



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

**Office of Inspections**

**Inspection of  
Embassy Seoul, Republic of Korea**

**Report Number ISP-I-11-55A, August 2011**

**Office of Inspector General**

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## **PURPOSE, SCOPE, AND METHODOLOGY OF THE INSPECTION**

This inspection was conducted in accordance with the Quality Standards for Inspection and Evaluation, as issued in 2011 by the Council of Inspectors General on Integrity and Efficiency, and the Inspector's Handbook, as issued by the Office of Inspector General (OIG) 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.



United States Department of State  
and the Broadcasting Board of Governors

*Office of Inspector General*

## PREFACE

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

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

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

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

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

Harold W. Geisel  
Deputy Inspector General

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## Key Judgments

- The Ambassador provides strong leadership of Mission Seoul and is centrally engaged in promoting a mature relationship with South Korea, in pursuit of stability and denuclearization of the Korean peninsula; completing the Korea–U.S. Free Trade Agreement and coordinating U.S.–South Korean efforts to address global challenges. The Ambassador and deputy chief of mission (DCM) operate in close partnership, delegate responsibilities well within the mission, and receive strong support from political, economic, and other sections and agencies in the mission.
- The embassy in 2011 concluded an agreement with the Government of South Korea to acquire land for a new embassy compound to replace the insecure and obsolete chancery. The Department must move swiftly to accelerate planning and construction of a new embassy compound, which currently is not scheduled until 2023.
- The planned departure of the U.S. Forces Korea (USFK) from the U.S. Army Garrison at Yongsan in central Seoul in 2016 requires an urgent study of options to replace the current housing compound on the garrison, since utilities and other support will disappear at that time. Replacing compound housing with leased housing on the South Korean market likely would cost more than an additional \$100 million over 7 years. The new embassy site has space for a housing compound, but the Department must decide soon on whether embassy housing will be constructed on the site.
- Long-term U.S. interests in the Korean peninsula require a corps of Korean speaking officers who are trained and prepared to serve multiple tours of duty in Korea. Developing such a cadre of officers demands a deliberate and sustained approach to training and assignments, which should include offering and measuring incentives.
- The Ambassador is the focal point of well managed, wide ranging public diplomacy activities. The challenge is to identify which programs and audiences to target in order to gain public support for the United States and its policies and build a reservoir of public support for good U.S.–South Korean relations for the years ahead.
- The consular section in Seoul is an efficient, productive operation that provides a full range of consular services in a customer oriented fashion. The section still is absorbing the many changes stemming from South Korea’s accession to the visa waiver program.
- The high quality reporting, analysis, and advocacy of the political and economic sections are valuable contributions to U.S. deliberations and planning on strategic, political, economic, and commercial issues.
- The well run management section provides high quality customer service, but cost savings of over \$250,000 are achievable in several programs, including vouchering and motor pool operations.

The inspection took place in Washington, DC, between April 11 and 29, 2011; in Seoul, Republic of Korea, between May 1 and 26, 2011; and in Busan, Republic of Korea, between May 12 and 13, 2011. (b) (6)



## Context

In the nearly 60 years since the armistice with the Democratic People's Republic of Korea (North Korea), the Republic of Korea (South Korea) has transformed itself into a high technology economy ranked 15<sup>th</sup> globally and a self confident actor in international affairs. South Korea serves as an active member of the Group of Twenty Finance Ministers and Central Bank Governors (G-20) on global issues from counterterrorism to climate change. It is a major exporter, foreign investor, and assistance donor. It has enjoyed healthy economic growth rates in recent years, navigating deftly the 2008 economic crisis. South Koreans enjoy a high standard of living, and 80 percent of the population of 48 million resides in urban areas. Political change has been dramatic. After a succession of authoritarian rulers, a healthy democracy has emerged progressively from the late 1980s. South Korea has a constitutional requirement that no president can serve more than one 5-year term.

