



Office of Inspector General

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

Office of Inspections

Inspection of the
Bureau of Near Eastern Affairs

Report Number ISP-I-11-49A, May 2011

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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 AND SCOPE

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.



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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". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Harold W. Geisel
Deputy Inspector General

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Key Judgments

- The Bureau of Near Eastern Affairs (NEA) does an outstanding job pursuing U.S. interests in the region under particularly challenging circumstances. The Assistant Secretary has built a strong front office team dedicated to its mission and to sharing the often overwhelming workload with its employees.
- This inspection took place during a period of change in the Middle East unprecedented in its intensity and impact, region-wide. NEA managed crises in Tunisia, Egypt, Libya, Bahrain, and elsewhere, while dealing compassionately with evacuated families. At the same time, the bureau was able to maintain its focus on its important work on Iran, Middle East peace, and the transition in Iraq.
- Morale among employees is generally high, due to pride in working on critical issues and recognition from the front office. Morale is good despite an often inadequate working environment, and competition is keen for many NEA positions, domestically and overseas.
- Interagency interlocutors praised the bureau for its leadership, inclusiveness, mastery of policy issues, and operational effectiveness.
- The transition from a military- to a civilian-led presence in Iraq poses challenges for the Department of State (Department); it must ramp up its presence there quickly and securely, even with resource questions affecting its mission not yet decided. Department planning and coordination have been thorough with the Department of Defense (DOD) and other agencies dedicated to the transition. The appointment of an Iraq Transition Coordinator for the Department is a welcome addition, as the date for completing the transition approaches.
- Staff in the Iraq office is not used effectively, and NEA needs to reorganize the staffing pattern.
- A separate team in the executive office focuses solely on planning for the upcoming military-to-civilian transition in Iraq. Team members are proud of what they have accomplished so far. However, communication and coordination issues with the NEA Iraq policy office, as well as the unclear budget picture and occasionally confusing strategic guidance, are hurting the planning process.

- The new deputy assistant secretary (DAS) for public diplomacy has made important improvements to ensure that the bureau's messaging is consistent, timely, and coordinated with other agencies, particularly on Iraq. Still, the Department needs to clearly define the authority and responsibilities of this new position, relative to those of the existing position of public diplomacy office director, to avoid confusion and duplication of effort.
- While employees are energized by the importance of their work, the pace of bureau work interferes with training. NEA needs to implement orientation and mentoring programs, develop a handbook for desk officers, and urge managers to spend more time teaching their staff, rather than fixing papers for them.
- The executive office that supports both NEA and the Bureau of South and Central Asian Affairs (SCA) does a remarkably good job in many areas, particularly given the heavy workload. However, the financial management office's ability to properly manage the funds it controls is questionable. Moreover, human resources services need to be addressed.
- The executive office's technology team is operating in crisis management mode, as bureau staff face frequent and recurring computer system outages, causing papers to be late and staff to work overtime, waiting for resumption of service. Customers are dissatisfied with the service provided by the Bureau of Information Resource Management (IRM) 3 years after consolidation, but problems also typically involve antiquated Department infrastructure, which may take years to fix.

The inspection took place in Washington, DC, between February 9 and March 17, 2011.

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Context

The inspection of NEA took place at a time of unprecedented turmoil in the Middle East. In December, at the beginning of the Office of Inspector General (OIG) survey of bureau employees and contacts, the self-immolation of a young fruit merchant in Tunisia set off repercussions throughout the Arab world. Within days, the President of Tunisia had departed and an interim government had taken power. This was followed in January by mass demonstrations in Egypt which, after 2 weeks, led to the departure of a long-time ally of the United States, Egyptian President Hosni Mubarak. Demonstrations in Jordan, Yemen, Libya, Iraq, Algeria, Morocco, Bahrain, and other states in the region required governments of those countries to respond. These events impacted critical U.S. interests. To manage these crises, support the Secretary and President as they considered policy options, and continue the bureau's ongoing work, including on Iraq and Middle East peace, NEA staff worked extraordinarily long hours, sometimes through the night. They prepared policy papers for, and sometimes participated in, over 100 meetings under National Security Staff authority from January through mid-March.

As the inspection concluded in March, armed conflict bordering on civil war was raging in Libya, the Gulf states were still trying to cope with protestors' demands, and the Gulf Cooperation Council had sent troops to Bahrain to quell unrest. Other states in the region were focused on the conflict in Libya as well as on their own domestic audiences, carefully considering what, if any, political and social reforms might be required to maintain stability and order. The world's attention also remained on Iran and its intransigence on human rights and nuclear nonproliferation issues. More important was the question of how Iran might try to take advantage of the opportunity presented by instability in the largely Sunni-ruled Gulf states, while suppressing free expression at home. Through all of this, the effect of these changes on the Middle East peace process, as well as on other strategic U.S. interests, loomed as serious, unanswered questions, even as NEA continued to support transition in Iraq.

Meanwhile, the White House, the Secretary of State, the U.S. Ambassador in Baghdad, and other State Department principals, together with the DOD, were engaged in serious budget discussions, both internally and with Congress, to ensure that the United States had the financial and personnel resources in the FY 2012 budget to complete the transition from a military- to a civilian-led American presence in Iraq, as U.S. forces depart from there later in the year. At inspection's end, these negotiations continued, as Congress continued to debate how to fund the government in the current fiscal year.

Clearly, the challenges of this period impacted NEA's workload, as never before. Although always a significant part of the Department's strategic agenda, and consistent with the President's 2009 Cairo speech, human rights and democracy in the region took on a greater urgency and focus than ever before. At the same time, while supporting protestors urging democratic reform, the United States sought to ensure that these changes did not damage U.S. medium- and long-term interests in the region. The bureau was at the epicenter of efforts to review these issues and prepare recommendations to the President, the Secretary, and other principals. As an example of the intensity of this period, beginning in early January through mid-March, the bureau prepared policy papers for, and often participated in, more than 50

Interagency Policy Committee and subcommittee meetings, 40 deputies committee meetings, and 16 principals committee meetings, as well as separate meetings of the National Security Council with the President, and with National Security staff. The burden of this workload was aggravated by the fact that agendas for these meetings were often late and/or changed at the last minute; the bureau often did not get timely informal read-outs from these meetings; and summaries of conclusions often came out several days later – with tasking deadlines already passed, and after subsequent meetings had transpired.

The bureau was required to staff two 24/7 task forces and a number of “shadow task forces” through mid-March, in large part to make sure that the evacuations of the U.S. citizens from Egypt, Libya, Bahrain, and Yemen proceeded smoothly, and to manage the effects of additional Wikileaks disclosures of purported embassy cables.

During the inspection, the Department selected an Iraq Transition Coordinator, an ambassador with Iraq experience, to work for the Deputy Secretary for Management and Resources and with the bureau, DOD, the Chairman of the Joint Chief of Staff, Embassy Baghdad, and other interagency actors, to ensure the success of the transition. The Department also selected an ambassador with considerable experience in the region to act as the Coordinator for Egypt Transition. The U.S. Ambassador to Tripoli, withdrawn due to security concerns in the aftermath of the Wikileaks affair, continued to work on policy toward Libya and to lead U.S. interaction with the Libyan opposition. Ironically, the evacuations in Egypt and Libya provided the bureau with much-needed help, as evacuees from Embassy Cairo and Tripoli were available in Washington.

Domestically, NEA has 321 employees. Overseas, 1,346 U.S. direct-hire and 7,007 locally employed staff work in 17 U.S. missions in the region. The total FY 2010 budget resources (domestic and overseas) for NEA were \$1.2 billion (excluding salaries for direct-hire Americans).

Executive Direction

The crises in the Middle East gave inspectors an opportunity to see the NEA leaders in action in a time of enormous change and significance to the United States. Their extensive regional expertise, collegiality, and esprit de corps set the tone for all levels of the bureau. Employees knew their front office team was working as intensely as they were and that each person's work counted. This knowledge contributed to generally high morale, although the intense workload and lack of progress on some issues influenced it negatively. Most importantly, the outstanding and timely products of their efforts, including policy recommendations for the Secretary and President, underscored the reputation of the bureau as one of the finest in the Department.

The Assistant Secretary has served throughout the region, including as Ambassador in Lebanon, as well as principal deputy assistant secretary and acting Assistant Secretary immediately prior to his current position. He received consistently high marks from employees throughout the bureau and the Department for his knowledge of the region, his communication skills, and his genuine concern for his staff and their workload. His own grueling schedule only reinforced that appreciation. During this inspection, he made three trips to the region: to Tunisia in the aftermath of government changes there, to the Gulf for a week of shuttle diplomacy, and to Bahrain to try to defuse tensions after the Gulf Cooperation Council had sent troops there. Ironically, this schedule reflected less travel than he normally undertakes.

While the Assistant Secretary told the inspectors that he has not had the time to do long-term strategic planning with his leadership team, in fact he took advantage of any opportunity to do so. In January, as events in Egypt unfolded, he convened an ad hoc strategy session with his front office team and his ambassadors, who were in Washington for the Global Chiefs of Mission conference. Later, after his trip to the Gulf, the Assistant Secretary presided over a meeting with his front office team to discuss the risks and opportunities of the dramatically unfolding events throughout the Middle East. These sessions contributed to the discussion led by the Secretary and other principals on the U.S. policy response.

The Assistant Secretary has put together a team of seven DASes who, for the most part, have considerable executive leadership experience themselves, including as ambassadors, chiefs of mission, deputy chiefs of mission, and chargés d'affaires throughout the region. The noncareer DAS overseeing the Middle East Partnership Initiative (MEPI) has an academic background working on Middle East and assistance issues.

The principal deputy assistant secretary, a former ambassador, has spent most of his career working on Middle East and related issues, including tours as Chief of Mission in Jerusalem and deputy chief of mission in Beirut. His Iraq experience, gained from prior senior positions in the Department and in Baghdad, has informed policy discussions as the transition in Iraq goes forward. He is both chief operating officer for the bureau and alter ego to the Assistant Secretary, serving frequently as acting Assistant Secretary due to the Assistant Secretary's heavy travel schedule. He is known throughout the Department and the interagency community for his experience and policy sense, as well as for his bureaucratic and interpersonal skills. His

colleagues in the NEA/SCA Executive Office (EX) give him high marks for being attentive to the management demands of NEA. He meets weekly with them to address both resource and personnel issues.

In addition, the bureau's overseas team includes its ambassadors and chargés in the field, most of whom have had long NEA careers. These chiefs of mission serve admirably, but where there are leadership issues, the Assistant Secretary does not hesitate to address them directly with the individual. In a region where women's rights are generally limited, both the NEA front office and its chiefs of mission have a high percentage of women in their ranks, setting an impressive example for their Middle Eastern counterparts and others.

The front office team shares information with its employees well. Each Friday, the Assistant Secretary convenes an open meeting that all bureau employees and key contacts inside and outside the Department may attend. Interagency contacts praised the front office for its professionalism, transparency, and openness, saying it resulted in better communication for all sides as they work together on difficult and urgent issues.

The Assistant Secretary, DASes, and EX director take an active interest in filling the bureau's positions with the best officers they can find. The need to fill key Iraq slots over the past 7 years has resulted in many non-NEA hands coming into the bureau. The Assistant Secretary is understandably proud of this influx of new blood. Competition for prime NEA slots remains fierce, despite the long hours.

Each member of the front office also serves as a role model of expertise, tradecraft, and work ethic. Several times during the inspection, the Assistant Secretary and the DASes worked through the night alongside their staff to meet short deadlines for papers or actions. No matter how busy the front office is, the Assistant Secretary takes time to compliment and thank staff for their efforts. Many desk officers, however, are serving in that position for the first time, whether they are entry-level officers or mid-level Foreign Service or Civil Service, and they need a more structured introduction to the work.

Currently, there is no formal orientation program, to either introduce staff members to their work or to give them practical information about requesting services from EX. While the Office of Egypt and Levant Affairs has developed a handbook for its desk officers, there is none for bureau-wide use. The lack of orientation and resources for new staff leads to confusion about roles and processes and, ultimately, wastes time. There also have been a few examples of confusion when new desk officers were unfamiliar with the procedures for clearing press guidance outside the bureau.

Recommendation 1: The Bureau of Near Eastern Affairs should develop an annual orientation program and handbook for new personnel, including guidance on procedures and expectations and information about support services. (Action: NEA)

The pace of work is so intense that a poorly written draft or one that misses policy nuance is more likely to be fixed by a supervisor than returned to the drafter. In order to meet deadlines, the opportunity is lost to teach and mentor the next generation of leaders. In addition, larger

numbers of entry-level officers are serving their first tour in the Department, without the benefit of overseas service. While the principal deputy assistant secretary has served as a mentor for a recent, entry-level Foreign Service class and continues his role with a number of officers, particularly those serving in the bureau or its posts, the need for greater mentoring is clear. Failure to do so leads to some frustration among desk officers and managers. Both the Bureau of Consular Affairs and the Bureau of Economic, Energy, and Business Affairs have leadership programs that NEA could draw from, and the Foreign Service Institute's Leadership and Management School has ample leadership courses, organizational development training, and coaching programs that could assist supervisors in these efforts.

The bureau employs staff in a wide variety of personnel categories, all of whom contribute in significant ways to NEA's considerable productivity. These include political appointees, members of the Foreign Service, traditional and excepted Civil Service employees, contractors, when-actually-employed staff, fellows, and interns. The varying terms of employment and lack of clearly identified career paths for some personnel categories can sometimes lead to misunderstandings about an employee's place in and value to the bureau.

Recommendation 2: The Bureau of Near Eastern Affairs should establish and implement a mentoring program for entry-level officers and employees in personnel categories not already covered by formal counseling and evaluation programs. The program should involve direct engagement of the front office. (Action: NEA)

A few special advisors in the front office reinforce bureau leadership where there is a high volume of senior-level activity required, such as for Yemen. The inspection team found, however, scant justification for dedicating a GS-15 employee to be a Senior Advisor for Iranian Affairs. There has been little activity in the past 8 months that cannot be handled by personnel in the Office of Iranian Affairs. The inspection team examined documents from multiple sources and conducted interviews with embassies and with a range of offices inside and outside the bureau, including those of special envoys. It concluded that, notwithstanding the relevant experience the incumbent brings to the portfolio, demand for the employee's contributions were insufficient to justify the position, especially in light of the bureau's other unmet priority staffing needs.

Recommendation 3: The Bureau of Near Eastern Affairs should eliminate the position of Senior Advisor for Iranian Affairs and reprogram position number D-03530-00 to an office where it can be better used. (Action: NEA)

Office directors and deputy directors in the bureau face the challenge of managing crises, completing normal work, and developing staff. Several country directors expressed regret that there was no natural forum in NEA for sharing those experiences with their peers. Senior staff meetings and the bureau's expanded weekly meetings are policy focused and often devoted to discussing urgent operational issues. Office directors and deputies would benefit from the exchange of experience and views on human resource professional development.

Informal Recommendation 1: The Bureau of Near Eastern Affairs should periodically use one of its weekly staff meetings or other gatherings with office directors as a forum for senior staff to discuss professional development, both for themselves as supervisors and their subordinates.

A number of the DASes did not have current work requirement statements signed by the Assistant Secretary. This applied to the Assistant Secretary, as well. While it was clear that, even in the midst of crisis, each officer understood clearly his or her responsibilities and that feedback from supervisors was forthcoming, NEA should remedy this gap immediately.

Informal Recommendation 2: The Bureau of Near Eastern Affairs should prepare, sign, and submit work requirement statements for all front office employees.

The bureau does not have a centralized calendar listing key items such as major events, visiting foreign officials, and groups of exchange visitors in Washington. Such a calendar would improve coordination and open up opportunities to take better advantage of visitors and events. The NEA SharePoint site would be an excellent place for a shared calendar, because each office could add its own items.

Informal Recommendation 3: The Bureau of Near Eastern Affairs should establish a bureau-wide calendar of events, visitors, and programs.

Policy and Program Implementation

Functional Offices

Office of Regional and Multilateral Affairs

The Office of Regional and Multilateral Affairs actively manages major cross-cutting issues and contributes substantially to integrating bureau activities. These include: strategic planning, foreign assistance, furthering U.S. economic and commercial interests in the region; political-military programs, liaison with the Multinational Force and Observers in the Sinai, global issues; and congressional relations. Several Civil Service staff members ensure continuity in managing these complex issues. The office employs effectively a variety of interns and fellows.

The Foreign Service director and deputy director earn high marks for strong leadership. In keeping with the wide-ranging office portfolios, the staff is outward looking and spends considerable time coordinating with all offices in the Bureau, with other Department bureaus, and other Federal agencies. The office succeeded in recruiting staff for the numerous task forces NEA was charged with standing up in early 2011. The director maintains continual outreach to counterpart regional offices in other geographic bureaus with which he initiated monthly meetings to coordinate on issues of mutual concern. Among other things, these meetings have been useful in jointly developing improved processes for meeting functional bureau requirements for compiling congressionally-mandated reports. The deputy ably leads the bureau's economic policy advocacy and commercial promotion and manages the bureau's strategic planning process, with frequent direct input from the front office.

The quality of interaction with and support for the Multinational Force and Observers has improved markedly in recent years. Some of the obstacles have been addressed that were preventing Foreign Service officers from smoothly reintegrating into the Department after serving in the Multinational Force and Observers' civilian observers unit. However, challenges persist, including problems with bidding on onward assignments, delays in the effective dates of earned promotions, and difficulties with reinstatement on the Department's payroll.

Recommendation 4: The Bureau of Human Resources, in coordination with the Bureau of Near Eastern Affairs, should establish standard operating procedures for reintegrating into the Department the Foreign Service officers returning from duty with the Multinational Force and Observers and include in the work requirements of a designated officer the responsibility to address the reintegration challenges facing these individuals. (Action: DGHR, in coordination with NEA)

U.S. Government personnel of the Multinational Force and Observers are authorized diplomatic passports by the Bureau of Consular Affairs, Special Issuance Agency, but are having applications denied. The OIG team determined that this complication in issuance of diplomatic passports has been rectified by a January 2011 revision of the Diplomatic Travel Manual, which now authorizes 5 year diplomatic passports for eight key positions within the Multinational

Force and Observers. OIG considers the above action taken by the Bureau of Consular Affairs to be sufficient, and no recommendation is necessary.

