations with Laos. It shows the flag in its representation, travel, and oversight of a number of small development projects. Field visits to these projects supply grist for reporting on and analyzing provincial developments.

The front office handles major démarches at a suitably high level, and the political/economic section carries out the more routine démarches at the mid-level. Officers usually report by cable afterward, but they should do so routinely. An omission occurred after delivery of the last human rights report, when there was no follow-up cable. The OIG team left an informal recommendation on this topic.

## Unexploded Ordinance

The most important program in which the political/economic section is engaged operationally is the clearance of UXO left from the Vietnam War. The UXO initiative is the largest U.S. Government program in Laos. In partnership with the Lao Government and international donors, the United States has spent \$25 million over 17 years to rid Laos of UXO dropped by the United States during the Vietnam War. The 2.5 million tons of U.S. munitions released on Laos were more than that dropped on Germany and Japan combined during World War II. A significant percentage of the munitions failed to explode. For years, UXO killed or injured several thousand Lao per year. Casualties in 2009 still numbered about 300.

The UXO program has helped the United States by reducing Lao resentment from the war and building a climate of growing trust and cooperation. The Lao Government has welcomed the program's inflow of grant money, the employment created, the land reclaimed, and the domestic, political benefit of injury avoided. To risk losing such gains would be a poor choice at this moment in the improving U.S.-Lao dialogue.

The UXO program in Laos may be endangered by inconsistent funding. The Department's request for Laos has been static, at \$1.9 million, for several years. This amount is inadequate to support the role that the United States has been playing and should play in UXO clearance. The Bureau of Political and Military Affairs (PM) has been able to maintain the necessary level of \$3 to \$5 million to run the program at its traditional level only by adding reprogrammed funds from within PM to supple-

ment the Department's request—an ad hoc arrangement that hinders effective planning and efficient program execution. In FY 2010, Congress directed a higher level, of \$5 million for planning and spending. This is the level that the Office of Weapons Removal and Abatement believes is appropriate to the task.

The arrangement is also misleading, because the Department's budget request significantly understates the actual program expenditures and requirements.

**Recommendation 1:** The Bureau of East Asian and Pacific Affairs should promote a consistent and reliable Department request of \$5 million a year in funding for the clearance of unexploded ordinance in Laos. (Action: EAP)

## Human Rights and Religious Freedom

The human rights office in the Bureau of Democracy, Human Rights, and Labor considers Embassy Vientiane's work on human rights to be very responsive. Though religious freedom is not a severe issue in Laos, the embassy reports whenever breaches appear in the government's professed policy of allowing the free practice of religion.

## Trafficking in Persons

The Office to Monitor and Combat Trafficking in Persons (TIP) has stated that it has good relations with Embassy Vientiane but receives fewer communications from it than from other posts in the region. TIP believes the fact that Laos has remained at Tier 2 for some time without worsening may have led to some relaxation on the part of the embassy. The embassy is working to increase reporting in this area. Most of the issues concern Lao citizens who are enticed into Thailand by economic opportunity, then pressed into prostitution, domestic servitude, or a lifetime of debt.

## Refugees

The embassy coordinates its refugee work with the regional refugee coordinator in Bangkok and, through the coordinator, with the overseas processing unit of the United Nations in Bangkok. The number of refugees directly resettled in the United States from Laos is relatively small. Nonetheless, there are some extremely sensitive

issues affecting the Hmong, who resisted the Communist takeover of Laos in 1975. The embassy has been tireless in assisting qualified persons gain admission to the United States.

## Commercial Assistance

The U.S. Foreign Commercial Service does not have a presence in Vientiane. Matters of commercial interest are handled by the economic officer and a regional senior commercial officer in Bangkok. Total U.S. trade with Laos is \$70 million, with the United States in \$18 million of deficit. Direct U.S. investment is small. There are a half dozen small- to medium-size U.S. enterprises engaged in textiles and food processing. No U.S. bank has established itself in Laos. Ford, Caterpillar, and John Deere, among others, have set up representatives' offices here, and the number of U.S. business visitors has increased. American business representatives receive excellent support from the embassy.

## Environmental, Science, Technology, and Health

Embassy Vientiane undertakes limited coverage of environmental, science, technology, and health issues in the political/economic section. Under the direction of the Ambassador, the embassy has been active in shaping the work plan of the Secretary of State's Lower Mekong Initiative, which is facilitated by the location of the chief executive officer of the Mekong River Commission in Vientiane.

## Centers for Disease Control and Prevention

The Centers for Disease Control and Prevention (CDC) has an office in the embassy, with one U.S. direct-hire and one LE administrative assistant. The director, an infectious disease epidemiologist, also supervises a Lao medical doctor and an LE veterinarian, funded by the Animal and Plant Health Inspection Service of the U.S. Department of Agriculture. CDC's program budget is approximately \$1 million, disbursed largely through the World Health Organization in Laos. Its mission is to develop Lao national capacity to detect and respond to epidemic and pandemic disease threats. The director is well integrated in the embassy and is pleased with the embassy's support.

## LAW ENFORCEMENT AND NARCOTICS SECTION

The embassy's law enforcement and narcotics section, which two years ago lost its direct-hire Foreign Service officer position, is led by an American program manager working on a personal services contract, assisted by an LE staff of six. Prior to this assignment, the program manager had no law enforcement experience, but he has now had seven years of experience at Embassy Vientiane in capacity-building programs in counternarcotics, law enforcement, and criminal justice. He has a good working relationship with the Lao police, narcotics officials, customs officials, the post office, the Bank of Laos (for financial crimes), and the Supreme Prosecutor's office.

The LE staff, including a Lao physician, seems motivated and is gaining experience in designing and monitoring training programs in narcotics interdiction, opium crop substitution, drug rehabilitation, alternative employment, and law enforcement. The Bureau of International Narcotics and Law Enforcement Affairs (INL) allotted \$1.25 million to Laos for these programs in FY 2009.

Poppy cultivation in Laos is not large by international standards. Much of the opium is consumed in raw form by the country's 15,000 addicts. The cultivation of poppies increased by only an estimated 750 acres in 2009, a moderation that has led to a reduction in emphasis on the crop substitution program. The embassy gives much of the credit for the reduced growth rate to the Lao authorities themselves and growing market demand for other non-narcotic crops, mainly from China. The level of methamphetamine abuse, however, has risen rapidly and now affects every socioeconomic group in Lao society, and Laos has become a significant transit route for Asian heroin and precursor chemicals en route to other nations.

In its FY 2012 MSRP, the embassy requested a reinstatement of the direct-hire law enforcement and narcotics section position. The average cost of a direct-hire Foreign Service position is now between \$400,000 and \$600,000. It does not seem prudent to reinstate the position to manage a \$1.25 million program. The OIG team believes that the current staff sufficiently covers its responsibilities.