Bolstered by a warm rapport between President Obama and South Korea's President Lee Myung-bak and the popularity of the first Korean speaking U.S. Ambassador, the bilateral relationship is historically strong. The close official relationship is mirrored in polling that shows 78 percent of South Koreans view the United States favorably. Popular support for the continued presence of U.S. military forces on the southern peninsula is also at an all time high.

The bilateral trade relationship is relatively balanced. U.S. exporters should gain large market opportunities upon ratification by both legislatures of the long sought Korea-U.S. Free Trade Agreement, projected for summer 2011. People-to-people ties have been enhanced by the admission of South Korea into the visa waiver program in FY 2009. On a per capita basis, South Korea sends more students to the United States than any other country, and the total number of South Korean students in the United States ranks third, behind only China and India.

The U.S.-South Korean security alliance is solid and effective. Cooperation is close in pursuit of North Korean denuclearization and permanent peace on the Korean peninsula. The USFK coordinates with the South Korean military in a Combined Forces Command. Steps are underway to transfer more operational command to South Korea. The USFK is undertaking a "Normalization 2015" program to increase tours of duty from 1 year to 3 years, and to allow dependents to accompany the service member. Doing so will considerably expand the overall U.S. military population in South Korea and increase demand for embassy services to American citizens.

These bilateral adjustments in the alliance posture involve base relocations that will move most U.S. troops from the northern border to south of Seoul. They also involve land exchanges in which the South Korean Government has sought to move U.S. facilities from the center of the capital. Adjustments in the U.S. military posture also affect the land exchanges. The embassy in 2011 concluded acquisition negotiations for land for a new chancery. Plans are underway for the relocation as soon as 2015 of embassy housing to the new location, from a compound on the United States Army Garrison at Yongsan (Yongsan Garrison).

The large embassy and one-officer American presence post (APP) in Busan engage with South Koreans across the full range of diplomatic and consular programs. Embassy Seoul also took on a first responder role in dealing with crises, most recently in Egypt, Libya, and Japan.

For more distant crises, it mobilized electronically, responding to a large number of emails requesting consular assistance. More recently, the embassy dispatched Japanese speaking and other consular officers to assist within 48 hours of the earthquake and tsunami in Japan.

The Chief of Mission (COM), a celebrity to South Koreans, cautions that the mature, resilient bilateral relationship still faces potential challenges regarding policy toward North Korea, trade frictions, or unforeseen incidents involving U.S. service members in Korea. In addition, the U.S. role in South Korea could become an issue for partisan politics in the South Korean 2012 parliamentary and presidential elections.

## **Executive Direction**

### **Policy Direction and Coordination**

U.S. strategic interests in the Korean peninsula are enormous, due to the risks of a nuclear armed and aggressive North Korea and the 60-year-old U.S. security alliance with South Korea. President Obama's two visits to South Korea in 2009 and 2010 demonstrate the depth and strength of U.S. interests in South Korea. The embassy has set forth clear policy goals in its Mission Strategic and Resource Plan (MSRP), beginning with the importance of working closely with the South Korean Government to achieve denuclearization and a permanent peace on the Korean peninsula. In recognition of South Korea's growing economic strength and global interests, the embassy's MSRP also emphasizes the importance of ratifying and implementing the recently signed Korea-U.S. Free Trade Agreement and finding areas of cooperation in global economic policy, international stabilization and development missions, sanctions implementation, and antipiracy efforts. Public affairs activities are integrated into the MSRP.

The Ambassador and DCM provide clear policy guidance and direction to all elements of the country team and ensure appropriate coordination of U.S. actions and agencies in South Korea. They maintain very close contact with policymakers in Washington through telegrams, email, and telephone calls, in addition to the frequent visits to South Korea by U.S. policymakers and members of Congress and the Ambassador's occasional visits to Washington. The Ambassador keeps well informed on the state of U.S. policy deliberations. Policymakers in the Department, the National Security Council, and the Department of Defense indicated that the Ambassador's views are actively sought and highly respected for their valuable contribution to decision making.