The Bureau of Diplomatic Security is administratively terminating security clearances after notification from the Bureau of Human Resources that the employee has resigned from the Department. Since 2007, there have been seven recorded instances of Multinational Force and Observers designees having security clearances revoked and removed from the Bureau of Diplomatic Security, Case Management System. This action is largely due to lack of awareness of the policy set forth by Deputy Secretary Richard Armitage in the cable STATE 021222 in January 2003 authorizing that certain Multinational Force and Observers employees must maintain their security clearance as they are “acting on behalf of the Department.” Currently, clearance reinstatement is being conducted on an ad-hoc basis by the NEA Bureau Security Officer, which is not a viable solution to the problem and runs counter to the directive given by Deputy Secretary Armitage.

Recommendation 5: The Bureau of Human Resources, in coordination with the Bureau of Near Eastern Affairs and the Bureau of Diplomatic Security, should establish standard operating procedures that prevent security clearances being terminated upon resignation of Department personnel seconded to the Multinational Force and Observers. (Action: DGHR, in coordination with NEA and DS)

The Office of Regional and Multilateral Affairs has one of three NEA positions designated to manage congressional issues, although only one was filled at the time of the inspection. Just prior to the inspection period, through the initiative of the front office staff assistants, the bureau eliminated a sizeable backlog and regained control over the flow of congressional correspondence. There remains room for improvement in NEA’s management of the myriad responses to nonwritten congressional requests for information and requests for briefings. At times, the Bureau of Legislative Affairs staff is not informed of NEA’s contacts with congressional offices or the status of requests that the Bureau of Legislative Affairs passed to action offices. With its well developed mechanisms for dealing with offices both within and outside NEA, the Office of Regional and Multilateral Affairs could perform a useful service to the bureau, in improving coordination on interactions with the Congress.

Recommendation 6: The Bureau of Near Eastern Affairs, in coordination with the Bureau of Legislative Affairs, should develop and implement standard operating procedures for dealing with requests from the Congress. These procedures should include routinely notifying the Bureau of Legislative Affairs staff and others within the Department, as appropriate. (Action: NEA, in coordination with H)

Office of Press and Public Diplomacy

Fast-moving, lean, and professional, NEA’s Office of Press and Public Diplomacy (NEA/PPD) does a good job responding to the daily inundation of requests and taskings, while keeping a handle on the status of public diplomacy programs and exchanges in a rapidly changing environment. However, as it grapples with a plethora of high-profile, sensitive issues, the office is also struggling with many of the same practical and philosophical issues that beset

public diplomacy Department-wide. The geographical division of the office, which is split among four different locations in two buildings, makes the task of integrating its efforts even more difficult.

In response to a mandate from the Under Secretary of Public Diplomacy and Public Affairs, NEA added the position of DAS for Public Diplomacy and Strategic Communications in 2010. The bureau initially expressed concerns about potential overlap between this position and that of the office director, who had previously performed many of the functions envisioned for the new DAS. This issue has remained unresolved, resulting in confusion, duplication, and unclear lines of authority and responsibility. The DAS has become heavily involved in operational issues, rather than concentrating on big picture planning involving all aspects of public diplomacy; the office director has become involved in many press issues, rather than focusing on the day-to-day operations of the office and bringing the full range of public diplomacy resources to bear on NEA issues. The upcoming arrival of a deputy office director for press, a position that has been vacant since the summer of 2010, heightens the urgency to clarify each person's role.

Recommendation 7: The Bureau of Near Eastern Affairs, in coordination with the Office of Policy, Planning and Resources for Public Diplomacy and Public Affairs, should rewrite the work requirements and position descriptions to clearly delineate the authority, duties, and responsibilities of the deputy assistant secretary for Public Diplomacy and Strategic Communications and the director of the Office of Press and Public Diplomacy in relation to each other. (Action: NEA, in coordination with R/PPR)

The new DAS arrived with strong strategic communication skills, bolstered during her year working with the military in Iraq, but without a formal public diplomacy background or training. She has succeeded in improving NEA/PPD's coordination with the policy desks in the Department and with the information and communications offices at the Pentagon. She also makes sure the bureau's messaging takes advantage of new media and reflects U.S. interests. Still, her lack of familiarity with the scope and long-term purpose of public diplomacy programs aimed at building lasting relationships has led to their taking a back seat to the more urgent messaging challenges of the day. Also, since she has arrived in the bureau in June 2010, the DAS has not traveled to the region to familiarize herself with how embassy public affairs sections are using the full spectrum of public diplomacy tools. The office director, who took up his duties in September, 2010, also has not yet traveled to the field.

Informal Recommendation 4: The Bureau of Near Eastern Affairs should require the deputy assistant secretary for Public Diplomacy and Strategic Communications and the director of the Office of Public Diplomacy to travel to the region in the very near future, to familiarize themselves with the public diplomacy programs and challenges in the field.

The physical division of NEA/PPD has exacerbated the leadership challenge. Some employees work on Navy Hill, in a separate compound across the street from the main Department building where the unit's front office and press office are located. The Navy Hill staff oversee public diplomacy programs, support public affairs sections in the field, and liaise

regularly with the Bureau of Educational and Cultural Affairs and the Office of International Information Programs. Creating more opportunities for in-depth contact between the staff on Navy Hill and office leadership in the main Department building would enhance mutual understanding.

Informal Recommendation 5: The Bureau of Near Eastern Affairs should encourage the deputy assistant secretary for Public Diplomacy and Strategic Communications and the director of the Office of Press and Public Diplomacy to have more informal, in-depth contact with the staff, through monthly brown-bag lunches at Navy Hill and other gatherings, such as an all-staff meeting off site.

Informal Recommendation 6: The Bureau of Near Eastern Affairs should include the Office of Press and Public Diplomacy's deputy director for public diplomacy on the press office distribution list, to improve information sharing between the two elements of the office.

As noted above, the physical separation of the various parts of the office has made coordination and communication more difficult, especially between the press and public diplomacy staffs. Because movements of office space are complex decisions that can affect the equities of other offices and bureaus, the OIG team did not formally recommend immediately reuniting NEA/PPD; however, the bureau should make doing so a high priority.

Some bureaus within the Department have public diplomacy desk officers embedded in the policy offices handling their countries. The 2004 OIG inspection report for NEA recommended following such a course, which the bureau partially implemented, but then abandoned. At this point, the practical difficulties of moving all the public diplomacy desk officers would outweigh the benefits gained. The office is already physically split, and most public diplomacy desk officers cover countries in more than one regional office. Public diplomacy desk officers now routinely attend the regional offices' staff meetings, a constructive initiative by the DAS. Another initiative by the DAS was the creation of a weekly coordination meeting on Iraq, bringing together policy, press, and public diplomacy program staff. Its success led to the creation of a similar coordination meeting on Iran, inaugurated in February 2011 and expanded to include other interagency partners.

The Iran desk has a public diplomacy officer on staff who acts as liaison with NEA/PPD, which also has a public diplomacy desk officer at Navy Hill who covers Iran and other countries. Although it is not standard, this arrangement for Iran functions well; it also promotes close coordination between the policy and public diplomacy message and programming regarding this most sensitive policy area.

NEA/PPD's coverage of Iraq was undergoing changes at the time of the inspection. The desk officer was leaving, and the office was preparing to hire two staff members, one to focus on strategic communications and liaison with the military, and another to focus on programs and exchanges. Coordination between policy and public diplomacy would benefit if at least one of these individuals, and possibly both, would sit in the Iraq office. Shortly after the inspection, NEA embedded one of the new Iraq public diplomacy staff members within the Iraq office.

All of the Iraq public diplomacy staff mentioned above, as well as the press officer who focuses on Iraq, are noncareer, temporary appointment Civil Service employees, hired under U.S. Code Title 5, Section 3161 (informally called 3161s). Logically, a career Foreign Service or Civil Service officer should oversee what is arguably the most important public diplomacy portfolio in NEA. However, NEA/PPD has only three career public diplomacy desk officer slots for the entire region, and has decided not to devote one of them to Iraq when it has the option of hiring temporary 3161 employees for Iraq. Looking ahead, though, the bureau will need to transition to a more normal Iraq office structure for public diplomacy.

Recommendation 8: The Bureau of Near Eastern Affairs should develop a transition plan for Iraq public diplomacy to give oversight responsibility to a career public diplomacy professional. (Action: NEA)

As the public affairs section at Embassy Baghdad undergoes the transition to a more normal public diplomacy operation, there is a need to determine what resources it will require in its base budget for public diplomacy activities. The U.S. Embassy in Baghdad drafted a 3-year strategic plan, which was still in the clearance process at the time of the inspection. The uncertainty about future funding levels has complicated the planning process.

NEA/PPD has developed communications and strategic plans for various issues and parts of the NEA domain. It is beginning to reposition its public diplomacy spending in line with the strategic priority of countries in the region, as advocated by the Under Secretary for Public Diplomacy and Public Affairs. The FY 2012 plan written before the arrival of the current public diplomacy DAS and office director makes relatively little mention of public diplomacy. It includes a public diplomacy goal paper, and the Assistant Secretary's opening statement cites the importance of public diplomacy, but besides that, the plan mentions public diplomacy only in the goal papers for Middle East peace (requesting a press officer), Iraq, and enhancing infrastructure. An additional element that needs to be incorporated in public diplomacy planning in the FY 2013 Bureau Strategic and Resource Plan is the Public Diplomacy Strategic Framework issued in February 2010 by the Office of the Under Secretary for Public Diplomacy and Public Affairs.

Recommendation 9: The Bureau of Near Eastern Affairs should integrate public diplomacy more widely throughout its Bureau Strategic and Resource Plan and incorporate the concepts from the Public Diplomacy Strategic Framework. (Action: NEA)

NEA/PPD's press office has achieved a reputation for agility, responsiveness, and close coordination with NEA front office and policy offices. It conducts significant direct outreach (some of it in Arabic) to members of the Arab and Middle East news media, and does some of its own monitoring of Arabic social media. It has been able to do this because the office has been fortunate to have on its staff a student fellow who is a native Arabic speaker, as well as officers who are fluent in the language. During the inspection, NEA/PPD was making plans to bring on board bloggers in Arabic and Persian. Maintaining adequate language capability on short notice is an important need for this office, especially in view of the imminent departure of the student fellow and normal staff turnover. However, it raises questions of duplication, cost-effectiveness, and policy coordination with the other Department offices that are engaging in social media and digital outreach.

Recommendation 10: The Bureau of Near Eastern Affairs, in coordination with the Bureau of Public Affairs, the Office of International Information Programs, and the Office of Policy, Planning and Resources for Public Diplomacy and Public Affairs, should develop a memorandum of understanding outlining the conditions under which the Bureau of Near Eastern Affairs will carry out blogging, in order to avoid duplication and to ensure policy and message coordination. (Action: NEA in coordination with PA, IIP, and R/PPR)

Also during the inspection, as the key role social media played in the regional upheavals of early 2011 became clear, an issue arose among NEA/PPD, the Bureau of Public Affairs, and the Office of International Information Programs about whether the policy offices should clear Tweets aimed at the region, to ensure they are highlighting the most effective messages, or whether such clearances would needlessly hamstring efforts to engage audiences via Twitter.

Recommendation 11: The Bureau of Near Eastern Affairs, in coordination with the Bureau of Public Affairs and the Office of International Information Programs, should come to a common policy regarding when clearances are and are not needed for social media messages. (NEA, in coordination with PA and IIP)

Office of Middle East Partnership Initiative

The MEPI office serves as NEA's in-house assistance programming office, running projects to promote more pluralistic, participatory, and prosperous societies in the Middle East and North Africa. Its programs reach 17 countries plus the West Bank and Gaza. Funding for the MEPI office in FY 2010 was \$65 million from Economic Support Funds and \$1.7 million provided from diplomatic and consular programs (D&CP) funds. The office's unique mandate and separate physical location have sometimes caused its staff to feel isolated from the rest of NEA and have hampered the rest of the bureau's understanding of MEPI's functions. However, the outbreak of pro-democracy demonstrations throughout the Middle East and North Africa in early 2011 threw a spotlight on MEPI's work to promote civil society and highlighted the value of its programs. The office also demonstrated its flexibility and responsiveness when it quickly reprogrammed \$20 million from lower priority programs to meet new needs in Tunisia.

OIG recently conducted an inspection of the MEPI office, and released a report (ISP-I-10-76) in August 2010. Therefore, this NEA inspection report focuses on new developments and issues arising after the previous OIG inspection.

In response to a 2010 OIG recommendation, MEPI reorganized itself to create a separate, three-person public outreach unit to produce informational materials, respond to press queries, engage its audience online, and develop an alumni program. The unit launched a revamped Web site in October 2010, moving it to the Office of International Information Programs' platform, for greater flexibility in updating content and including translated material. The unit also launched a Twitter feed in January 2011, complementing its existing social media Facebook and YouTube sites. Although the social media sites include some material in Arabic, the Web site and informational materials are still nearly entirely in English. They would be more effective if

they included more information in Arabic. MEPI staff would like to have more information translated but are still exploring the best way to accomplish this goal.

Recommendation 12: The Bureau of Near Eastern Affairs should find cost-effective means to translate into Arabic portions of the Web site and informational materials of its Office of Middle East Partnership Initiative. (Action: NEA)

At the time of this inspection, MEPI was preparing to issue a \$4 million request for applications, to create an alumni outreach network. The Bureau of Educational and Cultural Affairs has an exchange alumni network and Web site; however, MEPI wishes to create its own network, because most MEPI program alumni would not be eligible to join ECA's State Alumni Web site because they participated in programs in their own or other countries and thus are not alumni of "exchanges." Nevertheless, MEPI does run some exchanges involving travel to the United States, and those alumni would be eligible to join the State Alumni Web site if they received information about it, and if ECA could confirm that they were bona fide exchange participants.

Recommendation 13: The Bureau of Near Eastern Affairs, in coordination with the Bureau of Educational Affairs, should implement procedures to routinely distribute brochures and informational material about the State Alumni Web site to Middle East Partnership Initiative exchange participants while they are in the United States and to furnish lists of Middle East Partnership Initiative exchange participants to the Bureau of Educational and Cultural Affairs. (Action: NEA, in coordination with ECA)

The new public outreach unit works closely with the NEA press office to provide information about MEPI programs for speeches, talking points, and media inquiries. However, there is some disagreement about whether the outreach unit or the NEA press office should take the lead in speaking directly to journalists. While MEPI staff are the best informed about their own programs, the NEA press staff are more attuned to the overall policy context and sensitivities.

Informal Recommendation 7: The Bureau of Near Eastern Affairs should work out an understanding between the Middle East Partnership Initiative's public outreach unit and the bureau's press office, regarding procedures for handling journalist interviews about the Middle East Partnership Initiative, factoring in issues like timing and sensitivity.

After the 2010 inspection, MEPI leadership reorganized the office to create three divisions – policy and programming, strategic planning and resources, and grants management. Two of the division chief positions received an upgrade to GS-15. The grants management chief maintained a GS-14 classification. The position has significant management responsibilities in addition to grants officer responsibilities and the position description does not fully reflect the management responsibilities.

Recommendation 14: The Bureau of Near Eastern Affairs should rewrite the position description of the grants management division chief; conduct a desk audit to determine whether

the position has the correct skill code and grade level, given its range of management responsibilities; and reclassify and regrade the position, if warranted. (Action: NEA)

The MEPI grants staff has made a major effort to conduct site visits of domestic-based grantee organizations, most of which they had not visited in the recent past. They have created new templates for evaluating and monitoring grant awards, as well as financial and programmatic materials to help grantees meet grant requirements. The Office of the Procurement Executive may find these informational materials and analysis aids useful for wider distribution, provided they are in line with Department grant policies and literature.

Recommendation 15: The Bureau of Near Eastern Affairs should consult with the Office of the Procurement Executive to confirm that the Middle East Partnership Initiative grant templates and documents accord with Department-wide grants policies and literature. (Action: NEA)

The new chief grants officer received a grants warrant based on extensive grants experience at another U.S. Government agency, but had not yet taken the Department's grants training because of the press of duties in an office suffering from vacancies. Although most grants rules are government-wide, some aspects of grants management are Department-specific.

Informal Recommendation 8: The Bureau of Near Eastern Affairs should require the senior grants official in the office of the Middle East Partnership Initiative to take Department-specific grants training.

Regional Offices

Office of Israel Palestinian Affairs

The Office of Israel and Palestinian Affairs functions smoothly, expertly, and with a human touch that softens the burden of long work days. Staff members find their work compelling. In addition to NEA, the office also supports the Office of the Special Envoy for Middle East Peace (S/SEMPEP). S/SEMPEP taps NEA officers as needed, which allows it to maintain only a small permanent staff. This relationship gives desk officers interesting work and a chance to develop negotiation skills. It also presents some challenges in coordination, priorities, and communication, which a separate OIG report on S/SEMPEP covers.

The office is effective and efficient. The director and deputy director bring policy expertise and strong management skills to the job, and the staff includes a mix of seasoned and relatively more junior employees. The inspectors counseled the director to examine aspects of work flow, such as whether approval authority for the daily official-informal report could be delegated to the deputy or the office could require contributions to be submitted for approval earlier in the day. Goals would be to decrease overtime for all and allow time for additional mentoring. Too often, deadlines and the volume of work mean the director has to fix papers himself rather than return them to staff, which would allow staff members to develop further their tradecraft and policy sensitivity. The inspectors also underscored the bureau's responsibility to take action on several recommendations in the recent OIG reports on Embassy Tel Aviv and Consulate General Jerusalem.

Office of Egypt and Levant Affairs

The Office of Egypt and Levant Affairs performs well. As noted, the inspection of NEA began simultaneously with protests in Egypt, which put extraordinary strain on this office. All but the office director and two desk officers arrived in the summer of 2010. Despite a relatively junior staff and a long-term vacancy on the Lebanon desk, the office met the extraordinary challenge of managing crises in Lebanon and Egypt and preparing the new U.S. ambassador to Syria, the first in several years.

The office director and deputy make a strong team. Both bring years of experience in Middle Eastern affairs, policy sensitivity, and operational skill. The desk officers universally lauded their substantive knowledge and hard work, saying that it bolstered morale to have their supervisors in the trenches with them. Staff praised the managers for two innovations: putting the office on a shift schedule during the Egypt crisis to ensure everyone had time off, and developing "deep dive" meetings with each of the desks to allow more substantive discussion of issues. Desk officers saluted the collegiality, good humor, and team work of their peers.