### Leahy Vetting

The law enforcement and narcotics section program manager is the chief coordinator for Leahy vetting at the embassy. In two instances, the embassy reimbursed the Lao Government for Lao-administered training of police officials who received Leahy vetting and clearance only after the training was completed. The situation arose when Lao police gave short notice of their intention to commence training

and insisted on not delaying it. The embassy thought it important to seize the chance to influence the training of rural police. In a funding arrangement accepted by the embassy, the Lao Government advanced the money for the training, on the understanding that the U.S. Government would reimburse it retroactively when the Leahy clearances arrived.

The embassy informed the Lao Government that it would not pay for any participant who did not provide information for Leahy vetting, or who was not cleared by the Leahy vetting process. In the end, the embassy provided partial reimbursement for training on this basis. The embassy did not comply with the Leahy law when it agreed to reimburse the Lao Government for advanced training expenses incurred by trainees whose Leahy vetting was completed only after the training took place.

**Recommendation 2:** Embassy Vientiane should fully comply with the Leahy Amendment and not agree to reimburse the Lao Government for the costs of any training that takes place before Leahy clearances are given. (Embassy Vientiane)

## POLITICAL-MILITARY

As noted earlier, the embassy succeeded in establishing a Defense attaché office in Vientiane in 2009, after an absence of 34 years. With the embassy's support, the Defense attaché office is gradually gaining better access to a reserved, previously hostile Lao military.

Detachment 3 of JPAC has worked in Laos in coordination with the Lao Government for 15 years to discover the whereabouts or remains of U.S. military personnel lost in Laos during the Vietnam War. Its civic action programs include building roads, schools, and medical clinics. These projects are funded by the United States Pacific Command and have helped foster cooperation by the Lao Government in JPAC's mission and have improved military-to-military relations generally.

## U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

USAID officials in Washington described the embassy as a good partner and said they were pleased with the straightforward nature of the embassy's dealings. The

current, bilateral USAID program for Laos is relatively modest, funded at \$2 million in FY 2009, but total U.S. economic and development assistance in FY 2009 was \$18 million, including the regional programs. Assistance funding comes from the Departments of Defense, Health and Human Services, Agriculture, and State. It includes the Pacific Command's civic action programs described above, as well as programs in education, HIV/AIDS relief, food security, antinarcotics activities, economic reform, and UXO.

The embassy has helped to shape bilateral and regional assistance on the basis of local conditions and interests. The Lao Government welcomed Secretary Clinton's Lower Mekong Initiative, announced in July 2009, which is designed to promote closer cooperation among Cambodia, Laos, Thailand, and Vietnam in the areas of environment, health, education, and infrastructure.

USAID programs have provided technical assistance and capacity-building support to modernize and reform the economy, in order to help Laos achieve its goal of gaining accession to the World Trade Organization and fully integrating into the Association of Southeast Asian Nations economic community. USAID programs also have supplemented the U.S. Government's UXO program by providing orthopedic, rehabilitation, and surgical care to disabled people.

USAID's regional mission in Bangkok has issued and managed the bilateral grants to Laos. Regional officials visit Laos for oversight and design discussions about once a quarter. Coordination of visits with the embassy is generally good. The USAID officials consider and often act upon the Ambassador's suggestions for programs and design.

The embassy believes that establishing a bilateral USAID mission in Laos would generate new programs and advance U.S.-Lao relations in the areas of health, economic reform, and governance.

## SECURITY

The numerous security programs in Embassy Vientiane are managed by one RSO, with a direct-hire staff of one LE investigator and the embassy's 120-person local guard force. He meets with the DCM on a weekly basis, participates in weekly management and law enforcement group meetings chaired by the Ambassador, and also has a direct line of communication with the Ambassador when needed. Further discussion of the embassy's security program is included in the classified annex to this report.

## PUBLIC DIPLOMACY

The public diplomacy (PD) section in Vientiane is small, but manages a heavy and growing program workload. Vientiane is the first PD assignment for the current public affairs officer (PAO), who brings to the job solid management and regional experience and strong Lao language skills. The PAO supervises six LE staff members and has given a priority to LE staff training. During FY 2010, five of the six PD employees received training. A second PD position recently was approved and will be filled by an entry-level officer in early 2011. This officer will manage the information portfolio that includes working with the media and supervising the Information Resource Center (IRC) and two American Corners in Laos. Communication within the PD section, and between the section and other embassy elements, is good. The PAO attends all country team meetings, has one meeting a week with the Ambassador, DCM and political/economic section, and speaks with the Ambassador frequently.

The PAO has served as the embassy MSRP coordinator. PD programs are closely linked to MSRP priorities. The Ambassador maintains a heavy public speaking schedule in his travels throughout Laos and receives close support from the PD section throughout the process.

The PD effort in Laos faces a number of challenges related to the level of poverty, lack of infrastructure, and tightly controlled centralized government. The Lao Ministry of Foreign Affairs requires that the embassy request permission in writing to conduct virtually all programs, including speaker, cultural, and exchange programs, as well as representational functions. This consumes significant amounts of staff time and occasionally results in program postponements or cancelations. During the inspection, for example, the Ministry of Foreign Affairs was reluctant to approve permission for a visiting American speaker to conduct a series of programs with Lao journalists. The program had to be postponed to provide time for the Ambassador to raise the issue with the Ministry, and have it resolved.

Despite these challenges, the PD section maintains a growing portfolio of exchange programs. In 2009, six Lao university students studied in the United States under the Fulbright program and two American students studied in Laos. Twenty Lao students participated in the Global Undergraduate Exchange program, and two Lao mid-career professionals studied in the United States as Hubert H. Humphrey Fellows. In FY 2010, the embassy received funding for five International Visitor Leadership program participants, and the new Lower Mekong Initiative provided

funding to send an additional eight participants. The section works closely with exchange program alumni and includes them in the selection and orientation of future participants. An informal Fulbright alumni group has formed and is considering registering as a nongovernmental organization.

The PAO has given a priority to increasing the support of English teaching in Laos. In 2009, the first English language fellow in more than 10 years taught at a Lao university, conducted workshops throughout the country, and worked with the PAO and regional English language officer in Bangkok to develop a broader English teaching program strategy to support a specific embassy MSRP goal to improve secondary school education in Laos.

Embassy Vientiane receives very little funding for visiting speaker and cultural programming, but the PD team works closely with neighboring embassies, particularly Bangkok, to share speaker and cultural programs traveling to those countries. During the past year, Vientiane used six speakers and three performing artists who had been programmed in neighboring countries. The embassy also has been an active participant in the Ambassador's Fund for Cultural Preservation, and in the past two years it has won four grants totaling approximately \$60,000.

The PD section uses the Mission Activity Tracker system to report PD activities in Laos, but a review of FY 2010 reporting indicated that of 13 completed program events on file, only 3 had been entered into the system. The PAO indicated that this is an area that needs attention, and the OIG team made an informal recommendation on the subject.