The Ambassador and DCM lead an important and effective effort to ensure seamless coordination with the USFK on a broad range of policy and operational issues. The USFK, a military command of 28,900 American troops led by a four-star general, is headquartered in Seoul. The Ambassador and USFK Commanding General communicate almost daily, meet for one-on-one breakfasts every several weeks, and see each other frequently while attending representational events. The Commanding General respects the Ambassador and expressed satisfaction in the embassy's and the USFK's ability to take unified positions and coordinate effectively. The inspectors saw evidence of that close coordination and cooperation on numerous occasions in the course of the inspection, for example on a USFK noncombatant evacuation exercise.

The DCM shares in the responsibility for USFK-embassy coordination by participating in regular meetings covering a broad range of issues, including the repositioning of U.S. military forces in South Korea, emergency planning, and the provision of consular services at U.S. military facilities. The Ambassador and the USFK Commanding General also closely coordinate preparations for and participation in the visits of U.S. Cabinet and senior military leaders. The Ambassador's and DCM's commitment to remaining close to and coordinating with the USFK also helps to ensure that other sections of the embassy – including the political, management, consular, public diplomacy, and regional security offices – coordinate closely with the USFK on issues of mutual interest.

The Ambassador has contributed substantially to the embassy's efforts to build a stronger and more balanced relationship with South Korea. She meets regularly with key South Korean Government officials, including the national security advisor and his senior staff, the foreign minister, and other cabinet ministers. She has access to the Korean President during the frequent visits by U.S. executive branch and congressional officials, as well as on other embassy business and social occasions. She often includes other embassy officers in her meetings and promptly sends meeting results to key stakeholders in Seoul and in Washington. The DCM also has access to senior officials, including sub-cabinet officials, and maintains those contacts despite his heavy workload within the embassy. The Ambassador and DCM also maintain contact with a wide range of economic, business, and political figures and encourage the political, economic, and other embassy sections to do the same.

The Ambassador and DCM advance U.S. economic and trade interests in South Korea in their frequent contacts with key South Korean Government and business leaders. They also advocate at high levels and in public on behalf of the Korea-U.S. Free Trade Agreement, improved access for U.S. beef to the South Korean market, and improved South Korean protection of intellectual property rights.

The Ambassador maintains an extremely active public diplomacy schedule of frequent press interviews and speeches. She also travels broadly throughout the country to meet with local citizens and talk with local media. She maintains a blog and has published a very popular account of her Peace Corps experience in South Korea. The Ambassador's ability to speak and understand Korean is a great asset in reaching out to the South Korean public. The DCM also makes frequent public appearances and remarks. Following the Ambassador's lead, the embassy gives high priority to public diplomacy to take advantage of the current excellent status of U.S.-South Korean relations, to build a strong network of lasting relationships with influential South Koreans and South Korean institutions, and to deepen public understanding of the United States as South Korea heads into an unpredictable campaign year.

### ***Internal Management***

The Ambassador and DCM function as a team and talk or share email frequently each day; all elements of the embassy indicated that informing either one means that both are informed. As in many embassies, the DCM has principal responsibility for oversight of the embassy's management. He keeps the Ambassador informed on significant issues, and the two hold social events to help maintain the morale of embassy staff and family members.

The Ambassador and DCM provide strong support to embassy security programs, and the DCM meets at least weekly with the regional security officer to coordinate on security issues and programs.

The Ambassador and DCM also support the consular section's initiatives to bring consular services to the USFK troops stationed at Yongsan Garrison and in the city of Busan.

### ***National Security Decision Directive-38***

The Ambassador and DCM ensure appropriate oversight and coordination with the 16 executive branch agencies under chief of mission authority, through regular country team

meetings; political, economic, and security cluster meetings; and the frequent, informal meetings facilitated by their open door policies. Given the Ambassador's heavy outside schedule, the DCM makes himself easily available for discussions of urgent matters. The COM exercised appropriate authority in 2010 over the failure of the Department of Homeland Security to seek or secure National Security Decision Directive-38 authority to maintain a permanent presence in the embassy for one Department of Homeland Security element, which had been established earlier on a temporary basis. The COM made clear that the embassy was open to considering such a request.