Handling nonstop crises engendered a sense of pride, but left the staff exhausted, and deprived the office of calm space for staff members to get to know one another and to develop tradecraft. The OIG team counseled the managers to hold an offsite meeting soon, preferably with a coach from the Foreign Service Institute, which would foster more communication and give managers better insight into staff concerns.

Office of Arabian Peninsula Affairs

Arabian Peninsula Affairs is a well managed, high output, fast paced office. A Senior Yemen Coordinator assigned to the bureau's front office handles requirements for interagency and multilateral senior policy coordination. Neither the volume of work nor its relentless pace, further exacerbated by early 2011 concurrent crises in the region, has negatively impacted office morale. Staff members work well to ensure that information flows vertically and horizontally, through regular and ad hoc staff meetings supplemented by close dialogue with and support from the DAS. Embassies in the region appreciate greatly the frequent and thorough information updates the office provides. In order to avoid a situation where the press of daily business isolates staff from one another, the staff make concerted efforts to socialize informally. Staff members report a reasonable work/life balance, access to training and the opportunity to travel to their assigned countries.

The office director and deputy work well together. They carefully monitor the workload of each staff member's portfolio and make adjustments and/or seek additional personnel resources, as rapidly evolving developments in the region require. Staff members are justifiably proud of an office reputation for delivering high quality, timely products. While officers frequently pitch in to help each other out to ensure the work of the office gets done, there is presently little – if any – staffing “cushion” to deal with additional crises in the region. More immediately, there is a current need to augment permanent staffing on the Yemen desk. Although the bureau has arranged a series of short-term assignments to assist the sole desk officer, the centrality of Yemen in the fight against terrorism and the involvement of multiple U.S. Government agencies there require the desk to have additional, and more senior, staffing.

Recommendation 16: The Bureau of Near Eastern Affairs should review its overall staffing complement in order to identify and assign to the Office of Arabian Peninsula Affairs a second full-time equivalent position for the Yemen desk. (Action: NEA)

Office of Maghreb Affairs

In a bureau where regional offices routinely handle important policy issues of front-page prominence, the Maghreb office traditionally has been one of the quieter places. This situation changed in early 2011 as large-scale protests erupted on its territory, first in Tunisia and then in Libya. Fortunately the small office, which in the past has suffered from staffing gaps, had its full complement when it found itself on the front lines and stepped up to the challenge. After initial hesitation as the situation developed, the office mobilized its resources and temporarily rearranged portfolios to handle the crises. The Department established a Libya task force that provided needed support, especially to cope with the evacuation of American citizens.

Office morale is high, and there is a good working atmosphere. The director and deputy have quite different styles, but balance each other well. Office members work well together and back up each other. Desk officers have the sense that their voices are heard and have the opportunity to travel to their countries. Staff meetings held three times a week keep everyone informed, and the public diplomacy desk officer for the Maghreb region sits in on these meetings once a week. The office does have the challenge of working in a less-than-ideal space; it

occupies cramped quarters in an out-of-the way cul-de-sac. The space lacks a conference room and is inadequate to host visitors.

The Maghreb office's seven officers include an entry-level officer on a first tour and a Boren Fellow. Except for the program assistant and fellow, the entire staff is Foreign Service. At the time of the inspection, the office was trying to get a Civil Service position to cover its regional affairs portfolio, which handles multi-country assistance projects and backs up the desk officers. This addition would provide needed institutional memory for this increasingly important office.

Office of Iranian Affairs

The Office of Iranian Affairs is exceptionally well managed, and the DAS has energized the staff. He is admired for his constructive criticism, as well as his advocacy of office initiatives. The office director and deputy take seriously mentoring and professional development. They delegate authority to a mix of experienced and inexperienced staff, while providing guidance on policy nuances and offering tips on operational skills. The office consults widely with diplomatic missions in Washington and other capitals, providing valuable experience in bilateral and multilateral diplomacy to less experienced officers. Intense workloads are fairly managed. The director and deputy are attentive to the full range of supervisory functions, even the completion of records archiving.

The inspector contacted three of the dozen officers at embassies worldwide who report on Iran-related issues. These embassy officers praise the office leadership, one commenting how well the office's leaders and staff are mutual force-multipliers on policy objectives, especially with third-country government officials. The office has supervisory responsibility for personnel evaluations and other support, including funds disbursements to these embassy officers. The inspection team commends the office for its pro-active, wide-ranging outreach to diverse audiences globally to build understanding about U.S. policy objectives with Iran. In addition, the office closely coordinates with the Bureau of Consular Affairs and devotes appropriate time to sensitively counsel U.S.-Iranian dual nationals on family and property issues. (Additional material is discussed in the classified annex of this report.)

Office of Iraq Affairs

The Office of Iraq Affairs is by far the largest of the entire bureau, with nearly 60 employees. It supports the embassy in Baghdad, the largest U.S. diplomatic presence in the world, as well as 16 provincial reconstruction teams; all are due for closure by October 2011. Two will become consulates and two will become Embassy branch offices. The office's efforts are tied to ensuring that the current transition from a military- to civilian-led presence in Iraq, with multiple consulates and embassy branch offices, is conducted with all the necessary resources and security. When the OIG inspection ended, the level of these resources remained under discussion within the Administration and with Congress, complicating planning efforts in the office and leaving unclear what the ultimate outcome (and hence the organization of a future office) will be. The office and its employees are to be lauded for their continuous hard work under these difficult circumstances. (See the management section of this report.)

The office is centrally involved in preparing the transition to a reduced, civilian-led U.S. presence in Iraq, and in planning and implementing programs to help the Iraqi Government assume full, sovereign responsibilities. Office staff scramble to address immediate demands for position papers and to participate in Department and interagency meetings. Meanwhile, office managers have difficulty carving out time to plan for medium-term activities. Although immediate assignments for the current week must be satisfied (and they are), strong office management is critical for successful, longer-term policy implementation. The inspection team found ways in which the office could be more efficient, such as eliminating some functions and evaluating how many positions are needed and how best to deploy them.

The office has six directors and five deputy directors. With the multiple layers of management, there are problems of communication. The office is organized into four pillars: political affairs; politico-military affairs; economic and assistance affairs; and support for provincial reconstruction teams and the transition. The scope of activity for the fourth pillar is unclear to many, both inside and outside the Iraq Office, since virtually any topic can be deemed to fall within the transition. There is also a group of seven 3161 employees handling administrative and information dissemination tasks, discussed below.

Recommendation 17: The Bureau of Near Eastern Affairs should streamline the management organization of the Office of Iraq Affairs in order to improve efficiency and communication. (Action: NEA)

The employees admire the DAS for his regional expertise and analytic skills, as well as for his regular expressions of gratitude and praise for their hard work, but they feel removed from him and the senior director. Employees report that the weekly office staff meetings are not useful, and most have stopped attending. Including future-oriented items on the office staff meeting agenda would increase the meeting's usefulness. Numerous comments to the inspectors from within and outside the office highlighted inadequate communication from the top, which damages morale and leads to duplication of efforts. In one example, a number of the office staff learned by hearsay (or from the inspectors) about the February 2011 announcement of the Iraq Transition Coordinator, even though this new role will touch on all aspects of the office's work.

Informal Recommendation 9: The Bureau of Near Eastern Affairs should review the purpose of the weekly staff meeting in the Office of Iraq Affairs and widely communicate the substance of the meetings in the office.

On external communications, the DAS is active and effective in speaking to think tanks and community groups throughout the United States. He not only responds to requests but also initiates visits in coordination with the NEA Office of Press and Public Diplomacy. Other members of the Iraq office speak to visiting groups and at scholarly institutions.

Many staff members have completed assignments in Iraq. They are passionate about contributing to U.S. policy efforts, but some feel underemployed and are discouraged about how their skills are used. Other staff members work long hours and need relief. The inspectors

reviewed email transmittals that verified the late-evening work tasked within the office. Such excessive late evening standby availability generates unjustified overtime expense.

The office lacks effective oversight for time and attendance reports, and senior managers are unaware of abusive patterns of overtime claims. The inspectors found pro forma reporting of 40 hour work weeks without validation of actual hours performed. The OIG team made a recommendation regarding time and attendance in the Management Controls section of this report. One employee claimed more than 11 hours of overtime per pay period in the 6 months before and during the inspection, at a cost of \$750 per pay period. The office does not have procedures for approving overtime in advance. (See the Management Controls section of this report.) It could minimize overtime expenses through advance planning, such as implementing flexible schedules with shifts from noon to 8:00 p.m.

Recommendation 18: The Bureau of Near Eastern Affairs should implement flexible schedules to reduce overtime expenses in the Office of Iraq Affairs. (Action: NEA)

The inspection team observed that workload is not allocated according to assigned portfolios. This setup generates perceptions of “poaching” and unpleasant competition within the office, as well as confusion in other bureaus. It also causes avoidable delays, such as when drafting officers without relevant subject matter expertise fail to consult office and bureau colleagues to obtain accurate data and context on a particular issue.

Occasional circumstances may occur involving a tight deadline on a specific task that necessitates assigning tasks to a small group, but when such cases arise, managers should clarify widely to the entire office which individuals are assigned which topics, and how long the assignment will last. Managers also can reiterate the importance of lateral consultations with office colleagues at early drafting stages.

Recommendation 19: The Bureau of Near Eastern Affairs should review the portfolios in the Office of Iraq Affairs in order to revise and reassign staff within the office, so that work is more evenly distributed. (Action: NEA)

The office has its own staff assistant/chief of staff position to manage paper flow, and a congressional liaison position. Both incumbents have reputations inside and outside the bureau for effective coordination on the unremitting stream of assignments to the office. Indeed, NEA’s two staff assistants characterized the positions as indispensable to smooth, overall bureau operations. However, in some instances information and documents are not being shared with these two persons, either inadvertently or deliberately. Failure to make good use of these positions aggravates the instances of duplicative work and complicates the tracking of deadlines.

According to mid-level managers, weekly management meetings do not focus on managerial and supervisory topics, but instead repeat the topics handled in policy meetings. Mid-level managers have not received feedback on their proposals, and administrative business is left undone or unvetted. Preparing and using a written advance agenda would help discipline the content of management meetings.

Seven 3161 employees comprise the Iraq Policy and Operations Group (IPOG) in the office. The group added Afghanistan support duties to its portfolio in 2009. It compiles and disseminates twice-daily Afghanistan media summaries and twice-daily cable summaries for the DAS and the Iraq office, with a comparable dissemination for offices handling Afghanistan. In addition, the group established Web links on the classified and unclassified networks for Iraq and for Afghanistan. A number of the Web links have not been updated for several months. Five analysts in the group serve as note-takers and handle logistics for 11 Iraq-related interagency working groups (held monthly or biweekly), telephone conference calls, and a monthly Afghanistan coordination meeting. The analysts also assemble items drafted in the office into a biweekly report that is emailed to a growing list of Department, congressional, military, and think tank contacts. A limited review of survey feedback raised serious questions about the cost-benefit ratio of using Department resources to produce this biweekly report.

Justification for the IPOG is elusive. Besides IPOG staff, two other persons in the Office of Iraq Affairs are forwarding daily Embassy Baghdad's media summaries. Moreover, the bureau's Public Diplomacy and Press Office has a media specialist who distributes other articles about Iraq. It is a misuse of resources for the IPOG group to disseminate media summaries; the staff should be redirected to higher priority work. Careful tailoring of the State Messaging and Archive Retrieval Toolset (SMART) cable profile system for employees in the office will obviate the need for daily cable summaries. IPOG analysts could coach and guide the rest of the office in defining individual SMART profiles. The analysts are swift, accurate drafters whose skills could be developed and better used by direct participation in office activities beyond their roles in taking minutes and arranging logistics for meetings. As an example, the 3161 economic analyst could be supervised by the economic deputy and would likely be more productive.

Recommendation 20: The Bureau of Near Eastern Affairs should eliminate the assembly and dissemination of daily media and cable summaries by the Iraq Policy and Operations Group of the Office of Iraq Affairs. (Action: NEA)

Recommendation 21: The Bureau of Near Eastern Affairs should require the Iraq Policy and Operations Group analysts to conduct guidance and coaching on the definition of State Messaging and Archive Retrieval Toolset cable profiles for its employees. (Action: NEA)

Recommendation 22: The Bureau of Near Eastern Affairs should assign the Iraq Policy and Operations Group analysts to sector-specific supervisors in the Office of Iraq Affairs, where they can contribute more efficiently to office operations. (Action: NEA)

Lessons Learned in Iraq

The bureau can play a beneficial role in informing foreign affairs employees about efforts to capture lessons learned from the whole-of-government experience in Iraq, which can offer value for future, post-conflict situations. Studies are already underway about activities on the ground in Iraq, as described below. The Department and other agency partners, however, have not yet addressed the lessons learned from the governmental transition of military to civilian responsibility in Iraq. The range of issues and actors involved in the military-to-civilian transition should be examined in 2011, while memories are still fresh and planners are available.

Recommendation 23: The Iraq Transition Coordinator, in coordination with the Bureau of Near Eastern Affairs and the Under Secretary for Management, should convene an offsite retreat in 2011, at the director level and above, with representatives of relevant bureaus and agencies, to examine, report on, and memorialize in writing the lessons learned in the military-to-civilian transition in Iraq. (Action: S/ITC, in coordination with NEA and M)

Presently, various entities are focused on collecting material, cataloging it, and conducting analyses that focus on stabilization and provincial reconstruction team operations in Iraq. These include a best practices working group, co-chaired by the Department's Coordinator for Reconstruction and Stabilization, the Office of the Secretary of Defense, and the U.S. Agency for International Development. The group enlisted the Center for Complex Operations, a quasi-governmental organization housed at the National Defense University, to serve as the repository for interviews of provincial reconstruction team personnel and to analyze their content. In 2010, the Coordinator for Reconstruction and Stabilization established a password-protected, interagency SharePoint portal as another repository.

In addition, the Center for Army Lessons Learned in Fort Leavenworth has assigned staff to conduct interviews of provincial reconstruction team personnel, and it shares the results with Embassy Baghdad. Embassy Baghdad has built a database, and encourages provincial reconstruction team personnel to send email copies of records using the SMART archiving system. The embassy has established checkout procedures to require submissions before provincial reconstruction team staff depart Iraq at the end of their assignments. The U.S. Institute for Peace, among others, is engaged in compilation and analysis projects. The bureau's Iraq office is also collecting extensive materials.

Separately, the Department's Office of the Historian, in the context of its ongoing project to produce a diplomatic history of the Iraq war – and because it is responsible for preparing and publishing the official, documentary history of U.S. foreign policy in the *Foreign Relations of the United States* series – is collecting information on its own, as well as through the sources cited above.

There is no central, Federal Government repository for compiling, cataloguing, and studying lessons learned in Iraq, whether regarding the Department's efforts specific to provincial reconstruction team operations or for eventual, overall Iraq conflict and stabilization studies. There may not need to be a single U.S. Government entity responsible for these studies; however, in the course of the inspection, the OIG team observed that numerous parties in the Department were not aware of the scope of activities related to, and the number of participants involved in, lessons learned. There is a risk that interested parties may not even know about some of the databases.

Consistent with objectives identified in Section II, Chapter 4, of the Department's 2010 Quadrennial Diplomacy and Development Review, it is time to move beyond lessons learned in the provincial reconstruction team program and to designate a dedicated Department office with adequate resources – in partnership with institutions such as the U.S. Institute for Peace – to focus on lessons learned for the overall, Iraq-wide conflict, stabilization, and reconstruction history.

Recommendation 24: The Bureau of Near Eastern Affairs should transmit a closeout cable in 2011 that summarizes the lessons learned about the operations of the provincial reconstruction teams and their stabilization efforts. (Action: NEA)

Recommendation 25: The Bureau of Near Eastern Affairs should transmit to all posts, in 2011 and annually thereafter, a cable that reports on the status of the best practices working group. The cable should identify the range of activities reported to the group, including data collection, analysis and validation, and dissemination. The cable also should identify the numerous U.S. public and private entities engaged in gathering lessons learned in Iraq, and provide Web links and points of contact in order to encourage contributions from the foreign affairs community. (Action: NEA)

Recommendation 26: The Bureau of Near Eastern Affairs should implement procedures to archive the lessons learned materials held in the Iraq office files on an annual basis, according to Department records management standards and employing the Traffic Analysis by Geography and Subject labeling system. (Action: NEA)

Foreign Assistance

Most NEA countries do not qualify for foreign assistance, due to their relatively high per-capita gross domestic product. The vast majority of the \$7.4 billion for foreign assistance available in FY 2010 was congressionally earmarked for Israel, Egypt, Iraq, and Jordan. In addition, Lebanon, Yemen, and the West Bank and Gaza receive substantial funding. Overall, the bureau has little flexibility in determining assistance allocations. The Office of Regional and Multilateral Affairs has a well managed process for both preparing foreign assistance requests based on Mission Strategic and Resource Plans and the Bureau Strategic and Resource Plan, and for responding to the Office of the Director of U.S. Foreign Assistance or the Office of Management and Budget on issues that require adjustment. The offices for Iran and Iraq, in conjunction with the U.S. Agency for International Development, manage separate funding. The Assistant Secretary and his deputies are active participants in bureau-wide deliberations on decisions regarding allocations for projects and programs. One program not restricted by a country's level of economic development is MEPI, whose \$65 million in FY 2010 appropriations supported democracy and human rights in the region through engagement with civil society and business leaders, students, women, activists, and lawmakers.¹

Near East Regional Democracy

Congress funds the Iran-specific Near East Regional Democracy program, to support initiatives that strengthen democracy, increase respect for human rights, and further integrate people of the region with the global community. The Iran office has direct responsibility for a number of grants. Trained grants officer representatives manage these grants well. Activities fully comply with U.S. sanctions licensing requirements. The Iran office staff communicates closely with the grants partners to monitor performance. When implementation difficulties arise,

¹ See OIG Report No. ISP-I-10-76 (August 2010), Inspection of the Bureau of Near Eastern Affairs, Office of Middle East Partnership Initiative.

the office offers alternative strategies to the grantees. In other cases involving implementation issues, the office and grantee promptly terminate a grant, thereby releasing funds to more productive uses. Funding is returned to the Treasury when grants terminate early or have funds remaining at the end of the award. Attentive oversight and thorough documentation produce both good liquidation rates and good progress in meeting intended grant objectives.