## Information Outreach

One LE information specialist manages the PD information outreach program and maintains the embassy Web site. Department information products, such as electronic journals and the Washington file, are sent to approximately 200 embassy contacts on a regular basis. Because of the low Internet penetration in Laos, roughly half of the information sent out must be in hard copy. English language comprehension is also low in Laos, particularly among government contacts. The PD section has a very limited capacity to translate informational materials into Lao. However, it draws extensively from Thai language materials produced by Embassy Bangkok, since the Thai and Lao languages are closely related, and Thai is widely spoken and read in Laos.

## Information Resource Center

The PD section operates a small IRC within the section office space on the embassy compound. It has a limited and outdated book collection, three public Internet terminals, and seating around one table for six visitors. At the time of the inspection, the IRC was serving approximately 20 visitors a month. The LE staff IRC director also coordinates the activities of one American Corner in Vientiane and a second in the northern city of Luang Prabang. The Vientiane American Corner is located on a private college campus and serves large student communities but is not easily accessible to nonstudent contacts.

The IRC director has other responsibilities, including providing educational advising services to Lao students and managing the growing undergraduate exchange program. The PAO recently developed a new program plan for the IRC that includes renewing and expanding the book collection, with focus on the MSRP themes of business development, the environment, and English teaching. The plan also discusses an initiative to enlist embassy officers as speakers at the IRC for groups of invited Lao Government and professional contacts. To date, the embassy has not focused on developing the IRC as a program venue for nonstudent audiences, even though procedures for entering the compound are relatively simple. The OIG team believes that broadening PD engagement with these communities should be a priority and made an informal recommendation on this topic.

With the upcoming Bureau of Overseas Buildings Operations (OBO) new embassy compound (NEC) project, the embassy is considering several options for retaining the compound in which the PD section is currently located. Among the options being discussed is a plan to convert the current PD office space into a full service American Center that would provide the research and program platform (including a multipurpose auditorium) for more effective embassy interaction with government and professional contacts. To comply with Public Law 106-113, a colocation waiver will be required. Even though the embassy has not developed a detailed plan or funding estimates for the project, the Bureau of East Asian and Pacific Affairs (EAP) and Under Secretary for Public Diplomacy and Public Affairs (R) support the concept, and they have urged the PAO to develop a more detailed plan and submit the required colocation waiver request to the Department. The OIG team believes that this initiative could significantly enhance the embassy's PD program capacity and has urged the embassy to move forward with this initiative.

## Grants Management

The PAO is the embassy's designated grants officer, with warrant authority up to \$250,000. The embassy currently has no alternate grants officer. The PD section's LE administrative assistant maintains all grant files. In addition to PD grants, the PAO is responsible for Department of State assistance grants, and occasionally grants from other agencies. During FY 2009, the embassy issued 45 grants for an approximate total of \$136,000. For non-PD grants, following current Bureau of Administration guidelines, a grants officer representative is selected from the relevant embassy section to serve as liaison with the grantee organization during the life of the grant.

Embassy officers sign the memoranda outlining grants officer representative requirements for a given grant, but in some cases the requirements are not fully completed, as required in Department guidelines. For instance, the grants officer representative's responsibilities include obtaining final grant financial and performance report documentation. However, a review of FY 2009 grant records revealed that the files for a number of completed grants did not contain final grant financial and performance reports. In one closed grant, the grantee organization was still in possession of unliquidated funds, but the grants officer representative had not obtained the final financial report or requested a return of the funds.

**Recommendation 3:** Embassy Vientiane should implement procedures to ensure that designated grants officer representatives perform required duties in compliance with Department guidelines as outlined in the grant memorandum. (Action: Embassy Vientiane)

As noted above, in the absence of the PAO, the embassy currently has no alternate grants officer. This may not be a problem when the grants officer is absent for short periods, given the level of grant activity at this embassy. It could become problematic if the grants officer were to be absent for a longer period, such as during the PAO's scheduled three months out of the country beginning in September 2010.

**Recommendation 4:** Embassy Vientiane should designate an alternate grants officer and arrange for the officer to receive the required training to obtain a warrant. (Action: Embassy Vientiane)

## CONSULAR AFFAIRS

Embassy Vientiane provides the full range of consular services in a country that offers complex challenges throughout that range. With consistent support from within the mission and from Embassy Bangkok, the consular section meets those challenges fairly and skillfully.

### Consular Management

The section is led by a knowledgeable and insightful FS-02-level officer who has previous experience in Southeast Asia. He is assisted by an able and highly motivated entry-level officer. An eligible family member serves as consular assistant, and seven local employees round out a staff whose size is appropriate for the workload. The office space is awkwardly laid out but is sufficient in size and is well maintained.

Relations with the rest of the mission are excellent. The section chief is a member of the country team, the law enforcement working group, and the emergency action committee. He meets weekly with the DCM and with the Ambassador. Visa referrals are rare; the section chief recently reminded the country team of the world-wide referral policy. American staff members occasionally enter the section without the knowledge of consular officers. All American and local staff should be reminded that access to the section is limited to consular employees and those whose authority or responsibilities require it (such as the Ambassador, DCM, or RSO). Others seeking entrance are to be admitted by American consular officers based on their stated business in the section. The OIG team made an informal recommendation on this issue.

The regional consular officer and regional fraud prevention manager, both posted in Bangkok, visit Vientiane regularly and provide expert advice and assistance, including help with the validation studies mentioned in the portion of this report relating to visa services.

All required reports and file storage comply with regulations. The F-77 report of potential evacuees, the consular fraud summary, country specific information for travel.state.gov, and doctors' and attorneys' lists are all current. Files are sent to storage on schedule. Inventories of controlled items are current and correct.

The section has about 250,000 refugee records on microfiche. It uses these only rarely, to help prove relationships for cases for which no other evidence exists. About a third of these 15- to 35-year-old records have deteriorated to the point of illegibility, and the remainders continue to deteriorate. The section chief, with advice from

the regional consular officer, discussed with the Bureau of Population, Refugees and Migration whether these records should be kept as they are, upgraded to digital format as has been done at other missions, or shipped to better storage facilities elsewhere. The Bureau promised to make a decision in February 2010, but at the time of the inspection that decision still had not been made.

**Recommendation 5:** The Bureau of Population, Refugees and Migration should make a decision regarding the disposition of 250,000 microfiche refugee records and should advise Embassy Vientiane of that decision and what actions the embassy should take with regard to these records. (Action: PRM)

The section's computer inventory is out of date and is scheduled for upgrade in May 2011. A hardware upgrade in 2007 included scanners, digital readers, fingerprint readers, server, and cameras, but no computers. The information technology staff repairs the consular computers whenever it can, but consular management has no reliable backup computers. As a medium-sized post, Vientiane is entitled to two or three new backup computers, and it will request those from the Bureau of Consular Affairs. The old equipment stored in the consular section will be moved to the warehouse for eventual disposal.