### ***Entry-Level Professionals***

The embassy maintains an active entry-level professional program, coordinated by the public affairs officer under the direction of the DCM. The executive office participates in the program by assigning entry-level officers as staff assistants, giving entry-level professionals duties during high level visits, and periodically hosting lunches with the DCM for entry-level professionals. However, not all of the 33 entry-level professionals were being afforded the opportunity to participate in career development programs, because in some cases such opportunities were being filtered through their direct supervisors. The OIG inspectors urged the embassy's entry-level professionals to take ownership of the entry-level program by identifying which opportunities and events would be most beneficial to them and providing their list to the DCM, and by formulating program suggestions to address the needs of both officers and specialists.

***Informal Recommendation 1:*** Embassy Seoul should direct all embassy sections and offices to give all entry-level professionals the opportunity to participate in a range of career development opportunities as often as possible, consonant with their job responsibilities.

## **Policy and Program Implementation**

### **Reporting, Analysis, and Advocacy**

The mission is productive and proactive throughout South Korea in advancing U.S. interests. Washington users praise the mission for its well sourced reporting and insightful analysis. The mission's good volume of cables are broadly distributed to U.S. officials and appropriately supplemented by email and telephone discussions of fast-breaking issues. In 2011, the mission's cable reports on meetings began including biographic data on potential candidates and other influential individuals in the run-up to 2012 South Korean legislative and presidential elections. Using its excellent range of contacts in the capital and in the regions, the economic and political sections (and other mission sections) can sustain the practice of biographic reporting beyond 2012.

The mission conducts efficient programming for a large volume of official visitors, including annual presidential and regular cabinet level visits. It also helps prepare offices in the United States for reciprocal visits of South Korean officials. While satisfying mandated Department requirements and handling the visitor related workload, the political and economic staff provides ample reporting on local developments. Even in 2010, when North Korean provocations necessitated extensive U.S.–South Korean alliance consultations involving the entire mission, the political and economic sections maintained a steady pace of reporting. Led by the COM, the political and economic sections submit analyses on useful topics. One example that drew kudos from U.S. senators concerned the implications of South Korea's aging population on the South Korean Government budget and the consequent public spending choices.

With the exception of the political-military unit, embassy staffing levels are generally appropriate, although staff is regularly called upon to work long hours. American and locally employed (LE) staff confer daily and participate jointly in meetings with their South Korean counterparts. The mission obtained two new economic officer positions in FY 2010. In FY 2012, it will gain a new LE economic specialist position and a professional associate position, in anticipation of a burgeoning work volume associated with implementing the bilateral free trade agreement. The mission has been resourceful in recruiting fellows and interns and arranging bridge assignments to meet workload surges and cover unexpected vacancies. For instance, the economic section recruited temporary staff from domestic bureaus when South Korea hosted the November 2010 G-20 summit. Anticipating needs for the March 2012 Global Nuclear Summit, which South Korea will host, the political section communicated early with two bureaus, in order to start planning for temporary duty assignments.

### ***Political Section***

The political counselor exercises strong leadership. His staff and others in the mission praise his sharing of knowledge and his guidance on tradecraft and career development. Morale in the section is good. In setting and adjusting priorities, the counselor makes sure that the understandably dominant security topics do not crowd out other subjects, such as labor affairs or human trafficking. The United States and South Korea cooperate both regionally and multilaterally to prevent and prosecute human trafficking. In recent years, South Korea has amended its legislation and increased funding to increase prosecutions and provide services to victims.

The counselor and his team are comfortable expressing divergent or dissenting views on developments in South Korea, both within the section and with the Ambassador and DCM. Political officers are organized into three units, for external, internal, and political-military affairs. The three unit structure allows for deeper, subject level expertise among staff, yet it does not impede frequent sharing of information and collaboration on work products. The section works collegially with other mission elements. As an example, political and consular staff, along with South Korean officials in the executive and legislative branches of government, jointly promote South Korean accession to the Hague Convention on the Civil Aspects of International Child Abduction.