Iraq

The focus of nonmilitary U.S. foreign assistance in Iraq has shifted from physical infrastructure reconstruction and rehabilitation to initiatives that build Iraqi capacity in governance, economic reform, education, health, and justice. The total estimated amount for grants and grants management for Iraq in FY 2009 and FY 2010 is over \$88 million. In a 2-year period, the Iraq grants unit handled more than 134 grants. The Iraq office has a grants unit, established in 2007 to manage Washington-controlled grants. A warranted grants management officer arrived in December 2010 to normalize operations of the unit. Establishing an inventory and organizing files are time-consuming tasks that demand meticulous attention. The grants unit was in the midst of these activities during the inspection period.

In years past, when the bureau first arranged grants and interagency agreements for assistance in Iraq, the grants unit worked hurriedly. In the interest of speeding disbursements, a number of waivers were granted allowing the unit to skip certain standard requirements. Iraq's dangerous operating environment did not always allow for adequate training of persons with oversight roles, full grant documentation, or on-site monitoring of grant implementation. In some cases, the grants personnel did not know who, besides themselves, shared a role in managing these funds. With a 9-month vacancy in the lead management position and constant turnover in Baghdad, there is insufficient institutional memory regarding the origin and progress of some grants. When the grants unit has questions, it reaches out to a previous manager, now working elsewhere in the Department.

The grants unit is taking steps to strengthen its operations. The lead grants management officer is working intensively to build a file management system to make data retrieval easier. The office's senior advisor for assistance coordination is working with the experienced grants officer to clarify appropriations and allotment levels. The grants unit is working on reconciling grants that will be closed, and it has a good handle on the unliquidated obligations for certain categories of funds. There remain miscellaneous grants that do not fall into identifiable categories. The unit enlists the help of locally employed staff at Embassy Baghdad to locate previous Iraqi grantees for information to complete files.

Recommendation 27: The Bureau of Near Eastern Affairs should establish standard operating procedures in the grants unit of the Office of Iraq Affairs in order to capture accurate information and strengthen management of assistance programs in Iraq. (Action: NEA)

The lead grants management officer and a grants administrator spent 2 weeks in Baghdad in January 2011 to provide much-needed training to some 30 embassy officers with grant oversight responsibilities. Such training should be repeated regularly. Given the 1-year tours of

duty in Iraq, it would be useful to schedule such training sessions in March-April and again in October-November, so as not to conflict with the summer transfer cycle.

Recommendation 28: The Bureau of Near Eastern Affairs should budget and plan for one of its grants officers in the Office of Iraq Affairs to conduct twice-yearly grants officer representative training for officers at Embassy Baghdad and constituent posts who have assistance oversight responsibilities. (Action: NEA)

When the warranted grants officer travels or is otherwise absent, backlogs develop. This situation arises because the unit's other staff members are contract employees and therefore are not permitted to take on the inherently governmental duties of a warranted grants officer.

Recommendation 29: The Bureau of Near Eastern Affairs should designate, train, and appropriately certify a U.S. direct-hire employee to backfill for the warranted grants officer, as needed, in the Office of Iraq Affairs. (Action: NEA)

Other Issues

State Messaging and Archive Retrieval Toolset

The inspection team observed little use of the record email function of the SMART software system. Record email is designed to archive emails that should be preserved for the historical record, such as those relating to schedules for visitors, program implementation, and the exchange of views on policy-related matters. Examples of messages and documents that the bureau should consider for archiving in the SMART system are Welcome Home packages for supervisors, Daily Activity Reports to the Assistant Secretary, and official-informal messages exchanged with embassies.

Recommendation 30: The Bureau of Near Eastern Affairs should issue guidance on the types of email and other correspondence that staff should archive in the State Messaging and Archive Retrieval Toolset system. (Action: NEA)

Wikileaks

The 2010 Wikileaks disclosures of purported Department cables generated more information attributed to NEA posts than to any other region. The disclosures had an immediate impact on U.S. relations with all NEA countries, and a profound impact on some. The U.S. Ambassador in Tripoli was quickly recalled after a particularly strong reaction from the Libyan Government. The designated DAS ably led NEA's response to the Wikileaks publicity, which included a task force to review the damage, summarize reactions from all posts, and prepare the Secretary for potentially difficult conversations with foreign officials in the affected countries. The head of NEA's task force participated in the Department's Wikileaks task force. In coordination with the Bureau of Public Affairs, NEA's public diplomacy staff developed an innovative initiative, in which former ambassadors were deployed to educate audiences about the role of cable traffic in the conduct of American foreign policy. The bureau also coordinated with senior DOD officials traveling to the region to reinforce with foreign partners the importance of continuing to work closely on issues of mutual concern. As Wikileaks cable disclosures

continue, the regional affairs staff leads a bureau-wide effort to evaluate the risks of compromised cables, give advice to U.S. embassies, and maintain a log of Wikileaks actions. The inspection team heard numerous comments from NEA staff about how the Wikileaks experience has inhibited communications by cable, as well as emails, between posts and the Department.

Records Management

With rare exceptions, most NEA offices are not implementing Department procedures for managing and retiring records, as required by 5 FAM 414.5 and 5 FAH-4 H-113. Offices are not organizing shared folders according to the Department's Traffic Analysis by Geography and Subject labeling system. They are not preserving email messages that meet the definition of records in 5 FAM 443.2. Failure to implement such procedures impedes the ability of the Department to retrieve official documents that are of value to the conduct of foreign policy and to historians.

Recommendation 31: The Bureau of Near Eastern Affairs should issue a bureau memorandum notice explaining that all Department employees are required to establish, maintain, and annually retire official records, including email messages that meet the definition of records as specified in Department guidance. It should also develop and implement a monitoring system to verify that bureau offices are in compliance. (Action: NEA)

Resource Management

Resource Tables

NEA – Direct Hires (Domestic)²						
Foreign Service	Civil Service	3161s	When Actually Employed	Detailed Staff	Interns/ students	Total
110	153	48	7	1	2	321
NEA – Direct Hires (Overseas)						
Foreign Service	Civil Service	3161s	When Actually Employed	Detailed Staff	Interns/ students	Total
1,175	40	126	5			1,346

<u>FY 2010 Resources Controlled by NEA³</u> <u>(in thousands)</u>	<u>Iraq Portion</u>	<u>Other</u>	<u>Total</u>
Traditional Overseas Program Funding (D&CP) ⁴	\$74,964	\$186,883	\$261,847
Additional Iraq Funding (D&CP)	592,773	3,439	596,212
Public Diplomacy (D&CP)	435	23,418	23,853
Economic Support Funds, Iraq	97,815		97,815
Economic Support Funds, Middle East Regional (MEPI)		87,838	87,838
Development Assistance		396	396
Critical Infrastructure Program		9,118	9,118
International Cooperative Administrative Support Services		136,636	136,636
Representation	96	815	911
Other Appropriations ⁵		18,241	18,241
<i>Totals</i>	<i>\$766,083⁶</i>	<i>\$466,784</i>	<i>\$1,232,867</i>

As shown in Appendix A, the U.S. Agency for International Development and Department-controlled foreign assistance funding for the region totaled \$7 billion in FY 2010, \$1 billion of which was for Iraq.

² Domestic and overseas staffing numbers provided by EX.

³ Numbers provided by EX

⁴ Diplomatic and Consular Programs is abbreviated as D&CP

⁵ Unconditional Gift Funds, Foreign Service National Separation Liability Trust Fund, Sec. 810 USI & EE Act Fees, White House Travel, Machine Readable Visa Processing Fees, and Commercial Service Fees

⁶ About 85 percent of this funding was held and managed domestically in EX.

Executive Office Overview

The Executive Office (EX) for NEA and SCA supports two of the busiest regional bureaus within the Department. During this inspection, EX was handling the ordered departures in Tunisia, Egypt, and Libya; the authorized departure in Yemen; and task forces related to the crises in these countries; as well as the “normal” issues related to staffing and support for Iraq, Afghanistan, and Pakistan. The office managers and staff were lauded by several interlocutors for their support of overseas missions and good working relationships with other bureaus and agencies. As one person said, “EX is really standing up to the job.”

There are several problems, however, which the director and deputy directors are well aware of but so far have been unable to solve. The domestic human resources (HR) office in EX is broadly considered to be dysfunctional. The Office of Domestic Services (ODS), which had been neglected for years, has improved during the past 9 months, but problems still remain in information technology. The financial management office, which received reasonably good reviews in the OIG survey, had difficulty producing the reports used to monitor funds availability.

EX, which has supported both bureaus since 1992, has three strong deputy directors: one for NEA (except Iraq), another for SCA, and the third for Iraq. The deputy director for SCA supports Afghanistan and Pakistan, as well as the rest of the South and Central Asian countries. All three were praised by their staffs. The executive director is a strong management officer known for his innovation and support of regionalization. EX also supports the Pakistan and Afghanistan desks that are part of the Office of the United States Special Representative for Afghanistan and Pakistan (S/SRAP), and provides support to S/SEMEP.

Space constraints, which are an issue throughout the Department, are especially acute in EX. The offices were in the process of being remodeled during the inspection, which forced the EX staff to move to temporary offices scattered throughout three separate buildings. ODS, for instance, was located approximately 20 minutes away by shuttle from the offices it serviced. When the year-long remodeling is completed, the staff will move back into office space that is twice the density of Department standards. This space issue is exacerbated by a Department requirement that bureaus maintain control of all excess property until it can be listed as excess and disposed of, a process that can take a month or more. The practical result of this rule is that property has to be stored within bureau office space. In EX, it means that the areas near the front door of the EX suite are stacked with old computers and other equipment. ODS has begun investigating other options for storing this equipment, such as renting shipping containers to be used for storage, but it has yet to develop a solution.

As noted earlier in the report, NEA lacks a formal orientation program for employees; Formal Recommendation 1, above, requires the bureau to begin one. A check-in form exists, but a number of employees reportedly never received a copy. A similar problem exists with employee check-out: although check-out sheets exist, their use is not enforced and employees have left the bureau without closing travel advances, completing required security debriefs, or having their computer log-ons transferred.

Informal Recommendation 10: The Bureau of Near Eastern Affairs should require that each departing employee complete and return to the Executive Office a comprehensive departing employee checklist.

Planning for the Iraq Transition

A separate EX unit, the EX Iraq team, is responsible for planning for the military-to-civilian transition in Iraq. This closely-knit group of 12 – a mixture of Foreign Service, traditional Civil Service, 3161s, and contractors – works on management aspects of the transition, from staffing and recruitment and budgeting to aviation and life support. Team members report that communication and cooperation with Embassy Baghdad, offices and bureaus outside of NEA, and DOD are good. In fact, some said it was the best they had seen in their entire careers. Team members are proud of what they have accomplished so far. However, communication and coordination issues with the NEA Iraq policy office, as well as an unclear budget picture and what they see as confusing strategic guidance, are hurting the planning process. As the Secretary noted, the military's overseas contingency operations budget will drop by \$45 billion from 2010, while the Department's costs will increase in the range of \$4 billion for Iraq. Funding levels are both uncertain and relatively low, to handle necessary operations.

The EX Iraq team, headed by a Foreign Service officer, began focusing on the Iraq transition in summer 2009. With the military scheduled to begin turning over some operations to the Department on October 1, 2011, and with its scheduled departure from Iraq on December 31, 2011, the team is scrambling to get needed support systems in place. It developed a very useful, SharePoint-based Web application called Iraq Common Operations Planning & Implementation System to track staffing and task management, but some functions have yet to be installed. The DOD has allowed the Department to use its contracts for support services for the first year following the transition, but the Department still needs to put in place other support services, such as hospitals and an air wing with both fixed-wing planes and helicopters. Much of this is uncharted territory for the Department. The Department plans to open consulates in Erbil and Basra and embassy branch offices in Kirkuk and Mosul, but several bureau employees expressed doubt that these offices will be operational by the October 1, 2011, deadline.

The Department appears to be making a conscious effort to address staffing at Embassy Baghdad, its consulates, and branch offices. In preparation for its first rightsizing exercise, Embassy Baghdad has been reviewing mission requirements and staffing. It is scheduled to complete its first rightsizing report by June 2011, but the report will address only embassy staffing. The office of the Under Secretary for Management has held several meetings with all relevant Department offices and bureaus, as well as with the embassy, to review the staffing numbers for the rest of the country and to ensure that everyone is in agreement. The most recent meeting was held in mid-February 2011.

Iraq staffing is a mix of Foreign Service, traditional Civil Service, 3161s, and contractors. The embassy has hired a number of Iraqis; the locally employed staff is augmented by temporary duty local staff from other overseas missions. The bureau recently implemented a program to hire non-Iraqis to work in Baghdad on a contract basis, in order to phase out the more expensive

temporary duty locally employed staff program. This third-country national program will later be phased out, as they are replaced by Iraqi staff.

In October 2010, the OIG's Compliance Follow-up Review of Embassy Baghdad, Iraq (Report No. ISP-C-11-08A) recommended that the Department establish a dedicated, ambassador-level Iraq transition coordinator with a full-time staff. The Secretary of State appointed the Iraq Transition Coordinator in mid-February 2011. Members of the EX Iraq team were pleased with the selection, as the new coordinator has experience in Iraq. This coordinator gives the Department a senior-level official working solely on the transition, who should be well-placed to work with senior-level DOD officials.

Virtually all EX Iraq team members the inspectors spoke to complained about the Iraq policy office's lack of communication, coordination, and transparency. Team members echoed complaints from other NEA offices that the Iraq Policy Office does not share information, does not clear reports and briefing material with relevant offices, and is poorly organized. In a process as important and complicated as the Iraq transition, policy decisions affect management planning. The reverse is also true. This report addresses this lack of communication and issues a recommendation about it, in the Iraq Office section.

The Iraq Common Operations Planning & Implementation System Web application is an information and project management system that includes staffing numbers and task management. The staffing information can be sorted in numerous ways, including by the number of beds, desks, and offices required, and allows the numbers to be compared easily against maximum capacities. It also links timelines, responsibilities, and task management, and includes decision trees for notifications, approvals, and clearance, as well as multiple-view reporting. A hiring and bidding module, scheduled to be deployed in summer 2011, will allow the bureau to track bidders by title, grade, or name. The software also will act as the central repository for transition-related data and will include a library of documents related to the transition. EX plans to adapt this software for use in the planning for the Afghanistan transition.

The nonhierarchical, country-specific design of the Iraq EX, headed by a separate EX deputy director, allows the staff to focus on Iraq planning, while at the same time allowing the rest of EX to concentrate on the bureau's other missions without the distraction of Iraq. Once the work on the transition is completed, it will be time to reintegrate the group into the rest of EX. It is a model that could easily be adapted for use in other crisis situations.

Regionalization and Management Initiatives

EX is a strong proponent of regionalization and moving activities that can be handled at a distance to another embassy or regional center. While the economies of scale it produces can save money, regionalization can be especially useful in danger-pay missions, as it can reduce the number of employees in the country. EX management has pushed its missions to use the Post Support Unit in Charleston to process all travel vouchers and has strongly urged them to outsource other voucher processing to the support unit. Some 51 percent of the support unit's work comes from NEA and SCA missions; Baghdad, Riyadh, and Manama are among the support unit's top clients.

The Regional Service Center in Frankfurt is providing locally employed staff position classification services for Embassies Kabul and Islamabad. Embassy Baghdad also receives off-shore position classification services from the Iraq Support Unit in Amman. The Regional Service Center in Frankfurt also continues to provide support to the Central Asian countries that, at one time, had been within the Bureau of European and Eurasian Affairs. EX is working with the European bureau to develop a service-level agreement under which Frankfurt would provide locally employed staff position classification for all NEA and SCA missions. EX also has partnered with the Bureau of East Asian and Pacific Affairs on a regional training center. Under this agreement, the bureaus pay for training based on the number of employees who attend.

EX is working with IRM to develop ways to regionalize classified computer network support, in order to reduce the amount of classified equipment that is kept at high-threat missions. It also is looking at ways to store data from Pakistan and Afghanistan at another location.

Human Resources

Domestic Human Resources

The domestic HR section is dysfunctional for several reasons: understaffing, excessive workload, and a lack of adherence by some NEA and SCA managers to prescribed work processes. No one could have projected, when the Foreign Service Institute, Human Resources Division, (FSI/HR) agreed to become NEA and SCA's service provider, that the workload would increase exponentially due to the U.S. diplomatic presence in Iraq and Afghanistan. HR resources have not been reinforced to deal with this surge. Both the management teams in NEA and FSI are cognizant of these challenges, but so far have been unable to make much headway.

Despite the efforts of both FSI/HR and the NEA and SCA HR division, NEA and SCA customers do not receive satisfactory service. Customer complaints were many, the most striking of which involved slow recruitment (which in some cases took over a year) and awards processing. Recruitment problems have been chronic for at least 2 years; awards processing was backlogged for some 5 years. Several factors relating to the poor performance are discussed below.

At the specific request of NEA-SCA/EX, FSI/HR became the service provider for the bureau in October 2006. In 2008, NEA and SCA detailed its domestic HR specialist staff to FSI with the intent to work and gain experience in a bureau with full delegated authority. While having no impact on the substance of operations, this arrangement limited NEA's and SCA's influence in the management chain of command for domestic services and the bureaus' authority over most domestic HR services ceased at the deputy director level, which became an obstacle to leveraging FSI/HR's function. The addition of a Foreign Service officer as the NEA-SCA HR director in August 2010 has improved the situation somewhat, but much work remains to be done.

The domestic HR section is divided between core and noncore services and reports to the NEA/SCA HR director. Core services are provided mostly by FSI/HR and include position classification, staffing and recruitment, and performance management. Noncore services are provided by the domestic HR section and include employee programs, such as awards and training.

Morale among the domestic HR section employees is poor. This is best exemplified by the section's inability to keep qualified personnel. For most of 2009 and 2010, the domestic HR section had a severe shortage of staff. In early 2011, the staff had almost disappeared. At the time of the inspection, of the 10 HR supervisory and specialist positions embedded from and detailed to the shared services provider, four (including the supervisor) were vacant, and three incumbents (on board for less than a year) were leaving. Of the three remaining, the most tenured was a student on board for 8 months.

The domestic HR section struggles to keep up with unanticipated increases in workload. Prioritization of hiring actions is problematic, since some NEA and SCA managers describe nearly all hiring actions as urgent, and desperately needed positions remain in the queue. Domestic HR staff has not had time to pursue training and reflect on strategic requirements. Staffing and workload factors detract from the EX's efforts to manage both bureaus' performance evaluation programs. (See the Management Controls section of the report for a discussion on performance management.)