The LE consular staff is relatively inexperienced; their average time in service is four years, and their English language skills are not strong. The section chief encourages online training, tracks individual employees' training plans, nominates staff members for every appropriate training opportunity, and closes the section to the public for meetings and training four times per year. The employees told the OIG team they would like even more training and more information about ongoing consular cases, to enhance their teamwork and to prepare them to answer public queries. The OIG team informally recommended that the section chief routinely include staff in internal emails, that the section hold weekly meetings, and that the regular training day be provided monthly, rather than quarterly.

Some local employees' responsibilities do not appear to correspond with their job grades. For example, the FSN-7, senior nonimmigrant visa assistant serves as full-time cashier four days per week. While versatility is crucial in a busy section, management has not assessed the primary responsibilities and grades of consular employees, and made necessary adjustments.

**Recommendation 6:** Embassy Vientiane should review the position descriptions of local consular employees and rewrite those that are not accurate. (Action: Embassy Vientiane)

In recent MSPs, in consular workload statistics, and via other forms of communication, consular management has requested a third consular officer, citing a heavy workload and officer overtime of 900 hours in 2009. The section has admirably implemented many time-saving practices, such as encouraging people to submit questions via email rather than by telephone; posting information on the mission's Web site and on outdoor bulletin boards; simplifying the registration process; adjusting appointment schedules; and streamlining petition revocation requests. However, time spent on visa interviews, recording interview notes, and providing routine American services could be significantly reduced, with no effect on outcomes. Some cases require attention outside of normal hours, such as genuine emergencies involving American citizens, but most of the section's overtime is spent on tasks that could wait until the next working day, without creating backlogs. The inspection team made an informal recommendation to this effect.

## American Citizen Services

Many Americans seeking consular services in Vientiane live in Northeast Thailand and prefer to apply in Laos, rather than make the long trip to Bangkok. Americans also come to Vientiane to renew Thai visitor visas. Some of them are refused reentry into Thailand or are refused Thai visas if their passports will expire in less than six months, in violation of the U.S.-Thai agreement to extend passport validity. The Vientiane consular section issues emergency passports to most of these Americans.

Local employees sometimes neglect to record American citizen services cases, especially short-term detention and welfare/whereabouts problems, in the ACS+ system. This situation can influence statistics needed by the Bureau of Consular Affairs to determine staffing requirements. It also can affect the Bureau's Office of American Citizen Services' ability to respond to public and congressional inquiries.

**Recommendation 7:** Embassy Vientiane should implement procedures to ensure that all American citizen services cases are recorded in the ACS+ system. (Action: Embassy Vientiane)

During his last visit to Vientiane, the regional consular officer recommended that the local employee responsible for American citizen services be assigned an experienced local mentor in Bangkok. The OIG team supports this initiative.

## Visa Services

There are no sources of reliable local documentation to support visa applications. Any document can be produced by a government official for a fee, including marriage, divorce, and birth certificates—which, even if they relate to actual events, are often back-dated to support claims to services to which the applicants are not entitled.

More than half of Lao-Americans in the United States are of Hmong ethnicity, and most petition-based visa cases are for Hmong fiancées. Hmong traditions include polygamy and child marriage. Hmong-American women often write to the section complaining that their husbands want to force them into paper-only divorces, in order to petition for intended second, much younger wives. (An age difference of 30 years between petitioner and beneficiary is not uncommon.) Many of the fiancées are too young to marry legally in the state to which they are immigrating. Petitions filed solely for immigration purposes also appear. All these issues compel officers to approach fiancé cases with caution. The section returns about 40 percent of all fiancé petitions to U.S. Citizenship and Immigration Services for revocation; very few of those are reaffirmed.

The section recently performed two validation studies, one for nonimmigrant visas and one for fiancé visas, using guidance provided by the Bureau of Consular Affairs, Office of Fraud Prevention Programs. These studies confirmed that the section's high refusal rates and rates of requests for petition revocations are justified.

## Visas Viper

The Visas Viper committee is coordinated by the consular section chief and chaired by the DCM. The committee meets and reports monthly. It submitted no names in the year before the inspection.



## RESOURCE MANAGEMENT

Agency	U.S. Direct-Hire Staff	U.S. Local-Hire Staff	Locally Employed-Staff	Total Staff	Total Funding FY 2010*
State – D&CP	9	3	98	110	894,000
State – ICASS	4	5	80	89	1,901,600
State – Public Diplomacy	2		6	8	247,351
State – Diplomatic Security	1	1	5	7	760,112
State – OBO			10	10	233,975
State – Representation	n/a			n/a	11,565
Defense Attaché Office	4	0	3	7	127,755
POW/MIA Accounting Command (JPAC)	6		8	14	496,650
Foreign Agricultural Service	0	0	1	1	28,000
DEA	2	2		4	66,000
CDC	1	0	1	2	172,400
INL	1	1	6	8	456,700
<b>Totals</b>	<b>30</b>	<b>12</b>	<b>218</b>	<b>260</b>	<b>5,396,108</b>

*Data provided by Embassy Vientiane.*

\* In FY 2009, Embassy Vientiane received approximately \$18 million in assistance funding from various U.S. Government agencies.

## OVERVIEW

Embassy Vientiane's resources are increasing, as the U.S. agenda in Laos expands in response to new opportunities. In preparation for the planned NEC project, the Office of Policy, Rightsizing and Innovation (M/PRI) projected an increase of 34 positions. Three Department U.S. direct-hire positions, including a Foreign Service

Health practitioner, were added in FY 2010. Embassy Vientiane is requesting five additional Department U.S. direct-hire positions in its latest MSRP. According to the March 2010 Rightsizing Review Update, USAID plans to open a new office in Laos by FY 2011, with an eventual staff of 5 U.S. direct-hires and 10 LE staff members. USAID preparations for establishing a presence have not yet begun. Countering these increases is DEA's request for Chief of Mission approval to close its office of two U.S. direct-hire and two LE staff members in FY 2011. Although the Ambassador has denied this request, DEA has withdrawn most of its staff, does not plan to replace existing personnel at the conclusion of their tours this summer, and has notified the International Cooperative Administrative Support Services (ICASS) of its intentions to withdraw from ICASS services.

Increasing employment opportunities elsewhere have undercut the embassy's recruitment and retention of LE staff, which has hampered the mission's attempts to fill key positions and retain several skilled employees, as competition increases for the limited pool of qualified candidates. The mission already has only one position in the exception rate (the nurse), although more may be required.

For the most part, management services are being provided economically and efficiently. This is impressive, considering the breadth of responsibility shared by the lean management staff and country specific difficulties. Only some fine tuning is required. The results of Vientiane's FY 2010 ICASS satisfaction survey showed strong community approval of the work performed by the management section. The mission's overall ICASS score of 4.11 exceeded EAP's average score for the same period. The OIG's workplace and quality of life questionnaire tells a similar story, with some exceptions. The lowest scores were given to family employment opportunities, overall community/family morale, management overall, and family member hiring. A review of this latter activity substantiated some employee concern and resulted in a recommendation for corrective action.