The mission has complex interaction with three special envoys who deal with policy toward North Korea, as well as with the special advisor for sanctions and nuclear nonproliferation. The interaction is well handled, so that policy deliberations avoid confusion and U.S. positions are clearly communicated to both foreign partners and the South Korean public.

A political officer oversees a grant of \$98,000 to a South Korean nongovernmental organization that conducts training for locally resettled North Korean women. Although documentation of the grant's progress is correctly maintained, the political officer would benefit from grants training to ensure proper usage of U.S. funds over the course of the grant. For instance, the Foreign Service Institute offers the distance learning course (PP-223), Managing Foreign Assistance Awards Overseas.

***Informal Recommendation 2:*** Embassy Seoul should direct the political officer assigned oversight of a grant on vocational and entrepreneurial training to complete grants training online.

### ***Political–Military Affairs***

The political-military unit is supported by the other units, but it is overstretched. The unit must manage issues that are handled by many more of their (often higher ranking) U.S. and South Korean military and security policy counterparts. The political-military unit consists of three officers, two of whom are entry-level officers. One of these officers also serves a 1-year rotation tour with the consular section, a situation that impedes cementing liaisons with military elements. Virtually every official U.S. visitor to Seoul seeks at least a briefing from this small unit. The embassy has strong justification for including in its current MSRP a request for a new, mid-level political officer position in the political-military unit.

### ***Leahy Human Rights Vetting***

Leahy amendments to Department of State and Department of Defense appropriations apply to U.S. Government programs that fund training for police and military security personnel. South Korea is subject to a fast track system that facilitates the processing of candidates for U.S. funded training. The embassy's political section, which coordinates Leahy human rights vetting within the mission, is not implementing the requirements as outlined in the cable 11 State 23429. It does circulate candidates' names for clearances within the mission, but there is a lack of understanding about procedures.

The political section has not informed other relevant sections and agencies, such as the regional security office, the consular section, and the Defense and legal attachés, of the names of the Leahy coordinators. The staff assigned the coordination function have not completed the Foreign Service Institute's distance learning course, INVEST: Leahy Vetting at Post (PP-410). Supervisors have not arranged with the Bureau of Democracy Human Rights and Labor to authorize access for the coordinators to use the International Vetting and Security Tracking database system. Multiyear records are not maintained at post, nor are they submitted to the database.

Inadequate implementation of Leahy human rights vetting for host country police or military personnel trained with Department of State or Department of Defense funds is inconsistent with U.S. human rights policy.

**Recommendation 1:** Embassy Seoul, in coordination with the Bureau of Democracy, Human Rights and Labor, should designate primary and secondary coordinators for the Leahy vetting program, ensure completion of training, and authorize them to access the Leahy database. (Action: Embassy Seoul, in coordination with DRL)

**Recommendation 2:** Embassy Seoul should issue a notice explaining the Leahy vetting process, including the requirements for each relevant section's participation, and establish a system whereby it will reissue this information annually. (Action: Embassy Seoul)

### *Economic Section*

When the inspection team arrived, the economic deputy had just taken over the counselor function, usefully providing managerial continuity. As deputy, the counselor had focused well on developing the skills of his team, and continues to do so. He was instrumental in instituting the mission's mid-level mentoring program. Morale in the economic section is high. The staff produces a steady flow of cables and summary email reports on macroeconomics, terrorist finance, sanctions, and other economic topics. The section indicated that, upon ratification of the free trade agreement by both legislatures and during the agreement's implementation phase, it will increase reporting on trade developments in cables.

### *Foreign Assistance*

The United States does not provide foreign assistance to South Korea, but the mission conducts a continuous dialogue with South Korean officials to align global development assistance strategies. Washington consumers had told the OIG team that it would be useful for the mission to issue cables reporting on South Korea's evolving development assistance policy. When inspectors shared this information with the embassy, the economic staff acted promptly. They transmitted two cables on assistance during the inspection period and plan to continue working on the topic.