Many HR specialists complained of a chaotic working environment created by senior and other managers operating outside the normal chain of command. Many described interactions with NEA and SCA managers as harsh and antagonistic, including efforts to influence the recruitment process. Five domestic HR employees cited this atmosphere and poor morale as a factor in seeking other employment. The Management Controls section of the report discusses these issues further.

FSI/HR's oversight and organizational analysis of domestic HR operations has not resolved the domestic HR section's problem. To date, human capital accountability reviews have been limited in scope and have not encompassed the full range of FSI/HR activities. Despite some progress, the domestic HR section is still far from operationally sound.

Recommendation 32: The Bureau of Human Resources should assess the domestic human resources services for the Bureau of Near Eastern Affairs and give the bureau recommendations for its future services. (Action: DGHR)

Recommendation 33: The Bureau of Near Eastern Affairs, in coordination with the Bureau of South and Central Affairs, the Bureau of Human Resources, and the Foreign Service Institute, should evaluate domestic human resources delivery options, select a human resources service provider, and sign a relevant service-level agreement with measurable service standards for all categories of service. (Action: NEA, in coordination with SCA, DGHR, and FSI)

Overseas Division

Foreign Service Assignments

The EX Foreign Service assignments process is generally working well. The busy Foreign Service assignments office includes eight assignment officers, specialists and assistants, including the unit chief, to cover 33 missions and provide some support to Afghanistan and Pakistan. Two other members of the assignments staff handle only Afghanistan and Pakistan. (A separate EX team handles staffing for Iraq.) This office also works to find temporary positions for evacuees returning to Washington from missions that have been closed or are on authorized or ordered departure. The staff members work well together and have good relationships with the embassies and other offices involved in the assignments process. They were pleased with the supervision and support they receive from EX supervisors.

Afghanistan, Iraq, and Pakistan (AIP) are the Department's highest staffing priorities. To further this goal, the Department now has two assignment seasons: June of each year for AIP positions, and early fall for all other positions. This procedure, which allows the three AIP missions to choose their candidates before the regular bidding season begins, has meant that a large percentage of AIP positions are filled within a few months. By mid-March 2011, the bureaus had filled 92 percent of the summer 2011 Afghanistan positions, 91 percent in Iraq, and 95 percent in Pakistan.

Staff working on AIP assignments expressed concern about the shrinking pool of Foreign Service volunteers who have not already served a tour in one of these three missions. While Civil Service employees can volunteer for AIP assignments, Department rules make it difficult to assign them to positions for which Foreign Service officers have applied, even if the Civil Service employee is more qualified. As the number of available Foreign Service officers continues to shrink, being able to take advantage of the Department's talented Civil Service staff will become even more important.

In an attempt to improve continuity, Embassies Kabul and Islamabad have proposed that the tours for those missions be increased from 1 year to 18 months or 2 years. Opinions regarding longer tours were mixed. While they would provide better continuity than the current 1-year tour, many were concerned that this change would reduce the number of volunteers. Some suggested that front office, section supervisors, and certain other key positions be changed to 2-year tours, while all other tours remain at 1 year. AIP posts have substantial service recognition packages, a 15 percent incentive pay bonus for extending for a second year, and a policy of no-fault curtailment. The Department also recently implemented continuity tours, in which employees spend 1 year in an AIP mission and 1 year in a related position outside of those missions.

Recruitment for the three AIP missions does not appear to have seriously affected filling positions at the majority of other NEA and SCA missions. However, both bureaus have problems recruiting for non-AIP missions that are considered especially difficult or dangerous. Employees at non-AIP missions receive neither the recognition nor the hardship differential and danger pay that those working in AIP missions receive. These staffing problems are exacerbated by a liberal

curtailment policy, which allows an employee to curtail from a mission at any time in order to serve in an AIP mission.

The Department has a shortage of office management, information management, and facilities management specialists. Of the 44 overseas vacancies in NEA and SCA, 19 are either office management specialists or specialists in the information management field. There is also a shortage of Foreign Service officers who are fluent in French, Arabic, Hebrew, and other languages used in these regions. Of the 32 overseas vacancies remaining in NEA (not including Iraq) as of March 2, 2011, 19 are language-designated. Employees who are comfortable in the regional languages are especially important in these critical regions.

In order to improve coordination with the field, the HR division has begun holding quarterly conference calls with the overseas HR offices to discuss regional issues. These conference calls generally deal with topics that are of interest to specific missions and provide a forum for the HR officers to share ideas and information with others dealing with the same issues. These calls also have increased the HR division's visibility with the field.

Post Management Office

The post management office works well, despite a heavy workload and the absence of several staff members. The office is divided into three sections. The Afghanistan and Pakistan section has six post management officers (PMO) and two PMO assistants. The second section, which handles all countries but Afghanistan and Pakistan, has seven PMOs, one supervisory PMO, and two PMO assistants. Two members of that section were on temporary duty in Afghanistan and Pakistan during this inspection, and one position was vacant, leaving it with only seven employees to handle 28 missions. A third section handles post management for Iraq. Once the office is fully staffed, they anticipate that they will be able to adequately handle day-to-day operations. However, the lean staffing level provides little opportunity for long-range planning or projects, and it does not provide enough staff to handle evacuations and other time-intensive crises overseas. When these occur, the office runs the risk of not giving smaller missions the attention they need.

The PMOs provide management liaison between the overseas mission and Department bureaus and offices. Along with the EX assignment officers, the PMOs work with evacuees coming out of missions that are on ordered or authorized departure. During the inspection, there were two missions on ordered departure and one on authorized departure. PMOs regularly staff the task forces set up to handle crises; there were two task forces during this inspection. Accordingly, several PMOs were working 12-hour days to staff task forces, respond to issues from the embassies and consulates overseas, and work with the evacuees returning to Washington. A number of PMOs expressed frustration at the lack of standard operating procedures and document templates related to the evacuations and the work they do on behalf of the returning evacuees. The Department's Crisis Management Support Office has posted templates on its SharePoint site, but these were said to be out-of-date. While the PMOs agreed that each evacuation is different, there are enough similarities to make up-to-date and easily accessible templates and standard operating procedures useful.

Informal Recommendation 11: The Bureau of Near Eastern Affairs should develop and post on its SharePoint site, standard operating procedures and document templates related to the actions required in the event of evacuation from an overseas mission.

Overseas staff generally expressed satisfaction with the service the PMOs provide, although several mentioned that communication could be improved. This issue appeared to be related, in part, to a change in PMOs as well as the staffing shortage within the office.

Awards Program

EX manages the awards program for NEA and SCA. Until recently, EX was not processing awards, but it now is clearing up the enormous backlog of unprocessed awards dating back several years. Instead of processing awards as they arrived, the staff had put them into boxes or desk drawers to be processed when time permitted. In some cases, the awards were never entered into employee personnel folders; in other cases, the award certificates or payments were never provided, or the nominations were never considered by the bureau awards panel. In 2010, the office brought in staff from other bureaus to work evenings and weekends to eliminate the backlog. After the awards processing was transferred to the Human Resources Service Center in the Bureau of Human Resources, the EX staff discovered yet more boxes of unprocessed awards. Between December 2010 and February 2011, the shared services office processed 2,200 overdue awards. They anticipate it will take another 4 to 6 weeks of work to complete this project.

In October 2010, EX issued a policy requiring that the electronic bureau award program be used to process overseas and domestic award nominations. There had been no systemic and orderly process for award nominations prior to the issuance of this policy.

A member of the NEA awards committee, which approves all superior honor awards, expressed concern about the number and quality of the award nominations the bureau is receiving. The committee recognizes the possibility that so-called “award inflation” is an issue that needs to be addressed throughout the bureau.

Entry-Level Officer Mentoring Program

The bureau has 15 entry-level officers; three work in EX. It also has many newly hired traditional and noncareer appointment (3161) Civil Service employees, most of whom have never worked in the Department before. The bureau has held some brown bag sessions on topics of interest to entry-level officers and in December 2010 it instituted a program to allow Civil Service employees to fill temporary vacancies at posts. However, there is no formal mentoring program. This type of program is especially important in a busy bureau such as NEA, where new employees can easily become frustrated or intimidated. NEA management will formalize a mentoring program for all bureau employees with less than 5 years of service with the Department.

Equal Employment Opportunity

The bureau is generally attentive to and supportive of Equal Employment Opportunity matters, but EX could better manage cases as they arise in missions abroad. There are many cases from Iraq and Afghanistan that require collaboration in EX. For example, EX could proactively weigh in on transfer possibilities and offer participation in alternative dispute resolution. Regular meetings between each regional deputy executive director and Office of Civil Rights representatives would help improve communication between the two offices.

Informal Recommendation 12: The Bureau of Near Eastern Affairs should require regional deputy executive directors to meet quarterly with Office of Civil Rights representatives to develop case strategies.

Excepted Civil Service Hiring

A single personnel and operations office (the 3161 Personnel Office) serves both the Iraq Strategic Partnership Office (ISPO) and Pakistan and Afghanistan Support Office (PASO). This office works well. ISPO and PASO are temporary offices created by executive order, which allow the Department to hire excepted Civil Service employees to support its efforts in Iraq, Afghanistan, and Pakistan.

Executive orders created ISPO to facilitate the final stage of the Iraq transition and PASO to strengthen governments in Pakistan and Afghanistan. The Secretary appoints the director for each office. The ISPO director position had been vacant for several years at the time of this inspection; the PASO director, a 3161 employee, works in S/SRAP. NEA and SCA are stakeholders in both temporary offices. ISPO and PASO 3161 employees are stationed domestically in NEA, SCA, the 3161 Personnel Office, and in Embassies Baghdad and Kabul.

Although serving two distinct entities and funded with separate allotments, the 3161 Personnel Office is viewed largely as one office. The acting office manager is careful to keep the two entities at arm's length, so as not to commingle assets and funds. This joint office provides synergy and cost savings. The 3161 Personnel Office has three sections: recruiting, employment, and personnel, each led by a senior specialist. All sections do the usual tasks of a traditional federal personnel office. However, there is no program to record employee performance management. This issue is described in the Management Controls section of the report.

The 3161 Personnel Office does not have rights and privileges as a fully delegated HR organization, and thus its actions are approved elsewhere in the Department. Currently this is done by FSI/HR, which also determines salaries and authorizes and classifies positions. However, there is no operative service-level agreement in place defining the relationship between the 3161 Personnel Office and FSI/HR, and customer service standards. According to the 3161 Personnel Office staff, FSI/HR's turnaround for all its functions takes too long, which prevents the office from optimizing its resources to meet program goals. These delays, staff told the OIG team, mean that offices in Washington and abroad risk losing candidates.

Recommendation 34: The Bureau of Near Eastern Affairs, in coordination with the Foreign Service Institute and the Bureau of Human Resources, should negotiate a service-level agreement, including customer service standards, with the chosen domestic human resources service provider. (Action: NEA, in coordination with FSI and DGHR)

Financial Management

According to OIG questionnaires, the financial management office adequately serves NEA's and SCA's domestic and overseas offices. It received good scores for financial management, budgeting, and travel services. The only complaints concerned the transfer of funds inside or outside of NEA, and the timeliness of some travel services (discussed below). During the course of the inspection, however, the office had great difficulty producing status of funds reports.

The section, headed by an FS-01 Foreign Service officer and a GS-14 Civil Service deputy, handles a huge amount of funding from many different appropriations and reimbursements. In FY 2010, the office allotted funds and incurred obligations against 29 NEA and 20 SCA appropriations, and incurred liquidations against an additional 90 NEA and 80 SCA appropriations. Although the total amount of funding the office oversees has not changed over the last 4 years, SCA's share of the funding has increased, while NEA's share has decreased. The OIG team was unable to conduct more than a cursory review of transactions occurring in NEA and SCA appropriations. While most staff have been in the office for many years and are familiar with the allotments and systems for which they are responsible, the office had difficulty at a macro level identifying the status of funding under its control. Problems stem from lapses in training; insufficient leadership; and, shortcomings with the unwieldy Global Financial Management System (GFMS) Data Warehouse that the Department uses domestically. The section also needs to clarify its policy on supporting documentation for obligations; make sure it has appropriate points of contact for all obligations; obtain clarification from the Bureau of Resources Management (RM) on its use of Military Interdepartmental Purchase Requests (MIPR); and improve controls over travel.

Bureau Status of Funds Reports

The office had tremendous difficulty providing to the OIG team, an overview of the status of each appropriation and allotment controlled by the bureau.⁷ This situation limited the OIG team's ability to comment on the bureau's proficiency in managing its funds, budgeting, and monitoring unliquidated obligations. Monitoring is important to ensure that needed funding is not allowed to expire; to develop budgets; to ensure that transactions with other bureaus and offices are processed correctly; and to ensure that section staff are adequately monitoring the funds for which they are responsible. High-level status of funds reports are particularly important for NEA and SCA, given the large number of appropriations and allotments they deal with.

⁷ For clarity, this report uses the term "appropriation" for funds allotted by RM to the bureau and the term "allotment" for funds suballotted by the bureau to its missions or domestic suballotments.

Following inspectors' request for this information, some office staff started to develop a spreadsheet on the status of funds, by running reports on the GFMS, Budget Resource Management System, and Regional Financial Management System (RFMS) Consolidated Overseas Accountability Support Toolbox (COAST). Specifically, they:

- ran GFMS budget query detail reports, to determine the status of the overall appropriation;
- ran BRMS Budget Resource Management System reports, to determine how much funding was allotted to each post;
- ran RFMS COAST reports, to determine the status of each overseas allotment;
- ran a GFMS report, to determine the status of domestic allotments; and,
- started entering the information into an Excel spreadsheet.

The office estimated that it took 64 hours to create a spreadsheet that ultimately provided the total funding available and unliquidated obligations for all allotments. However, since the spreadsheet did not indicate how much money within each allotment was obligated or available, the OIG team was unable to determine the percentage of obligations remaining unliquidated or the amount of funding still available. The spreadsheet also did not show the status of funding at the appropriation level. The office could have produced this information by following the above steps for each appropriation.

This is not the first time the section has struggled to monitor the status of its appropriations and allotments. When a capable contractor arrived in EX in 2008, he discovered a \$20 million discrepancy between RM and NEA's Iraq 2006/2007 Economic Support Fund balance. He initiated meetings among EX, the NEA Iraq office, and RM, and the OIG team had been told the problem was resolved.

According to the GFMS helpdesk, the best report for this high-level information is a GFMS Data Warehouse report called the "Modified High Level Budget and Spending Extract." Neither the head of the financial management office nor her deputy was familiar with this report, but one analyst in the section had seen it while working in a previous job and ran two reports for each bureau: one at the appropriation level and one at the allotment level. The appropriation-level reports for NEA and SCA, respectively, were 30 and 26 pages long, mostly due to seemingly unnecessary headers inserted by the program between every appropriation. The allotment-level reports were 1,605 and 1,179 pages long, also due to unnecessary headers and other columns. It took the analyst 6 hours to run the reports. Although GFMS reports can be modified to make them somewhat easier to run and read, the modified reports are not available automatically; the analysts would need training on how to modify the reports, and then could modify them at their own workstations.

The difficulty and amount of time needed to obtain this information domestically is in contrast to the capabilities of the RFMS COAST system that the embassies use to monitor their overseas allotments. COAST uses a standard menu and drill-down capability that allows users to easily view and print a list of all of its allotments, along with the status of each allotment. The

lists do not contain unnecessary headers or columns, are easy to review, and can be generated by users with almost no training.

According to an RM representative, GFMS and RFMS are designed to meet different needs⁸ and for that reason, the GFMS Data Warehouse provides users an expansive amount of financial information that can be tailored to meet specific needs, while RFMS COAST provides more of a one-size-fits-all capability. According to the RM representative, once domestic users invest the time needed to identify requirements and then work with the GFMS helpdesk to build the appropriate reports, the reports can be run more quickly and in a more readable format. RM encourages bureau staff to attend monthly and quarterly GFMS Data Warehouse meetings and read software releases.

Given that RM does not have plans in the near term to create a shorter, more readable, capped report to improve the bureaus' ability to review their status of funds, the EX financial management office needs to work with RM to determine the best reports to run and make modifications to produce an overview of the status of funds. Shortly after the OIG inspection, the office started working on their GFMS reports, and RM indicated that it would assist the bureau in producing an overview of the status of its funds. The EX director is aware of the accounting system's deficiencies and noted that the Department's financial management systems rarely yield reports to help guide management decisions; in fact, the amount of time and work required is a disincentive to request financial analysis.

Informal Recommendation 13: The Bureau of Near Eastern Affairs should require its relevant financial management staff to collaborate on the best report format for reviewing the status of its funds at a macro level.

Recommendation 35: The Bureau of Near Eastern Affairs, in coordination with the Bureau of Resource Management, should determine the best reports to run and modify to obtain an overview of the status of its funds; train relevant financial management staff to run these reports; and then run, analyze, and act upon status-of-funds reports at both the appropriation and allotment levels quarterly. (Action: NEA, in coordination with RM)

The office's deputy runs day-to-day operations and does a good job ensuring that funding is checked and obligations processed. The deputy also asks analysts to check up on unliquidated obligations periodically, although it did not appear that these were checked regularly for all appropriations and allotments. Analysts in the section have very different levels of knowledge regarding the bureau's appropriations and the capabilities of the domestic accounting systems. The section chief is not proficient in using the domestic accounting systems and often does not check work produced by analysts in her section. Some analysts were unfamiliar with how non-traditional funding (such as the Economic Support Fund and supplemental funding) was processed and reported in GFMS, which limits their ability to back each other up. A few analysts said official GFMS status of obligation reports were not useful, because they either did not include a document description or the document description showed up on multiple lines,

⁸ RFMS is a direct allotment accounting system whereas GFMS contains modules for tracking commitments, fixed assets, billings, and acquisitions and it is connected with 25 other domestic systems.

increasing the size of the report. However, the office had not contacted RM to determine if this capability existed in a different report or if additional descriptive information could be entered at the time of the obligation, allowing it to display in some capped report. Collaboration among the staff on which reports are needed and used could enable staff within the executive office to back each other up.

Informal Recommendation 14: The Bureau of Near Eastern Affairs should develop a list of needed reports, determine which reports each analyst uses, look at the modifications to each of these reports, provide training to the staff, and, if necessary, contact the Bureau of Resource Management for assistance.