## MANAGEMENT OPERATIONS

As noted above, management operations are solid, with some exceptions. The management officer, at times overwhelmed by the job, barely manages to keep pace with office demands. The OIG team observed him struggling under the weight of serving as both the financial management officer and human resources officer. Sustaining this effort for three years no doubt has been stressful. The embassy has requested that the Department establish a U.S. direct-hire financial management officer

position, to provide some relief. M/PRI supports the request, should growth warrant it, and the EAP Executive Office (EAP/EX) concurs. The OIG team supports this approach, but believes that the time for adding this position is fast approaching.

Processing delays are not uncommon, and some decisions are postponed—to the frustration of some. To conserve the management officer's time, meetings are rarely held to address management, the ICASS council, and the ICASS budget. By his own admission, the management officer does not like meetings. Planning has suffered as a result. Although the Ambassador meets with the management team weekly, it is no substitute for a meeting of the management section's U.S direct-hires and key LE staff, to go over matters collaboratively. The community liaison office (CLO) coordinator is not invited to the Ambassador's management meeting and so lacks even this exposure to current and planned management efforts. The OIG team made an informal recommendation to include the CLO coordinator in these meetings. Attendance by the RSO at meetings of the management section also would enhance planning and coordination efforts.

**Recommendation 8:** Embassy Vientiane should hold weekly meetings of the management office, quarterly International Cooperative Administrative Support Services council meetings, and International Cooperative Administrative Support Services budget meetings as required. (Action: Embassy Vientiane)

## Management Processes

Management processes addressing ICASS, NSDD-38 requests, and Mission Strategic Planning and Resource Reporting are well managed, for the most part. However, as noted above, ICASS meetings now are held too infrequently. Several NSDD-38 requests were not referred to the RSO for review. An informal recommendation addresses the need for the RSO to consider all NSDD-38 requests for their resource implications.

## Locally Employed Staff English Language Program

The mission's English language program for LE staff, under the supervision of the management officer, is weak and has had only limited success. The lack of English language skills among LE staff is an issue throughout the mission. Currently, only one teacher is employed to teach classes for multiple skill levels. Participation

in language classes is voluntary, and there are currently 20 attending classes. Classes meet twice a week for between one and a half to two hours. Several classes are held after normal work hours, and employees are not compensated.

LE staff candidates were not tested for spoken English language skills, though English was a prerequisite for many positions. English reading tests were administered. Just recently, the Department provided a standardized English language test, which will be used to test candidates for employment. The test could be administered to the current staff to gauge individual English language needs and then to determine mission-wide needs and program requirements.

**Recommendation 9:** Embassy Vientiane should strengthen its English language program, make classes mandatory for some, provide overtime pay for those attending classes after normal work hours, and reward successes. (Action: Embassy Vientiane)

## Rightsizing

In FY 2010, Embassy Vientiane received Diplomacy 3.0 initiative positions for an economic officer, a public diplomacy officer, and a Foreign Service health practitioner. In its FY 2011 MSRP, it had sought two additional positions: a political officer and a financial management officer. In its FY 2012 MSRP, the mission continues to press for these two positions and three additional: a consular officer, an assistant RSO, and an office management specialist for the RSO.

The 2010 Rightsizing Review Update concurred with most of the projected increases presented by the embassy, but recommended that the mission continue using eligible family members to serve as office management specialists for the DCM and RSO. The review concurred with the embassy's request for a financial management officer, provided that growth warrants it and the position is supported by EAP/EX; however, EAP/EX is not inclined to add the position.

The Rightsizing Review was conducted in conjunction with the planned NEC, in order to present OBO with an accurate head count. In this regard, uncertainty over the eventual disposition of the DEA presence in Laos still remains. The embassy should continue to keep OBO informed of DEA's status, so that NEC planning can incorporate the change at the earliest opportunity. M/PRI will keep these positions on the books until the issue is resolved. DEA has two U.S. direct-hire and two LE staff desk positions. When the NEC is completed, USAID plans to open a new office in Laos, with eventual staff of 5 U.S. direct-hire and 10 LE staff members.

USAID already has agreed that it would subscribe to ICASS, rather than duplicate its own services. The NEC plan includes space for a Marine security guard detachment of five, and Marine security guard quarters. However, OBO will not build either facility until there is formal notification that Embassy Vientiane will receive a Marine security guard detachment. The Rightsizing Review projected that the mission would gain 11 U.S. direct-hire and 23 LE staff members, for a total of 34 new positions.

## Regional Support

Embassy Vientiane praises the level and quality of management services support it receives from Embassy Bangkok. The Foreign Services health practitioner out of Embassy Rangoon is providing temporary medical support services to the embassy, until service by the regional medical officer in Bangkok resumes. The one criticism leveled at Embassy Bangkok's regional support is its occasional untimely deployment of personnel, which has delayed on-site activities. Embassy Kuala Lumpur augments the financial management support provided by Embassy Bangkok, with an EAP/EX funded regional LE staff financial management rover. Embassy Bangkok's post support unit performs voucher certifications on occasion. No other functions could be performed more cost-effectively elsewhere.

## Real Property

As noted earlier, the embassy's NEC project is scheduled to begin in FY 2011. Because the NEC does not include construction of a warehouse, the embassy has requested retention of the current, U. S. Government-owned administrative compound, which has an on-site warehouse; OBO supports this request.

The issue of DEA's capital security cost-sharing responsibility for space in the NEC has not yet been settled. OBO's implementation timeline for FY 2010 cost-sharing requirements to develop the FY 2012 capital security cost-sharing requires that OBO distribute NEC planned charges to all agencies in May, 2010. This date has already passed. OBO space planning for the NEC currently includes DEA space.

**Recommendation 10:** The Office of Management Policy, Rightsizing and Innovation, in coordination with Embassy Vientiane, should finalize the Department's position on whether to include a Drug Enforcement Administration space in the new embassy compound and should clarify the associated Capital Security Cost-Sharing responsibilities. (Action: M/PRI, in coordination with Embassy Vientiane)

## General Services Operations

General services operations perform effectively overall. The procurement and contracting function manages to get the job done but remains weak. It and the customs and shipping function were cited by the embassy community as poor performers. The general services office (GSO) is led by an energetic, goal-oriented, first-tour general service officer, who (in the absence of a facilities manager) also performs the facilities management function, which takes the majority of his time. He is assisted by an eligible family member who serves as a general services officer assistant. GSO staffing includes janitors and gardeners, as these jobs have not yet been outsourced.