### *Trade and Commercial Advocacy*

South Korea is the seventh largest trading partner of the United States, while the United States is South Korea's third largest trading partner. Two-way trade totaled about \$88 billion in 2010, with U.S. exports to South Korea amounting to nearly \$39 billion, and South Korean

exports to the United States reaching about \$49 billion. Sales of American military equipment are an important dimension of the bilateral security relationship. The mission also gives careful attention to technology transfer controls. Implementation of the free trade agreement will give a dramatic boost to opportunities for American exporters and investors in South Korea.

The DCM, economic section, and Foreign Agricultural Service and Foreign Commercial Service offices reinforce the COM's efforts urging South Korea to improve market access and the business climate. Mission advocacy has led to successes in reducing South Korean technical barriers to trade, notably in medical devices and pharmaceuticals. For example, from 2009 to 2010, the export of U.S. medical devices to South Korea increased 40 percent, to \$2.7 billion. Exports of U.S. beef to South Korea increased more than 140 percent. The COM chairs a weekly economic cluster meeting that facilitates coordination among mission offices with economic and trade related portfolios. The mission's commercial promotion is helping the United States make progress toward President Obama's goal of doubling total U.S. exports by 2015. U.S. exports to South Korea have increased to \$10.2 billion in 2010 – a number surpassed in Asia only by exports to China, a country with 5.8 times the gross domestic product of South Korea.

#### *Environment, Science, Technology, and Health Affairs*

In the economic section, a mid-level officer with experience in the Asian region and on environment, science, technology, and health issues is performing well in managing U.S.–South Korean cooperative activities and negotiations on civilian nuclear technologies. He travels to and reports on the high technology and science centers in South Korea. An economic officer provides part-time assistance on the energy and climate change portfolio. Numerous mission elements, led by the COM, are involved in activities to promote environmentally sustainable economic growth and clean energy policies with their South Korean counterparts.

#### **Law Enforcement and Narcotics Affairs**

The regional security office, a legal attaché office, a Drug Enforcement Administration attaché office, and the Department of Homeland Security are the law enforcement entities in the mission. The Department of Homeland Security has established offices for homeland security investigations, U.S. Customs and Border Protection, U.S. Citizenship and Immigration Services, and the Coast Guard. Its Transportation Security Administration attaché provides coverage from Beijing. All these entities principally focus on conducting operational activities with their counterpart South Korean officials.

The DCM is the primary conduit for information and decisions related to law enforcement activities. He consults, as appropriate, with the COM. Individual law enforcement representatives meet at least monthly with the DCM and report on aspects of their activities to the regional security office. They also communicate collegially and informally, mainly on operational cases. Mission elements meet together periodically, but the inspection team found inconsistent reports and inadequate meeting records. Law enforcement coordination could benefit from a more integrated approach to such activities. Similarly, the mission does not always conduct coordinated advocacy with South Korean officials on judicial deterrent sentencing and the need to enforce legislation with effective prosecutions. In addition, law enforcement entities do not consult with each other on short- and medium-term plans to arrange study trips to the United States or to contribute to South Korean training classes.

**Recommendation 3:** Embassy Seoul should establish a formal law enforcement working group, which should meet at least quarterly, to organize policy coordination and advocacy with South Korean officials and to schedule training and advisory efforts in the near to medium term. The working group should maintain and share with all group members records of the agenda items discussed and major outcomes of its meetings. (Action: Embassy Seoul)

### **Public Diplomacy**

The public affairs section is active and well managed. The embassy's front office and Washington support officers in the Bureau of Educational and Cultural Affairs and the Bureau of International Information Programs commended both the staff and the programs. The section is located in an annex, approximately 20 minutes from the chancery. With 8 American officers and 39 LE staff members, the section is adequately staffed.

The section takes advantage of the Department's programs that are relevant for audiences in South Korea. The section will send at least 33 international visitors to the U.S. in FY 2011. In addition, the section managed voluntary visitors and citizens' exchange programs. In FY 2010, the section programmed 18 U.S. traveling speakers, 9 speakers via digital video conference, and more than 70 speakers from within the embassy. The section's youth programs – such as, "Real People Talking," a monthly forum with university students – have received praise both in Korea and from Washington. In FY 2010, the embassy's three American Corners had more than 25,000 visitors and conducted almost 250 programs, with a total audience of almost 12,000 South Koreans. The section also has an American Center open to the public 4 hours per day, with a circulating collection.