Support and Points of Contact for Obligations

The OIG team had difficulty tracking down the office and individual responsible for a few obligations held in domestic allotments. EX maintains a list of contracting officer representatives for all of its contracts, to facilitate timely approval of those invoices. However, the office does not maintain similar lists for other obligating documents, such as grants and interdepartmental obligations and intragovernmental obligations. Funding for these mechanisms is often provided up front, but the Department retains responsibility for ensuring that the programs are executed.

Budget officers in EX also do not maintain supporting documentation for all obligations. According to office staff, purchase orders are maintained in GFMS; grants are maintained by program offices; interdepartmental and intragovernmental obligations are maintained by budget analysts for 3 years; and travel orders and vouchers are maintained in the online E2 Solutions system. Some contracting documents are also available in the Department's procurement program, and some grant documents are available in the payment management system. Department guidance does not require bureau budget offices to maintain support for all obligations. However, not all program offices maintain adequate documentation for the obligations and programs for which they are responsible. As noted in the Foreign Assistance section of this report, the Iraq office has struggled to compile its files. Some employees in that office are still unclear about the programs and obligations related to the Iraq FY 2006-07 Economic Support Fund, even though EX has briefed a number of staff in that office in the past. Turnover in the Iraq office and in Embassy Baghdad has not helped this situation. EX could not locate any cuff records related to the Iraq FY 2006-07 Economic Support Fund appropriation, although some of the funding may have been reappropriated. EX could run status-of-obligations reports to identify all obligations.

Recommendation 36: The Bureau of Near Eastern Affairs should reconstruct and determine the status of its Iraq Economic Support Fund appropriation from FY 2006-07. (Action: NEA)

Given the amount of support EX provides to Afghanistan, Iraq, and Pakistan, staff turnover at those locations, the large amounts of foreign assistance funding received by the bureaus, and the number of interagency and interdepartmental obligations, the office needs to act as a back-up repository for certain obligating documents, including grants and interagency and interdepartmental obligations. To his credit, the executive director has pushed offices to go

paperless. Maintaining documentation electronically in a well-structured format will provide needed duplication, to ensure that program offices are aware of and monitor the programs and obligations for which they are responsible. It also will reduce storage space needs and could reduce the number of inquiries EX receives regarding obligations, such as those it receives from the Charleston Financial Services Center related to Intra-governmental Payment and Collection Program payments. Storing those obligating documents in a program (such as GFMS or the Department's domestic procurement program) that is accessible to the Charleston Financial Services Center could reduce inquiries.

Recommendation 37: The Bureau of Near Eastern Affairs should develop a policy that outlines where all obligating documents will be maintained, and how they will be maintained, including the specification that obligating documentation should include the name and office of appropriate points of contact. (Action: NEA)

Use of Military Interdepartmental Purchase Requests

NEA and SCA often use MIPRs to provide funding to DOD, particularly in Iraq, Afghanistan, and Pakistan. According to 4 FAM 221.1 (b):

Financial management staff in Department bureaus and posts may not allot or transfer funds to other U.S. Government agencies. This includes transferring funds to the Department of Defense via a MIPR. All fund transfers to other agencies must be processed through the Office of the Deputy Assistant Secretary for State Programs, Operations and Budget (RM/BP).

However, according to EX staff, the portion of the *Foreign Affairs Manual* dealing with this subject is outdated, and MIPRs are often the only form of payment DOD offices will accept.

A representative from RM's Global Financial Operations Directorate reported that MIPRs could not be used as obligating documents. Additionally, MIPRs are not included in the list of commonly used obligating documents in 4 FAH-3 H-52.3. Staff in EX indicated that memoranda of agreement, memoranda of understanding, or reimbursable agreements always support the MIPRs and serve as the actual obligating documents. The OIG team noted, however, that MIPR numbers are used as obligation numbers; MIPRs did not always refer to the underlying documents; and fund sites and fund availability certifications appeared on MIPRs, not the underlying documents. When asked who was responsible for overseeing MIPR obligations, EX staff provided inspectors with points of contact specified on the MIPRs. According to 1 FAM 226.2, RM's Financial Policy, Reporting and Analysis Directorate develops and issues Department-wide financial policy.

Recommendation 38: The Bureau of Resource Management, in coordination with the Bureau of Near Eastern Affairs, should review the circumstances under which the Bureau of Near Eastern Affairs has used Military Interdepartmental Purchase Requests to obtain Department of Defense services and either reissue guidance on the use of Military Interdepartmental Purchase Requests or take steps to correct obligating documents. (Action: RM, in coordination with NEA)

Travel

NEA staff is generally satisfied with the travel support provided by the EX. Most, but not all, complaints were about staff outside of EX who are responsible for entering information into the online E2 Solutions system. One contractor handles all of NEA's and SCA's travel; in FY 2010, it amounted to more than 1,000 trips. This individual makes sure that all bureau staff are entered into E2 and GFMS; maintains a log of all individuals' travel by office; makes sure all travel voucher documentation is included in E2; periodically contacts individuals with outstanding travel orders and advances; reviews support for business class tickets; and trains and assists bureau staff who enter information into E2. It is a daunting amount of work for one person, especially given that others in the section do not appear to be fully occupied. In the past, EX had separate analysts for each bureau. The office's efforts over the last 9 months to fill the second position so far have been unsuccessful.

Informal Recommendation 15: The Bureau of Near Eastern Affairs should assign select travel responsibilities to the other analysts in the travel unit and cross-train them on the duties of the contractor responsible for travel.

In prioritizing the work, the contractor focuses first on ensuring that travel orders are completed so people can travel. The travel logs by office also appeared to be well maintained. Other tasks, however, have not always been completed. RM recently reviewed travel vouchers and found problems in 6 of the 24 vouchers reviewed. Problems included a lack of supporting documentation, Internet and actual lodging charges without authorization, an improper reimbursement of \$19.46 for children's books, and a 3-month delay in a voucher's approval. The OIG team also noted that travel orders in E2 and the travel spreadsheet were not regularly reconciled with travel order obligations in GFMS; the bureau does not enforce use of the government-authorized charge card, as required in 4 FAM 463.3-2; and travel advances are not followed up on time. According to a GFMS report, open NEA and SCA travel advances totaled \$96,000, with some dating back to 2007. However, the open travel advance report did not include a 2006 travel advance that RM is researching, which brings into question the report's accuracy. According to the office's deputy, the section has difficulty matching the travel advances and orders in GFMS with those in E2, because officers sometimes submit travel vouchers overseas and the transactions do not always post directly to the appropriate travel obligation.

Recommendation 39: The Bureau of Near Eastern Affairs, in coordination with the Bureau of Resource Management, should identify all travel advances in both Global Financial Management System and E2 Solutions system that have been open for more than 30 days, query the individuals, and seek reimbursement, if necessary. (Action: NEA, in coordination with RM)

Informal Recommendation 16: The Bureau of Near Eastern Affairs should enforce use of the government-authorized charge card.

Domestic Services

The Office of Domestic Services (ODS) comprises three sections: the General Services Division (GSD), the Orientation and In-processing Division (OIP), and the Information Services Division. A new ODS director position was created and filled in summer 2010 to better align information services and general services and, in the end, the customers' needs. The ODS director also provides strategic planning and oversight of OIP, as part of a long-term goal to expand OIP's support to high-threat posts.

General Services Division

GSD performs satisfactorily, although some customers criticize its performance. Its responsibilities include procurement, space management, equipment maintenance, liaison with the Bureau of Administration on major construction/remodeling, office supplies, mail, visa/passport processing, and control of non-expendable property. Those surveyed identified as problematic the division's responsiveness to procurement requests, office maintenance and upkeep, and the quality and maintenance of furniture and equipment. In addition, several renovation and construction projects have been stalled for unreasonably long periods of time. The deployment of a newly designed and highly effective work order system should help to remedy the situation and improve customer satisfaction. The system is designed to keep the requesting office, the service provider, and the GSD staff fully informed of the status of customer requests. This inspection took place as EX offices were being renovated. As a result, some employees were relocated to swing space in Department annexes or crowded more closely together.

Generally, GSD acts as an intermediary between customers and actual Department service providers, such as the Offices of Acquisitions, Real Property Management, and Facilities Maintenance Services. GSD does assist customers more directly in the preparation of procurement requests and renovation/construction scopes of work. Both bureaus' last two annual property certifications disclosed shortages under the 1 percent threshold, and thus avoided exception reporting requirements. A recommendation concerning the purchase card program is made in the Management Controls section of this report.

Orientation and In-Processing Center

OIP assists all U.S. Government employees and contractors under chief of mission authority deploying to Afghanistan, Iraq, and Pakistan. In addition to handling the in-processing of these employees, it also provides off-shore support to reduce the administrative footprint at these high-threat posts. The center performs its mission well. It benefits from an enthusiastic and motivated office director. The director and deputy director operate five teams: two for Afghanistan (one for the Department and one for other agencies), one each for Iraq and Pakistan, and one travel team. Only three people in OIP are direct-hires (under 3161 authority): the director, deputy director, and a program assistant. The remaining 11 are contract employees.

On paper, the OIP director and deputy report to the ODS chief and a governance board made up of senior managers from EX and S/SRAP. Under current conditions as 3161 employees,

however, they have neither a rater nor a reviewer. Despite this limitation, by all accounts the center is a solid, well-appreciated performer. Customer surveys reflect that customers are happy.

Information Services Division

The EX technology team, with more than 20 years of network and customer institutional knowledge, is operating in crisis management mode, supporting customers in NEA, SCA, S/SEMEP and S/SRAP (Pakistan and Afghanistan desk). Customers who experience frequent system outages are reluctant to let go of EX's dynamic support team, since the customers are dissatisfied by the IRM Information Technology (IT) Service Center's slow response. The OIG team determined that the IT problems cannot be attributed solely to the IRM consolidation program, but also involve antiquated Department infrastructure, which may take years to fix.

In preparation for this inspection, OIG inspectors requested accounts on the unclassified and classified networks, and experienced IT issues that were similar to those that customers in NEA and SCA offices face. Recent OIG inspection reports in the Bureaus of East Asian and Pacific Affairs, Western Hemisphere Affairs, European and Eurasian Affairs, and African Affairs have raised IT consolidation issues. An OIG team recently evaluated the IT consolidation program, and in January 2010, made several recommendations regarding technician skill sets, the handling of customers' requests, roles and responsibilities, information security management duties, and weak communication within the organization.⁹ Several of those recommendations remain open and currently are with IRM for compliance. While the issues facing NEA and SCA are the same as those experienced by other Department bureaus, in NEA these problems are compounded by repeated crises in the region, during which everyone is dependent on technology for quick communication and reporting.

Customer Service and Support

In questionnaires, several employees described staying late at the office only to lose their work to system crashes. The classified network was no different and, in some offices, even worse. In many cases, users on classified, thin-client workstations experienced disruptions, because IRM had underestimated the number of thin-client workstations that would be connected to the servers, resulting in computer crashes. To complicate matters, customers were using old computers (some with 528 MB RAM). DS was pushing patches and scanning the computers during the day, and IRM was also running antivirus scans during the work day. All of this slowed the network and adversely affected productivity. After EX brought the matter to IRM's attention, updates now are being performed after working hours. During the course of this inspection, the Global IT Modernization Program has stepped in and begun replacing the old, unclassified computers with new models. The replacement of older classified network computers was approximately 50 percent complete as the inspection ended.

Many customers cited the IT Service Center for not resolving problems quickly; however, some customers did not actually call or put in a work order request describing the

⁹ Evaluation of the Information Technology Consolidation Project at the Department of State, Report Number AUD/IT-10-11, January 2010.

issue. Under the 2008 IT consolidation, IRM is responsible for certain duties, while EX handles the rest. However, the two sections are still sorting out the responsibilities listed under the IRM service level agreement with EX. Computer technicians reported that the situation is slowly improving.

At first glance, it may be easy to blame DS, IRM, Facilities Maintenance Service, or EX for system and service deficiencies, but one major culprit is the Department infrastructure. In conversation with EX and IRM, the OIG team learned that the Harry S Truman Building has older CAT-5 cabling that needs to be upgraded to fiber optic cabling, as well as old switches that need to be replaced. An air conditioning system failure also adversely affected computer equipment. To compound the problem, office moves – which often occur with little notification to IRM or the EX technology team – affect the equipment, network, and ultimately, the customers. In some cases, an office renovation can affect employees in nearby offices. Renovation and technical projects are abundant throughout the building, and will take years to sort out and complete. In order to manage the multitude of issues affecting NEA and SCA, it is important that EX, different sections of IRM, and Facilities Maintenance Services meet weekly to sort through the problems and determine responsibility. Relations are good between the teams, who, with the help of the IRM Liaison Division, are trying to resolve the numerous problems.

Informal Recommendation 17: The Bureau of Near Eastern Affairs should direct the Executive Office to meet weekly with Bureau of Information Resource Management and the Bureau of Administration Facilities Maintenance Services counterparts to address customer issues.

Many IT service technicians receive only on-the-job training and do not have the needed IRM knowledge and capability. This dilemma was addressed in the audit report noted above. Remedying the situation will take time, and it does not provide a solution to what customers need now: working computers. The OIG team visited many offices during the course of the inspection and identified one building (SA-1, or Columbia Plaza) that rarely experiences network issues and appears to have available space. It may be possible for the computers in this building to be made available to customers whose own computers crash. The location is not desirable for customers located in other buildings, but it is a workable alternative.

Innovation and Challenges

EX has developed a state-of-the-art, icon-driven knowledge management intranet site that is being replicated by BNET, the Department's internal broadcast television station. At the time of this inspection, the office launched a new telephone bill reconciliation and certification tracking system, to automate a task that would otherwise take one employee the entire month to do. Another feature of the site is a fully automated, paperless travel process that has vastly simplified what was a complex and time-consuming procedure. The bureau has automated systems to process, approve, and archive requests for business class travel, invitational travel, and travel to Lebanon.

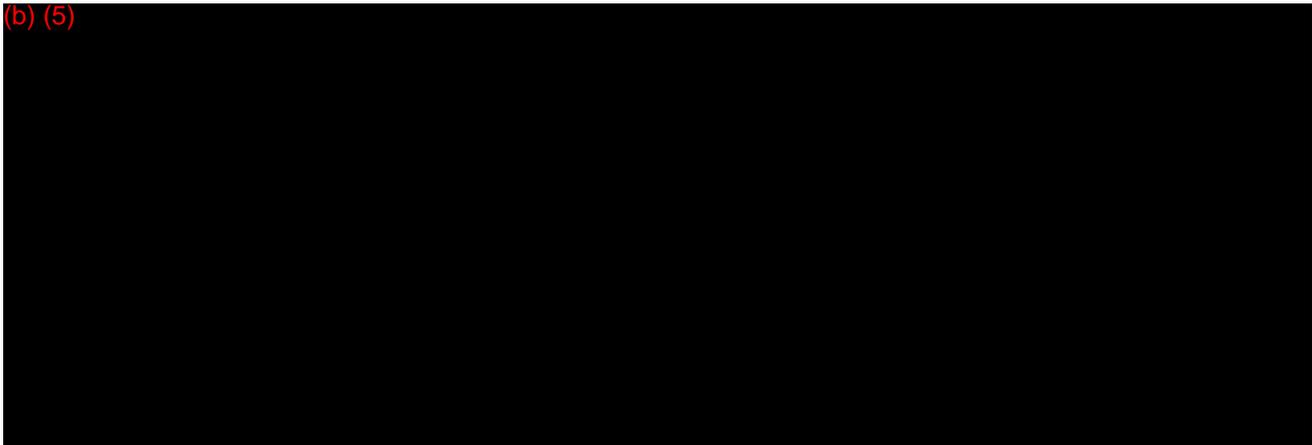
NEA is a leader in digital videoconferences, having saved the Department \$4 million in travel costs over the past 3 years. There are several digital videoconference rooms that are

heavily used and cleared for up to Secret level use. Nonetheless, during the immediate period of crisis in the NEA region, the Assistant Secretary was frustrated by his inability to have secure videoconferences on strategic issues with his chiefs of mission. Once, requested by the Secretary to organize such a conference at a Top Secret level, the Department had to ask the White House to assist, and even then the conference was a technical failure. During the OIG inspection, the equipment used by the Assistant Secretary was upgraded somewhat. However, even at the Secret level, it is not possible to have more than five or six embassies at one time online for videoconferencing.

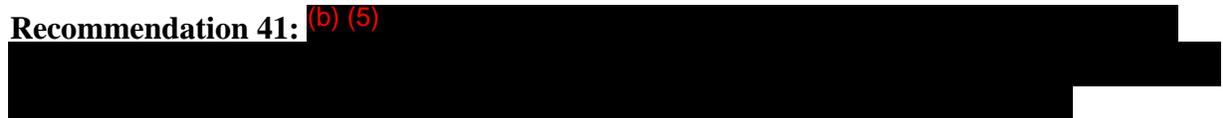
It is clear that the expense of providing new Top Secret digital videoconferencing platforms at all U.S. embassies would be prohibitive, and the security ramifications would be complex. However, it may be feasible to expand the capacity of NEA's current, Secret-level videoconferencing system to enable as many as 15 or 20 (rather than 5 or 6) strong, clear connections. In the absence of resources to make this happen, a short-term alternative might be to combine videoconferencing with secure audio capabilities, wherever the secure video connection is not reliable.