## Procurement

The three-person procurement office has accepted responsibility for handling contracts, including construction contracts, for the law enforcement and narcotics section. In exchange, the section has agreed to pay the salary of an additional purchasing agent. Both parties to the arrangement like the results. However, should the press of law enforcement and narcotics sections' contracting activities warrant, it could ask either the Bureau of International Narcotics and Law Enforcement Affairs or the Office of Acquisitions Management to handle such contracts.

As contracting officer, the GSO issues law enforcement and narcotics section contracts, but it does not name a contracting officer's representative to help monitor contractor performance. In accordance with Department of State Acquisition Regulation Part 642.2, contracting officers may designate technically qualified personnel as their authorized representatives to assist in the administration of contracts. The section's program manager is the most suitable person to assume the contracting officer's representative responsibilities and should be trained and designated as such on law enforcement and narcotics related contracts and other acquisitions. For two of the largest construction contracts, a private firm has been hired to assist the contracting officer to monitor contractor performance.

**Recommendation 11:** Embassy Vientiane should appoint the program manager of the law enforcement and narcotics section as the contracting officer's representative on all law enforcement and narcotics section contracts and simplified acquisitions and provide appropriate training. (Action: Embassy Vientiane)

A review of a small sample of contracts and contracting files revealed that the procurement staff has not yet mastered contracting or contracts management. The

OIG team identified and discussed several problem areas, including the contract award process, and suggested that Embassy Bangkok address them during its on-site assistance visits.

The OIG team also noted that the purchase card annual review was not conducted in 2009 and made an informal recommendation on this topic.

## Warehouse/Property Management

The four-person warehouse/property management office operates effectively. A \$250,000 renovation provided much needed space, and the warehouse is now a model operation, complete with a caged receiving area. A review of the FY 2009 Property Management Report revealed several omissions. A property disposal authorization and survey report had not been completed to process the expendable inventory shortage. One was completed during the inspection. In conjunction with the Property Management Report, the information management (IM) officer did not document his completion of the annual physical inventory and program property reconciliation, as required. Similarly, the nurse did not provide the required accounting of the medications and equipment in the health unit. An informal recommendation addresses these issues.

## Shipping and Customs

The one-person shipping and customs office performs well. Embassy Vientiane and Embassy Bangkok agreed to consolidate their shipments through the Seattle Dispatch, and Embassy Vientiane has been receiving its sea shipments much more quickly than in the past. Once shipments arrive at Embassy Bangkok they are sorted, and Embassy Vientiane's goods are forwarded overland. However, the shipping and customs office will not be able to handle the volume of shipments associated with the NEC without assistance. The rightsizing review update identified the need for one U.S. eligible family member shipping clerk position to enhance the office.

## Housing

The housing office is run by the general services officer assistant, with the assistance of one LE staff member. It performs well. The community is generally very satisfied with their housing. Rents are low, and landlords assume responsibility for appropriate repairs and maintenance. However, the limited pool of houses that meet embassy standards has meant that 12 of 16 of the houses in the current

residential inventory are oversized. OBO, recognizing the difficulties in finding suitable, smaller housing, has granted the appropriate waivers. The data reported on the Real Property Application system was found to be accurate.

## Motor Pool

The motor pool performs well and scored very high on the workplace and quality of life questionnaire. There are seven drivers, one of which is dedicated to the Chief of Mission. Other drivers assist this driver on a rotating basis, as needed. Because of the increase in routine requirements and the large increase in temporary duty personnel, including occasional congressional delegations, two additional drivers have been requested. Up-country travel by temporary duty employees often requires prepositioning vehicles and drivers; such trips can take two days. In FY 2009, the motor pool incurred 1,857 overtime hours, at a cost of \$15,747. The average annual salary of two drivers is \$16,924.

## Facilities Management

The facilities management office operates effectively. Under the supervision of the general services officer, and with the assistance of the facilities manager resident at Embassy Bangkok, the office is a good steward of embassy facilities. Most work is performed by the small crew of skilled tradesmen that includes electricians, plumbers, carpenters, masons, and air-conditioning mechanics. This crew will be augmented to manage and maintain the more technologically sophisticated NEC. The embassy has requested a U.S. direct-hire facilities manager and several LE staff positions, to include an electrical engineer, an automation systems technician, and a mechanical engineer. M/PRI supports these requests.

The administration of the mission's safety and occupational health program appears appropriate. The general services officer carries out the duties of post occupational safety and health officer, and the embassy's safety, health, and environmental management committee is active. Safety programs all are in place for residential housing, motor vehicles, swimming pools, and integrated pest management. In 2009, OBO's Office of Safety, Health, and Environmental Management reported several significant deficiencies in the embassy's policies and programs and recommended corrective actions. In 2007, OBO's Office of Fire Protection made recommendations which addressed deficiencies/hazards relating to fire. The embassy is addressing both sets of recommendations, and to date has made significant progress.

## Human Resources

The management officer is the human resources officer and addresses most requirements specific to American employees; two LE staff members address requirements specific to the LE staff. Embassy Bangkok's regional human resources office provides good support, with on-call consultations and semiannual visits to the embassy. Trip reports are relevant to the office's needs, and the office addresses report recommendations. The FSN handbook was last updated in 2008 and is consistent with current conditions.

The embassy routinely pushes for a bilateral work agreement, but the Lao Ministry of Foreign Affairs refuses to agree on this delicate issue. The management officer believes that the breadth of his portfolio does not allow time to effectively address all the human resources section's needs. The section has trouble completing American personnel work requirements statements within the prescribed time. The OIG team made an informal recommendation on this subject.

## Eligible Family Member Employment

At present, there are five eligible family members working at the embassy. At an embassy with a shortage of eligible family member positions, family member employment is perceived as unfair and not transparent, raising morale concerns. File documentation supported the existence of proper vacancy announcements, competitive job application procedures, and credible justifications for employee selections. However, the inspection team found that, prior to and during the recruitment process, officers gave the appearance of favoritism toward or pre-selection of eligible family member job candidates by giving undue attention to individual applicants. They also gave the appearance of recommending and encouraging particular persons to apply for vacancies, making general announcements about vacancies to groups in offices and outside the embassy, and meeting one-on-one with applicants about positions before the selection process began—which is prohibited by the Bureau of Human Resource's *Local Employment Recruitment Policy Guidebook*.

Several employees viewed this as an unethical approach and complained of being put in awkward positions. As a result, many in the embassy community are overly suspicious and observe every employment-related development with a sharp eye, taking their energy and focus away from embassy operations. As a result, prospective candidates may be discouraged from applying for jobs.