Recommendation 40: The Bureau of Near Eastern Affairs, in coordination with the Office of the Under Secretary for Management, should work with the bureau's overseas missions to develop a secure digital videoconference deployment plan. (Action: NEA, in coordination with M/PRI)

(b) (5)



Recommendation 41: (b) (5)

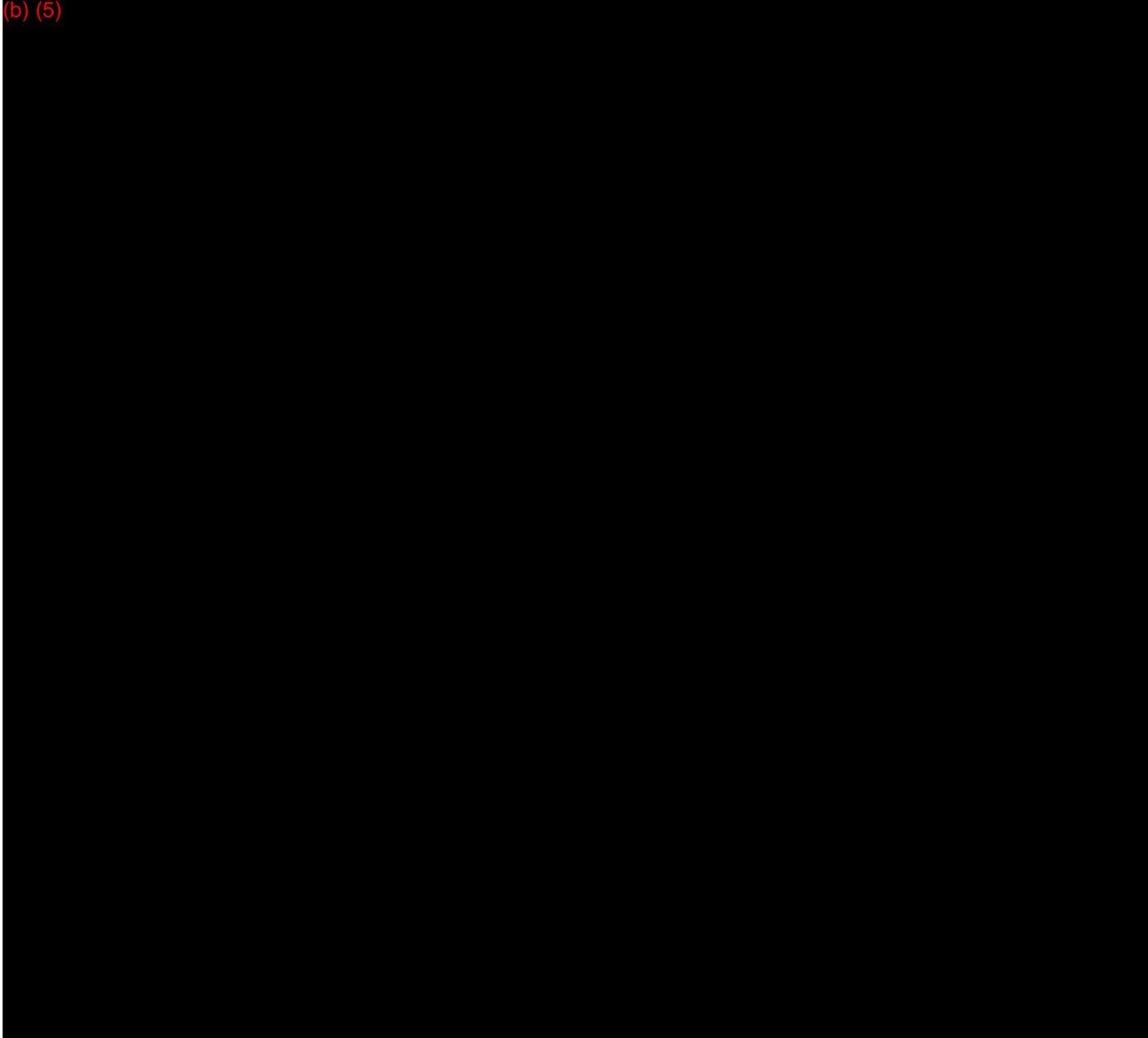


Security Program

One bureau security officer (BSO) manages the security programs for both NEA and SCA. The security programs for both bureaus conform to Department policy, with the exception of discrepancies discussed below. The BSO takes a proactive approach in implementing the security program. Being responsible for the security of two bureaus is arduous work, but the BSO is well experienced and capable of executing the program successfully. The BSO, employed by the DS Information Security, Applications Program Division, is responsible for

developing, inspecting, and advising on procedures and controls for safeguarding classified and administratively controlled information and for enforcing all associated security regulations. As a Civil Service employee, he provides the continuity needed for internal security within NEA and SCA.

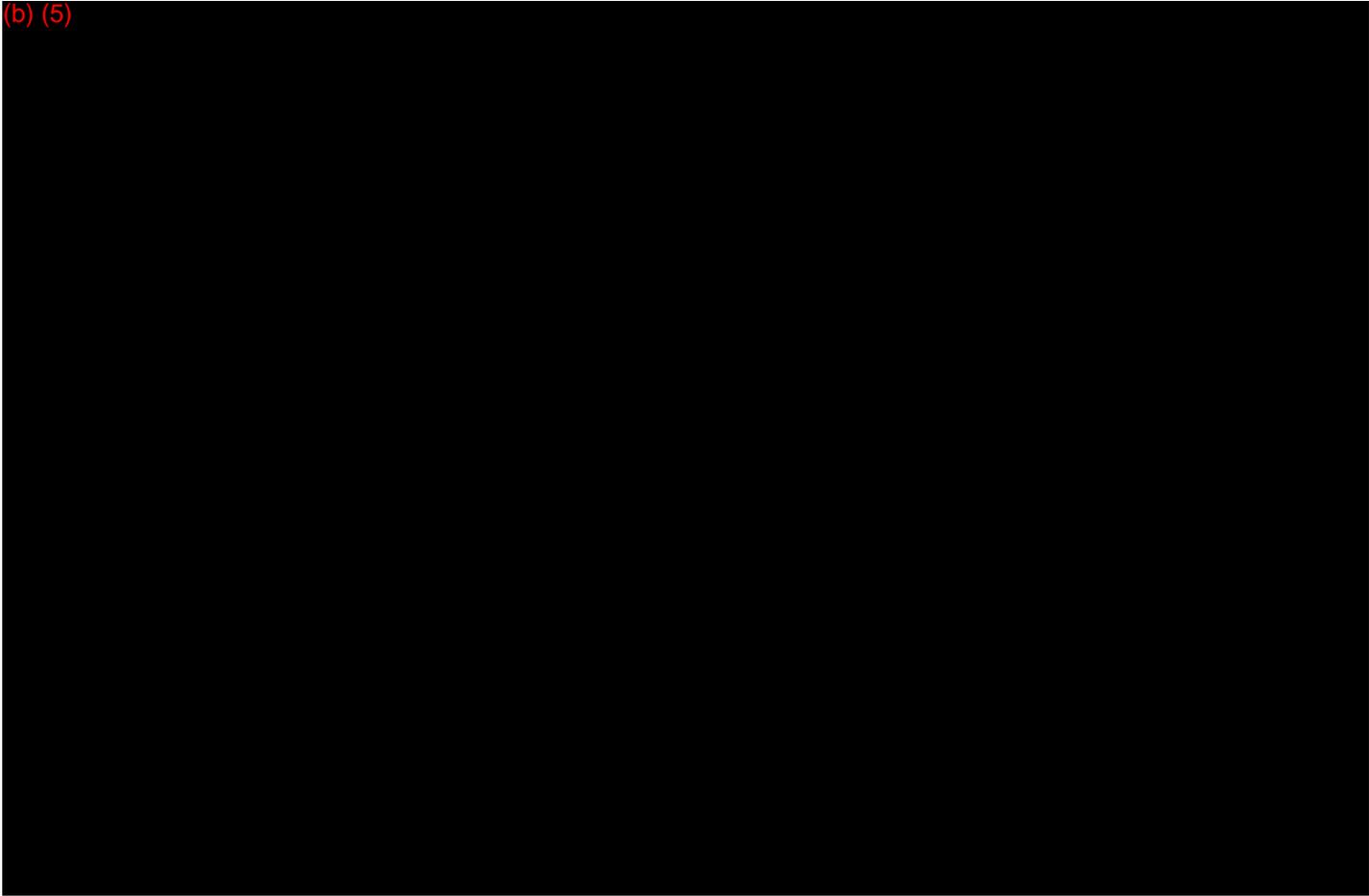
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Informal Recommendation 18: (b) (5)



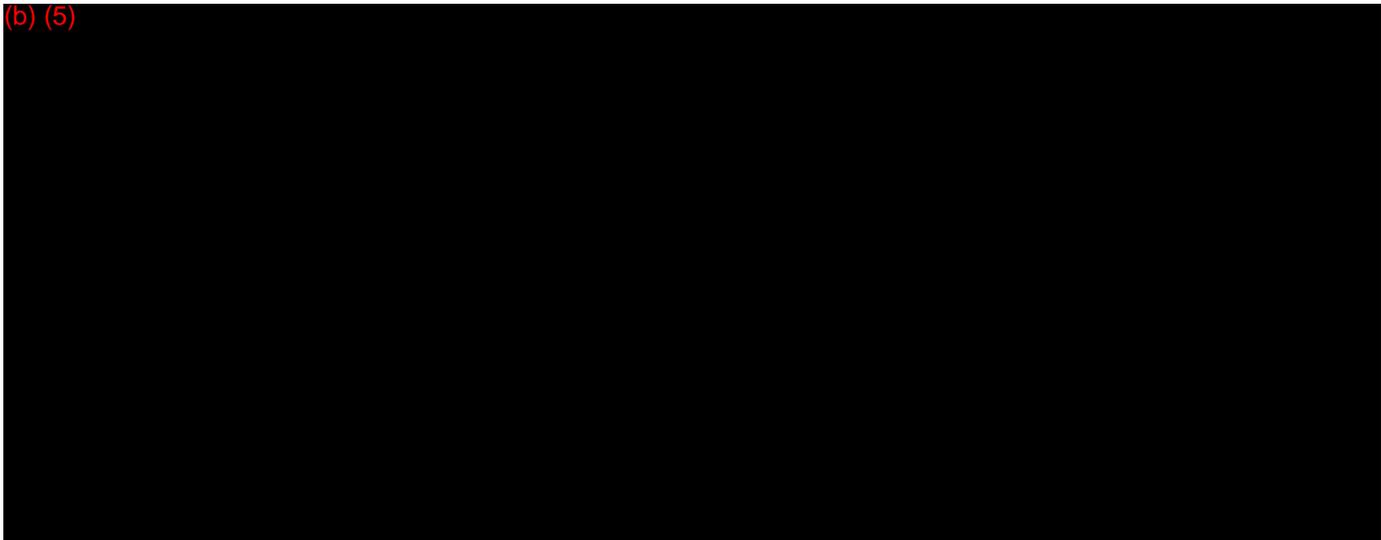
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Informal Recommendation 19: (b) (5)



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Informal Recommendation 20: (b) (5)

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Informal Recommendation 21: (b) (5)

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Informal Recommendation 22: (b) (5)

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Informal Recommendation 23: (b) (5)




Management Controls

The bureau submitted its last annual management controls statement of assurance on September 30, 2010. In the submission, the Assistant Secretary stated that he had “taken the necessary measures to assure that an evaluation of the systems of management controls of NEA was conducted in accordance with 2 FAM 020.” The memorandum also included a report on significant management control deficiencies in posts within the bureau, along with corrective action plans. In addition, the statement identified a significant deficiency at the domestic bureau: a lack of staffing for the HR function, an issue this report also addresses. The related management control weaknesses and other deficiencies in other offices are described below.

Performance Management

Timeliness and completion of Civil Service performance evaluations and work commitments has been an ongoing problem for NEA and SCA. Many Civil Service performance evaluations remained outstanding for the 2009 cycle; NEA had seven outstanding, or 9 percent of the total due. The 2010 cycle, in process during the inspection, showed no signs of improvement. Many Civil Service employees complained about this situation, and the HR service provider confirmed that the bureaus showed little concern for completing this important function. In some cases, supervisors had left the bureaus without completing the evaluations for which they were responsible. The performance evaluation function is important for employee morale and for administering an effective personnel system. The OIG team members urged bureau management to appeal to those responsible to complete this process. According to regulations, each executive office is required to provide the Civil Service Human Resource Management office with a list of delinquent raters, including the name of the delinquent rater and the names of affected employees, no later 90 days after the end of the rating cycle (3 FAH-1 H-2825.4).

Recommendation 43: The Bureau of Near Eastern Affairs should submit to the Bureau of Human Resources a list identifying both delinquent raters and Civil Service employees whose appraisal reports were late or not prepared. (Action: NEA)

Recommendation 44: The Bureau of Near Eastern Affairs should institute and enforce a policy, with sanctions, that supervisors complete required employee appraisal reports prior to leaving their positions with the bureaus. (Action: NEA)

Recruiting Practices

Certain recruitment activities are viewed throughout the domestic HR office as unfair and not transparent. This issue has affected morale in the office. The inspection team found that managers engaged in potentially questionable personnel practices. Specifically, senior managers, selecting officials, and others in NEA and SCA identified individual applicants to domestic HR office specialists and recommended and encouraged their appointment.

Informal Recommendation 24: The Bureau of Near Eastern Affairs should counsel senior managers and the executive director regarding appropriate recruiting practices.

Several employees complained of being put in awkward positions with respect to the bureau's recruitment practices. As a result, many in the domestic HR section are suspicious and observe every employment-related development with a sharp eye, taking their energy and focus away from the bureaus' business. Also, prospective candidates may be discouraged from applying for jobs. Moreover, these practices have had a damaging effect on the domestic HR section's control environment.

Recommendation 45: The Bureau of Near Eastern Affairs should issue a management instruction clarifying the Department's employment policy, with emphasis on allowed practices by managers and selection officials, and on merit system principles. (Action: NEA)

Time and Attendance

The OIG team received complaints of time and attendance abuses from a number of offices in the bureau, the most common being that employees come to work late or leave early without submitting leave documents. This occurrence and other examples of under-reporting leave cause personnel costs to be overstated. In addition, time and attendance abuse creates morale problems for other employees, as they often have to perform extra duties to cover those who are not working the required number of hours.

The bureau uses one of the methods for recording time and attendance prescribed by 4 FAH-3 H-524.2 (1): supervisor or timekeeper observation and recording of employee's hours worked. Timekeepers for NEA prepare time and attendance records by simply entering leave and overtime amounts to programmed, regular 40-hour work schedules, without receiving employee acknowledgements on authenticity. Supervisory approval occurred afterwards, en masse at the office level, but not at the individual employee level. This method is not effective in carrying out the bureau's charges to ensure that leave and attendance records of all employees are maintained in accordance with Department standards, and are recorded and reported in a timely fashion. Those complaining of time and attendance abuse cited this lack of management oversight as the main factor in allowing the condition to persist. Requiring individuals to report their own time and attendance, with supervisory acknowledgement of the veracity of reported hours, will enable the bureau to comply with Department regulations.

Additionally, the bureaus do not require all employees to submit completed time and attendance forms. The OIG team believes that time and attendance management control requires documentation of employees' affirmative declaration on correctness, including the statement: "I certify this to be a true and correct submission of hours worked;" and a signature line for the supervisor. The Department has an electronic form available (DS 4151 – Time and Attendance Sheet 2011) which meets these requirements. It is one option the bureau should consider.

Recommendation 46: The Bureau of Near Eastern Affairs should implement procedures that require the use of a time and attendance form signed by each employee and approved by the employee's supervisor and that require all employees to submit completed forms to a designated timekeeper. (Action: NEA)

Extensions and Performance Management for Temporary Employees

The 3161 Personnel Office does not have a uniform policy for managing requests for extensions and an adequate system of performance management or reference for future employment of 3161 employees. The 2009 OIG inspection report of Embassy Baghdad identified the same issues with respect to ISPO 3161 employees assigned to the mission.¹⁰ The report's recommendations were implemented, but only with regard to employees stationed in Iraq. Without a uniform policy for managing extension requests, the office leaves employees uncertain about their eligibility to extend and confuses supervisors who need to decide whether or not to support a request.

Recommendation 47: The Bureau of Near Eastern Affairs should publish a single policy on managing extension requests for personnel stationed both in and outside Iraq. (Action: NEA)

The 3161 Personnel Office does not have an adequate system of employee performance management or reference for future employment for 3161 employees. Given that the Department may need such employees in the future, the 3161 Personnel Office should maintain files on past 3161 hires, to develop a "rapid reaction" cadre of staff with a proven record of good performance. Currently, the system for vetting such employees is informal, and recommendations for 3161 employees take place by word of mouth, rather than through a more formal system with adequate documentation. The 3161 Personnel Office should review this documentation (which should include a justification for accepting or rejecting each candidate for a 3161 position) prior to sending forward a list of candidates to a potential hiring official. The future supervisor does not need to see the performance file of an applicant with previous 3161 experience, but the 3161 Personnel Office recruiter should review it before forwarding a candidate's name.

Recommendation 48: The Bureau of Near Eastern Affairs should develop a written rating system for employees hired temporarily under 3161 authority and assigned outside Iraq to make possible a vetting system for reemployment. (Action: NEA)

Purchase Card Program

The GSD manages the bureaus' purchase card program. Three employees administer 14 purchase cards. Total FY 2010 purchases amounted to \$438,843. Monthly reconciliations are current. The GSD administrative officer reviews the purchase card program annually, but this review is cursory and lacks depth, and the bureau's purchase card program does not comply with Department standards. Without in-depth reviews, the bureau does not have added assurance that its transactions are free from error or misstatement. In a memorandum dated October 1, 2005, to bureau and post program coordinators, the procurement executive required annual reviews to employ a systematic, documented approach that includes testing transactions for a sufficient, representative sample of purchase cards.

¹⁰ Inspection of Embassy Baghdad, Report Number ISP-I-09-30A, dated July 2009

Recommendation 49: The Bureau of Near Eastern Affairs should perform a purchase card annual review for 2010 transactions in accordance with guidelines established by the Bureau of Administration's Office of the Procurement Executive. (Action: NEA)

List of Formal Recommendations

Recommendation 1: The Bureau of Near Eastern Affairs should develop an annual orientation program and handbook for new personnel, including guidance on procedures and expectations and information about support services. (Action: NEA)

Recommendation 2: The Bureau of Near Eastern Affairs should establish and implement a mentoring program for entry-level officers and employees in personnel categories not already covered by formal counseling and evaluation programs. The program should involve direct engagement of the front office. (Action: NEA)

Recommendation 3: The Bureau of Near Eastern Affairs should eliminate the position of Senior Advisor for Iranian Affairs and reprogram position number D-03530-00 to an office where it can be better used. (Action: NEA)

Recommendation 4: The Bureau of Human Resources, in coordination with the Bureau of Near Eastern Affairs, should establish standard operating procedures for reintegrating into the Department the Foreign Service officers returning from duty with the Multinational Force and Observers and include in the work requirements of a designated officer the responsibility to address the reintegration challenges facing these individuals. (Action: DGHR, in coordination with NEA)

Recommendation 5: The Bureau of Human Resources, in coordination with the Bureau of Near Eastern Affairs and the Bureau of Diplomatic Security, should establish standard operating procedures that prevent security clearances being terminated upon resignation of Department personnel seconded to the Multinational Force and Observers. (Action: DGHR, in coordination with NEA and DS)

Recommendation 6: The Bureau of Near Eastern Affairs, in coordination with the Bureau of Legislative Affairs, should develop and implement standard operating procedures for dealing with requests from the Congress. These procedures should include routinely notifying the Bureau of Legislative Affairs staff and others within the Department, as appropriate. (Action: NEA, in coordination with H)

Recommendation 7: The Bureau of Near Eastern Affairs, in coordination with the Office of Policy, Planning and Resources for Public Diplomacy and Public Affairs, should rewrite the work requirements and position descriptions to clearly delineate the authority, duties, and responsibilities of the deputy assistant secretary for Public Diplomacy and Strategic Communications and the director of the Office of Press and Public Diplomacy in relation to each other. (Action: NEA, in coordination with R/PPR)

Recommendation 8: The Bureau of Near Eastern Affairs should develop a transition plan for Iraq public diplomacy to give oversight responsibility to a career public diplomacy professional. (Action: NEA)

Recommendation 9: The Bureau of Near Eastern Affairs should integrate public diplomacy more widely throughout its Bureau Strategic and Resource Plan and incorporate the concepts from the Public Diplomacy Strategic Framework. (Action: NEA)

Recommendation 10: The Bureau of Near Eastern Affairs, in coordination with the Bureau of Public Affairs, the Office of International Information Programs, and the Office of Policy, Planning and Resources for Public Diplomacy and Public Affairs, should develop a memorandum of understanding outlining the conditions under which the Bureau of Near Eastern Affairs will carry out blogging, in order to avoid duplication and to ensure policy and message coordination. (Action: NEA in coordination with PA, IIP, and R/PPR)

Recommendation 11: The Bureau of Near Eastern Affairs, in coordination with the Bureau of Public Affairs and the Office of International Information Programs, should come to a common policy regarding when clearances are and are not needed for social media messages. (NEA, in coordination with PA and IIP)

Recommendation 12: The Bureau of Near Eastern Affairs should find cost-effective means to translate into Arabic portions of the Web site and informational materials of its Office of Middle East Partnership Initiative. (Action: NEA)

Recommendation 13: The Bureau of Near Eastern Affairs, in coordination with the Bureau of Educational Affairs, should implement procedures to routinely distribute brochures and informational material about the State Alumni Web site to Middle East Partnership Initiative exchange participants while they are in the United States and to furnish lists of Middle East Partnership Initiative exchange participants to the Bureau of Educational and Cultural Affairs. (Action: NEA, in coordination with ECA)

Recommendation 14: The Bureau of Near Eastern Affairs should rewrite the position description of the grants management division chief; conduct a desk audit to determine whether the position has the correct skill code and grade level, given its range of management responsibilities; and reclassify and regrade the position, if warranted. (Action: NEA)

Recommendation 15: The Bureau of Near Eastern Affairs should consult with the Office of the Procurement Executive to confirm that the Middle East Partnership Initiative grant templates and documents accord with Department-wide grants policies and literature. (Action: NEA)

Recommendation 16: The Bureau of Near Eastern Affairs should review its overall staffing complement in order to identify and assign to the Office of Arabian Peninsula Affairs a second full-time equivalent position for the Yemen desk. (Action: NEA)

Recommendation 17: The Bureau of Near Eastern Affairs should streamline the management organization of the Office of Iraq Affairs in order to improve efficiency and communication. (Action: NEA)

Recommendation 18: The Bureau of Near Eastern Affairs should implement flexible schedules to reduce overtime expenses in the Office of Iraq Affairs. (Action: NEA)

Recommendation 19: The Bureau of Near Eastern Affairs should review the portfolios in the Office of Iraq Affairs in order to revise and reassign staff within the office, so that work is more evenly distributed. (Action: NEA)

Recommendation 20: The Bureau of Near Eastern Affairs should eliminate the assembly and dissemination of daily media and cable summaries by the Iraq Policy and Operations Group of the Office of Iraq Affairs. (Action: NEA)

Recommendation 21: The Bureau of Near Eastern Affairs should require the Iraq Policy and Operations Group analysts to conduct guidance and coaching on the definition of State Messaging and Archive Retrieval Toolset cable profiles for its employees. (Action: NEA)

Recommendation 22: The Bureau of Near Eastern Affairs should assign the Iraq Policy and Operations Group analysts to sector-specific supervisors in the Office of Iraq Affairs, where they can contribute more efficiently to office operations. (Action: NEA)

Recommendation 23: The Iraq Transition Coordinator, in coordination with the Bureau of Near Eastern Affairs and the Under Secretary for Management, should convene an offsite retreat in 2011, at the director level and above, with representatives of relevant bureaus and agencies, to examine, report on, and memorialize in writing the lessons learned in the military-to-civilian transition in Iraq. (Action: S/ITC, in coordination with NEA and M)

Recommendation 24: The Bureau of Near Eastern Affairs should transmit a closeout cable in 2011 that summarizes the lessons learned about the operations of the provincial reconstruction teams and their stabilization efforts. (Action: NEA)

Recommendation 25: The Bureau of Near Eastern Affairs should transmit to all posts, in 2011 and annually thereafter, a cable that reports on the status of the best practices working group. The cable should identify the range of activities reported to the group, including data collection, analysis and validation, and dissemination. The cable also should identify the numerous U.S. public and private entities engaged in gathering lessons learned in Iraq, and provide Web links and points of contact in order to encourage contributions from the foreign affairs community. (Action: NEA)

Recommendation 26: The Bureau of Near Eastern Affairs should implement procedures to archive the lessons learned materials held in the Iraq office files on an annual basis, according to Department records management standards and employing the Traffic Analysis by Geography and Subject labeling system. (Action: NEA)

Recommendation 27: The Bureau of Near Eastern Affairs should establish standard operating procedures in the grants unit of the Office of Iraq Affairs in order to capture accurate information and strengthen management of assistance programs in Iraq. (Action: NEA)

Recommendation 28: The Bureau of Near Eastern Affairs should budget and plan for one of its grants officers in the Office of Iraq Affairs to conduct twice-yearly grants officer

representative training for officers at Embassy Baghdad and constituent posts who have assistance oversight responsibilities. (Action: NEA)

Recommendation 29: The Bureau of Near Eastern Affairs should designate, train, and appropriately certify a U.S. direct-hire employee to backfill for the warranted grants officer, as needed, in the Office of Iraq Affairs. (Action: NEA)

Recommendation 30: The Bureau of Near Eastern Affairs should issue guidance on the types of email and other correspondence that staff should archive in the State Messaging and Archive Retrieval Toolset system. (Action: NEA)

Recommendation 31: The Bureau of Near Eastern Affairs should issue a bureau memorandum notice explaining that all Department employees are required to establish, maintain, and annually retire official records, including email messages that meet the definition of records as specified in Department guidance. It should also develop and implement a monitoring system to verify that bureau offices are in compliance. (Action: NEA)

Recommendation 32: The Bureau of Human Resources should assess the domestic human resources services for the Bureau of Near Eastern Affairs and give the bureau recommendations for its future services. (Action: DGHR)

Recommendation 33: The Bureau of Near Eastern Affairs, in coordination with the Bureau of South and Central Affairs, the Bureau of Human Resources, and the Foreign Service Institute, should evaluate domestic human resources delivery options, select a human resources service provider, and sign a relevant service-level agreement with measurable service standards for all categories of service. (Action: NEA, in coordination with SCA, DGHR, and FSI)

Recommendation 34: The Bureau of Near Eastern Affairs, in coordination with the Foreign Service Institute and the Bureau of Human Resources, should negotiate a service-level agreement, including customer service standards, with the chosen domestic human resources service provider. (Action: NEA, in coordination with FSI and DGHR)

Recommendation 35: The Bureau of Near Eastern Affairs, in coordination with the Bureau of Resource Management, should determine the best reports to run and modify to obtain an overview of the status of its funds; train relevant financial management staff to run these reports; and then run, analyze, and act upon status-of-funds reports at both the appropriation and allotment levels quarterly. (Action: NEA, in coordination with RM)

Recommendation 36: The Bureau of Near Eastern Affairs should reconstruct and determine the status of its Iraq Economic Support Fund appropriation from FY 2006-07. (Action: NEA)

Recommendation 37: The Bureau of Near Eastern Affairs should develop a policy that outlines where all obligating documents will be maintained, and how they will be maintained, including the specification that obligating documentation should include the name and office of appropriate points of contact. (Action: NEA)

Recommendation 38: The Bureau of Resource Management, in coordination with the Bureau of Near Eastern Affairs, should review the circumstances under which the Bureau of Near Eastern Affairs has used Military Interdepartmental Purchase Requests to obtain Department of Defense services and either reissue guidance on the use of Military Interdepartmental Purchase Requests or take steps to correct obligating documents. (Action: RM, in coordination with NEA)

Recommendation 39: The Bureau of Near Eastern Affairs, in coordination with the Bureau of Resource Management, should identify all travel advances in both Global Financial Management System and E2 Solutions system that have been open for more than 30 days, query the individuals, and seek reimbursement, if necessary. (Action: NEA, in coordination with RM)

Recommendation 40: The Bureau of Near Eastern Affairs, in coordination with the Office of the Under Secretary for Management, should work with the bureau's overseas missions to develop a secure digital videoconference deployment plan. (Action: NEA, in coordination with M/PRI)

Recommendation 41: (b) (5)

Recommendation 42: (b) (5)

Recommendation 43: The Bureau of Near Eastern Affairs should submit to the Bureau of Human Resources a list identifying both delinquent raters and Civil Service employees whose appraisal reports were late or not prepared. (Action: NEA)

Recommendation 44: The Bureau of Near Eastern Affairs should institute and enforce a policy, with sanctions, that supervisors complete required employee appraisal reports prior to leaving their positions with the bureaus. (Action: NEA)

Recommendation 45: The Bureau of Near Eastern Affairs should issue a management instruction clarifying the Department's employment policy, with emphasis on allowed practices by managers and selection officials, and on merit system principles. (Action: NEA)

Recommendation 46: The Bureau of Near Eastern Affairs should implement procedures that require the use of a time and attendance form signed by each employee and approved by the employee's supervisor and that require all employees to submit completed forms to a designated timekeeper. (Action: NEA)

Recommendation 47: The Bureau of Near Eastern Affairs should publish a single policy on managing extension requests for personnel stationed both in and outside Iraq. (Action: NEA)

Recommendation 48: The Bureau of Near Eastern Affairs should develop a written rating system for employees hired temporarily under 3161 authority and assigned outside Iraq to make possible a vetting system for reemployment. (Action: NEA)

Recommendation 49: The Bureau of Near Eastern Affairs should perform a purchase card annual review for 2010 transactions in accordance with guidelines established by the Bureau of Administration's Office of the Procurement Executive. (Action: NEA)

List of 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.

Informal Recommendation 1: The Bureau of Near Eastern Affairs should periodically use one of its weekly staff meetings or other gatherings with office directors as a forum for senior staff to discuss professional development, both for themselves as supervisors and their subordinates.

Informal Recommendation 2: The Bureau of Near Eastern Affairs should prepare, sign, and submit work requirement statements for all front office employees.

Informal Recommendation 3: The Bureau of Near Eastern Affairs should establish a bureau-wide calendar of events, visitors, and programs.

Informal Recommendation 4: The Bureau of Near Eastern Affairs should require the deputy assistant secretary for Public Diplomacy and Strategic Communications and the director of the Office of Public Diplomacy to travel to the region in the very near future, to familiarize themselves with the public diplomacy programs and challenges in the field.

Informal Recommendation 5: The Bureau of Near Eastern Affairs should encourage the deputy assistant secretary for Public Diplomacy and Strategic Communications and the director of the Office of Press and Public Diplomacy to have more informal, in-depth contact with the staff, through monthly brown-bag lunches at Navy Hill and other gatherings, such as an all-staff meeting off site.

Informal Recommendation 6: The Bureau of Near Eastern Affairs should include the Office of Press and Public Diplomacy's deputy director for public diplomacy on the press office distribution list, to improve information sharing between the two elements of the office.

Informal Recommendation 7: The Bureau of Near Eastern Affairs should work out an understanding between the Middle East Partnership Initiative's public outreach unit and the bureau's press office, regarding procedures for handling journalist interviews about the Middle East Partnership Initiative, factoring in issues like timing and sensitivity.

Informal Recommendation 8: The Bureau of Near Eastern Affairs should require the senior grants official in the office of the Middle East Partnership Initiative to take Department-specific grants training.

Informal Recommendation 9: The Bureau of Near Eastern Affairs should review the purpose of the weekly staff meeting in the Office of Iraq Affairs and widely communicate the substance of the meetings in the office.

Informal Recommendation 10: The Bureau of Near Eastern Affairs should require that each departing employee complete and return to the Executive Office a comprehensive departing employee checklist.

Informal Recommendation 11: The Bureau of Near Eastern Affairs should develop and post on its SharePoint site, standard operating procedures and document templates related to the actions required in the event of evacuation from an overseas mission.

Informal Recommendation 12: The Bureau of Near Eastern Affairs should require regional deputy executive directors to meet quarterly with Office of Civil Rights representatives to develop case strategies.

Informal Recommendation 13: The Bureau of Near Eastern Affairs should require its relevant financial management staff to collaborate on the best report format for reviewing the status of its funds at a macro level.

Informal Recommendation 14: The Bureau of Near Eastern Affairs should develop a list of needed reports, determine which reports each analyst uses, look at the modifications to each of these reports, provide training to the staff, and, if necessary, contact the Bureau of Resource Management for assistance.

Informal Recommendation 15: The Bureau of Near Eastern Affairs should assign select travel responsibilities to the other analysts in the travel unit and cross-train them on the duties of the contractor responsible for travel.

Informal Recommendation 16: The Bureau of Near Eastern Affairs should enforce use of the government-authorized charge card.

Informal Recommendation 17: The Bureau of Near Eastern Affairs should direct the Executive Office to meet weekly with Bureau of Information Resource Management and the Bureau of Administration Facilities Maintenance Services counterparts to address customer issues.

Informal Recommendation 18: (b) (5) [REDACTED]

Informal Recommendation 19: (b) (5) [REDACTED]

Informal Recommendation 20: (b) (5) [REDACTED]

Informal Recommendation 21: (b) (5) [Redacted]

Informal Recommendation 22: (b) (5) [Redacted]

Informal Recommendation 23: (b) (5) [Redacted]

Informal Recommendation 24: The Bureau of Near Eastern Affairs should counsel senior managers and the executive director regarding appropriate recruiting practices.

Principal Officials

	<i>Name</i>	<i>Arrival Date</i> (Month/Year)
<i>Front Office:</i>		
Assistant Secretary	Jeffrey D. Feltman	08/2009
Principal Deputy Assistant Secretary	Ronald Schlicher	07/2010
Deputy Assistant Secretary	Jacob Walles	06/2010
Deputy Assistant Secretary	Janet Sanderson	07/2009
Deputy Assistant Secretary	Greta Holtz	06/2010
Deputy Assistant Secretary	Philo Dibble	08/2010
Deputy Assistant Secretary	Tamara Wittes	11/2009
Deputy Assistant Secretary	Michael Corbin	07/2009
<i>Office Directors:</i>		
Israel Palestinian Affairs	Paul Sutphin	08/2010
Egypt and Levant Affairs	Nicole Champagne	07/2008
Arabian Peninsula Affairs	Steven Bondy	05/2009
Maghreb Affairs	William Roebuck	09/2010
Regional Affairs	Raymond Maxwell	09/2009
Press and Public Diplomacy	Philip Frayne	09/2010
Iranian Affairs	Henry Wooster	10/2010
Partnership Initiative	Karen Volker	08/2010
Iraq Affairs	John Desrocher	09/2010
Executive Office	Jay Anania	08/2009

Abbreviations

3161	Excepted Civil Service hired under U.S. Code Title 5, Section 3161
AIP	Afghanistan, Iraq, and Pakistan
BBG	Broadcasting Board of Governors
BSO	Bureau security officer
COAST	Consolidated Overseas Accountability Support Toolbox
DAS	Deputy assistant secretary
D&CP	Diplomatic and Consular Programs
Department	U.S. Department of State
DOD	Department of Defense
DS	Bureau of Diplomatic Security
EX	Executive Office of the Bureau of Near Eastern Affairs and the Bureau of South and Central Asian Affairs
FAH	<i>Foreign Affairs Handbook</i>
FAM	<i>Foreign Affairs Manual</i>
FSI	Foreign Service Institute
FSI/HR	Foreign Service Institute, Human Resources
GFMS	Global Financial Management System
GSD	General Services Division
HR	Human resources
IPOG	Iraq Policy and Operations Group
IRM	Bureau of Information Resource Management
ISPO	Iraq Strategic Partnership office
IT	Information technology
MIPR	Military Interdepartmental Purchase Request
MEPI	Middle East Partnership Initiative
NEA	Bureau of Near Eastern Affairs
NEA/PPD	Bureau of Near Eastern Affairs, Office of Press and Public Diplomacy
ODS	Office of Domestic Services
OIG	Office of Inspector General
OIP	Orientation and In-Processing Division
PASO	Pakistan and Afghanistan support office
PMO	Post management officer
RFMS	Regional Financial Management System
RM	Bureau of Resource Management
SCA	Bureau of South and Central Asian Affairs
SMART	State Messaging and Archive Retrieval Toolset
S/SEMEP	Office of the Special Envoy to the Middle East Peace Process
S/SRAP	Office of the Special Representative to Afghanistan and Pakistan
TSCO	Top Secret control officer
USO	Unit security officer

Appendix A: Summary of Foreign Assistance Funding Allocation

(\$ in thousands)

<u>FY 2010 State and U.S. Agency for International Development-Controlled Foreign Assistance Resources for the NEA Region</u> (in thousands) ¹¹	<u>Iraq Portion</u>	<u>Other</u>	<u>Total</u>
Foreign Military Financing		4,542,498	4,542,498
Economic Support Funds	382,500	1,243,400	1,625,900
International Narcotics Control and Law Enforcement	569,440	126,250	695,690
Nonproliferation, Antiterrorism, Demining and Related Programs	30,300	54,635	84,935
Peacekeeping Operations		26,000	26,000
Global Health and Child Survival		8,000	8,000
Development Assistance		64,935	64,935
International Military Education and Training	2,000	16,593	18,593
Total	\$984,240	\$6,082,311	\$7,066,551

¹¹The numbers are taken from NEA's FY 2012 Bureau Strategic and Resource Plan. They do not include other U.S. Government or agency assistance to the region such as DOD-funded programs.

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