**Recommendation 12:** Embassy Vientiane, in coordination with Embassy Bangkok and the Bureau of Human Resources, should issue and adhere to a management instruction on local employment policy, with an emphasis that managers and selection officials handle all aspects of the hiring process in a way that is consistent with the *Local Employment Recruitment Policy Guidebook*. (Action: Embassy Vientiane in coordination with Embassy Bangkok and DGHR)

(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)  
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)

(b) (2)(b) (2)  
(b) (2)(b) (2)  
(b) (2)(b) (2)  
(b) (2)(b) (2)  
(b) (2)(b) (2)  
(b) (2)(b) (2)  
(b) (2)(b) (2)  
(b) (2)(b) (2)  
(b) (2)(b) (2)(b) (2)

**Recommendation 13:** (b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)  
(b) (2)(b) (2)

(b) (2)(b) (2)  
(b) (2)(b) (2)  
(b) (2)(b) (2)  
(b) (2)(b) (2)  
(b) (2)(b) (2)  
(b) (2)(b) (2)  
(b) (2)(b) (2)  
(b) (2)(b) (2)  
(b) (2)(b) (2)  
(b) (2)(b) (2)

## Equal Employment Opportunity

The embassy has a well functioning equal employment opportunity program, which benefits from coordination between embassy sections and the mission's equal employment opportunity counselor. Department policy is clearly stated in the LE staff handbook, and routine civil rights training is provided by the Embassy Bangkok regional center. The mission has been complaint free for the past year.

## Financial Management

The financial management office handles its workload adequately. Financial management services received good scores on the 2010 ICASS customer satisfaction survey. An LE budget analyst and a staff of 3 operate the unit, providing support to 11 agency components. The office receives vouchering and other services from the Financial Services Center in Bangkok. The embassy's serviced accounts have increased from \$2.3 million in FY 2003, to \$4.6 million in FY 2009. The staff is responsive to customers. The success of the section has resulted, in part, from routine financial management rover support from Embassy Kuala Lumpur. With this assistance, the unit is effective in establishing, liquidating, and monitoring obligations. As stated earlier, the 2010 Rightsizing Review Update concurred with the embassy's request for a financial management officer, should the mission's growth warrant it.

## Post Differential

In connection with an ongoing OIG area of emphasis, the team reviewed the embassy's procedures for terminating post differential allowance when staff members leave the mission. At Embassy Vientiane, the risk of post differential being paid in error to officers traveling to the U.S. is reduced by (a) the mission's small size, (b) the condition that the same LE staff member tracks allowances and coordinates travel, and (c) the fact that this employee has a clear understanding of post differential termination rules. No problems were noted.

## INFORMATION MANAGEMENT AND INFORMATION SECURITY

Embassy Vientiane operates a comprehensive IM and information security program that received very high marks on the OIG's quality of life survey. Every month the IM section uses the information security system office tool (Hyena) on the unclassified network to monitor and update patches, as a complement to the

Department's iPost application. A check using Hyena and the standard operating environment compliance auditing tool confirmed that the systems are in compliance. Customers are satisfied and systems are well maintained, but the embassy's growing staff and evolving technology will present challenges. The OIG team identified two areas in which the IM section will need resources. Additional IM responsibilities and recommendations are listed in the classified annex report.

The IM officer supervises an information management specialist and six LE staff members: one computer management assistant, two computer operators, two telephone operators, and one mail clerk. The IM section possesses a unique skill set, in that everyone speaks Lao and English, which aids in providing high quality customer service and technical support to the entire mission. The IM section supports 168 users in the chancery compound, the administrative building, and the warehouse. The IM staff is responsible for the operation, maintenance, and security of the Department's unclassified network, the classified network, the classified and unclassified pouch, telephone, radio, and mailroom operations.

The embassy's information technology environment includes 125 workstations and 9 servers on the unclassified network, 16 workstations and 5 servers on the classified network, and 3 stand alone workstations in the IRC for public use. The workstations have local Internet provider service. The IM officer is in the process of requesting a waiver for the network, as required in inspection standard operating procedures.

## Technical Challenges and Innovation

The embassy is exposed to high electromagnetic noise, power surges, and outages. During the past year, there were four regularly scheduled support visits from the regional information management center in Bangkok, which included a digital satellite terminal survey, private branch exchange network, and complete preventive maintenance and inspection radio and telephone system installations. The IM section recently built a wiring closet and established a temporary training room. By fall of 2010, installation will be complete of a mail screening facility, satellite communication type 7 retrofit, the State messaging and archival retrieval toolset, and a foreign affairs sensitive but unclassified transport network. The IM section is in the process of phasing out the PortalX Web content management system and implementing SharePoint. The IM officer is developing a project plan for the move to the NEC, so that when the new IM officer arrives in summer 2011, the IM infrastructure will be operational.

With the installation of new systems and applications, the IM section has managed to stay ahead. Standard operating procedures and policies are in place for network systems and the mailroom. The IM staff members have training plans, updated work requirements, and individual development plans. Two LE staff position descriptions are listed as “computer operator,” even though they are information management assistants. The OIG team informally recommended that the IM officer update position titles and position descriptions.

End users are struggling with eServices, ePerformance, and other Department applications. The IM section provides technical support, but cannot address software anomalies. The OIG team suggested that the IM officer host brown bag lunch training sessions with customers to answer user questions and give advice on using these difficult and unfamiliar software applications.

## Services and Staff Constraints

The MSRP indicates that political, economic, and PD officer staff levels will increase next year, but the IM staff will not. The embassy’s American employees have Department telephone extensions with international voice gateway access and Internet service at their residences, all of which is provided and maintained by the IM section. There are several new local service Internet providers, and the Lao technical infrastructure is expanding quickly. The IM section needs to stop maintaining and operating employees’ home Internet service, in order to concentrate on its own unique and growing responsibilities within the mission.

**Recommendation 14:** Embassy Vientiane should transfer responsibility for home Internet service from the information management office to a private Internet provider. (Action: Embassy Vientiane)

In 2008, the former IM officer requested an additional LE full-time position to support the mail room clerk and telephone operators. However, since this position has not been realized, the clerk and operators must cover for one another on an ad hoc basis. If one is ill or on leave, customers may not get their mail on time or the telephone switchboard may be unattended for several minutes.

**Recommendation 15:** Embassy Vientiane should hire one full-time local employee to support mail room and telephone operations. (Action: Embassy Vientiane)







## MANAGEMENT CONTROLS

The Ambassador's memorandum regarding assurance on management controls, dated August 19, 2009, states that Embassy Vientiane's systems of management controls, taken as a whole, comply with the Comptroller General of the United States' standards and the Department's objectives and does not identify any deficiencies in inventory controls. It also states that assets are safeguarded against waste, loss, unauthorized use, or misappropriation. The inspection team found that an adequate management controls program exists at the embassy. The management office undertakes an annual management controls assessment encompassing all embassy sections. Management controls are generally functioning well at the embassy.



## LIST OF RECOMMENDATIONS

**Recommendation 1:** The Bureau of East Asian and Pacific Affairs should promote a consistent and reliable Department request of \$5 million a year in funding for the clearance of unexploded ordinance in Laos. (Action: EAP)

**Recommendation 2:** Embassy Vientiane should fully comply with the Leahy Amendment and not agree to reimburse the Lao Government for the costs of any training that takes place before Leahy clearances are given. (Embassy Vientiane)

**Recommendation 3:** Embassy Vientiane should implement procedures to ensure that designated grants officer representatives perform required duties in compliance with Department guidelines as outlined in the grant memorandum. (Action: Embassy Vientiane)

**Recommendation 4:** Embassy Vientiane should designate an alternate grants officer and arrange for the officer to receive the required training to obtain a warrant. (Action: Embassy Vientiane)

**Recommendation 5:** The Bureau of Population, Refugees and Migration should make a decision regarding the disposition of 250,000 microfiche refugee records and should advise Embassy Vientiane of that decision and what actions the embassy should take with regard to these records. (Action: PRM)

**Recommendation 6:** Embassy Vientiane should review the position descriptions of local consular employees and rewrite those that are not accurate. (Action: Embassy Vientiane)

**Recommendation 7:** Embassy Vientiane should implement procedures to ensure that all American citizen services cases are recorded in the ACS+ system. (Action: Embassy Vientiane)

**Recommendation 8:** Embassy Vientiane should hold weekly meetings of the management office, quarterly International Cooperative Administrative Support Services council meetings, and International Cooperative Administrative Support Services budget meetings as required. (Action: Embassy Vientiane)



## 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 onsite compliance review will assess the mission's progress in implementing the informal recommendations.

### Political/Economic

The political and economic section's use of the TAGS (traffic analysis by geography and subject) mechanism for distributing cables is good, but it could be improved to provide wider distribution of the section's excellent product.

**Informal Recommendation 1:** Embassy Vientiane should make a more liberal use of the traffic analysis by geography and subject mechanism, to increase distribution and readership for its cables.

Biographic reporting should be considered everybody's job within the embassy, and not just that of the political/economic section.

**Informal Recommendation 2:** Embassy Vientiane should encourage all sections to contribute to biographic reporting, coordinated as the embassy elects.

After a démarche, the rule should be to submit a brief cable confirming delivery and reporting the likely result, with the addition of any insights into the host country's position.

**Informal Recommendation 3:** Embassy Vientiane should report by cable after delivery of each démarche.

### Public Diplomacy

The public diplomacy section uses the Mission Activity Tracker system to report program activity, but the reports are not up to date. Less than 25 percent of programs completed during the current year have been reported.

**Informal Recommendation 4:** Embassy Vientiane should establish procedures to ensure that the public diplomacy section enters into the Mission Activity Tracker system updated information on all program activities.

The public diplomacy section does not use the embassy's IRC as a venue for target audience programming, although the new IRC plan includes mention of enlisting embassy officers as speakers at the center.

**Informal Recommendation 5:** Embassy Vientiane should initiate a series of information resource center speaker programs for government and professional contacts that involve embassy officers.

## Consular Affairs

Members of the mission sometimes enter the consular section work area without escort. Only the ambassador, deputy chief of mission, regional security officer and consular staff may enter the section without escort.

**Informal Recommendation 6:** Embassy Vientiane should remind all local and American employees that access to the consular work area is limited to those employees who are designated to work there.

Consular local staff members need more training and more information about ongoing cases.

**Informal Recommendation 7:** Embassy Vientiane should include consular staff in internal emails about consular cases, hold weekly consular staff meetings, and close the section to the public one day per month for training.

Consular officers routinely work hundreds of hours of overtime per year, most of which is not related to urgent consular needs but is the result of time management skills that could be improved.

**Informal Recommendation 8:** Embassy Vientiane should implement procedures to ensure that consular officers manage time more effectively and limit overtime work to emergencies.

The regional consular officer suggested that a senior local staff member in Embassy Bangkok be assigned to mentor and assist the inexperienced American citizen services assistant in Vientiane.



**Informal Recommendation 15:** Embassy Vientiane should establish procedures to ensure that the information management officer and the nurse participate in the annual property management report exercise.

The office does not complete American personnel work requirements statements within the prescribed time.

**Informal Recommendation 16:** Embassy Vientiane management officer should develop an internal control technique for timely completion of American personnel work requirements statements.

## Information Management

Revised information management assistant position descriptions were submitted by the IM officer to the management section in 2008, but they have not been updated.

**Informal Recommendation 17:** Embassy Vientiane should change local employees' titles and update position descriptions to reflect current duties.

## PRINCIPAL OFFICIALS

	<b>Name</b>	<b>Arrival Date</b>
Ambassador	Ravic R. Huso	07/07
Deputy Chief of Mission	Peter M. Haymond	08/08
<b>Chiefs of Sections:</b>		
Administrative	Stephen A. Druzak	08/07
Consular	John F. Aloia	09/09
Political	Thomas E. Daley	07/09
Public Affairs	Dion S. Dorsey	09/09
Regional Security	Robert A. Eckert, Jr.	06/08
<b>Other Agencies:</b>		
Centers for Disease Control and Prevention	Andrew L. Corwin	04/06
Department of Defense	LTC James McAden	07/09
Drug Enforcement Administration	Scott E. Oringderff	08/04
Joint Pacific Area Command (JPAC)	LTC Christopher Barnwell	12/09



## ABBREVIATIONS

CLO	community liaison officer
DCM	deputy chief of mission
DEA	United States Drug Enforcement Administration
EAP	Bureau of East Asian and Pacific Affairs
EAP/EX	Bureau of East Asian and Pacific Affairs' Executive Office
FSN	Foreign Service national
GSO	general services office
ICASS	International Cooperative Administrative Support Services
IM	information management
IRC	information resource center
JPAC	Joint Prisoners of War, Missing in Action Accounting Command
LE	locally employed
M/PRI	Office of Policy, Rightsizing and Innovation
MIA	missing in action
MSRP	Mission Strategic and Resource Plan
NEC	new embassy compound
NSDD-38	National Security Defense Directive-38
OBO	Bureau of Overseas Buildings Operations
OIG	Office of Inspector General
PAO	public affairs officer
PD	public diplomacy
PRM	Bureau of Population, Refugees and Migration
RSO	regional security officer

TAGS	traffic analysis by geography and subject
USAID	United States Agency for International Development
UXO	unexploded ordinance

**FRAUD, WASTE, ABUSE, OR MISMANAGEMENT**  
of Federal programs  
and resources hurts everyone.

Call the Office of Inspector General  
**HOTLINE**  
**202-647-3320**  
**or 1-800-409-9926**  
**or e-mail [oighotline@state.gov](mailto:oighotline@state.gov)**  
to report illegal or wasteful activities.

You may also write to  
Office of Inspector General  
U.S. Department of State  
Post Office Box 9778  
Arlington, VA 22219  
Please visit our Web site at:  
<http://oig.state.gov>

Cables to the Inspector General  
should be slugged "OIG Channel"  
to ensure confidentiality.