The section uses social media to reach Korean audiences: the Ambassador and the embassy both have active Twitter accounts, and the embassy maintains a Facebook page and a popular Web site. In sum, this section maintains a very active program schedule, using the full range of tools available. The section operates with a budget of approximately \$3 million per year.

South Korea also has a large and vibrant Fulbright program, and the public affairs section is an active presence in its decision making. In 2010, the Korean-American Educational Commission brought 16 U.S. scholars and 128 U.S. students and English teaching assistants to Korea; it sent 50 Korean scholars and 38 Korean students to the United States. The English teaching assistants are placed in secondary schools throughout Korea, with a few also placed in elementary schools. The section, with the commission, also took advantage of the Hubert H. Humphrey Fellowship Program, the Foreign Language Teaching Assistant Program, Critical Language Scholarships for intensive summer institutes, and several other programs under the Fulbright umbrella. In FY 2010, the U.S. Government contributed \$1.6 million and the South Korean Government contributed \$2.7 million to support the Fulbright programs.

The section has several positions not generally found elsewhere: a deputy public affairs officer, a regional program officer, and an assistant regional program officer. While unusual, these positions are justified in Seoul. The public affairs officer has a constant load of embassy meetings and briefings for official visits, as well as meetings to coordinate guidance, visits, and events with outside actors (including the USFK), as well as briefings for other visitors. Without the continuing oversight and guidance of the deputy public affairs officer, internal management of this large section would suffer. The regional program officer is responsible for programming

in South Korea outside of Seoul and for the American Corners. This position, and that of the assistant, could reasonably be folded into the cultural affairs section, but such a shift would likely lead to a decrease in activities outside of Seoul, thus decreasing the effectiveness of the outreach. The inspection team noted that the regional program office maintains an active schedule of programs throughout South Korea, averaging more than 10 programs per month, including frequent multiday, complex events.

The biggest challenge facing the section is identifying the programs that will maintain or even strengthen public support for the United States and its policies. According to a 2010 survey by the Asan Institute for Policy Studies, 87 percent of South Korean respondents thought it was necessary to continue the U.S.–South Korean alliance in order to deter North Korea’s potential military threat. The survey found that even among those who had an unfavorable opinion of the United States, nearly three-quarters still believed it was necessary for the alliance to continue.

In other words, external events are among the factors driving public support for the United States. North Korean actions increase feelings of insecurity and lead to more reliance on the United States as the guarantor of South Korea’s safety. Embassy officers with long experience in South Korea, however, cautioned that South Korean public opinion toward the United States is volatile. They also note that general support for U.S. policies may not transfer into support for specific policies that are important to the United States.

Other countries have had high approval ratings of the United States and U.S. policies, but the combination of high approval ratings and critical American security interests combine in an unprecedented way in South Korea. The United States requires a strong public diplomacy program in South Korea because of the confluence of interests, but that program needs to be based on a realistic assessment of what the issues, goals, and audiences should be.

Using data to identify problems and target audiences will help the embassy to sustain an effective public diplomacy program. A research project designed to find the weaknesses in South Korean support for U.S. policies (either by subjects or by demographics, whichever proves to be the case) would help the public affairs section to better target its programs.

**Recommendation 4:** Embassy Seoul, in coordination with the Bureau of Intelligence and Research, should conduct research designed to identify weaknesses in South Korean support for United States policies, either by issue or by demographics, that could be used to inform future programming in South Korea. (Action: Embassy Seoul, in coordination with INR)

The public affairs section does not hold an annual section meeting to determine the public diplomacy issues that need to be addressed, the audiences and institutions important to those issues, and the most appropriate tools to address those issues. Such meetings, which are particularly important for officers serving in a public diplomacy position for the first time, should include all American officers in the public affairs section and the head of the American presence post, as well as senior locally employed staff.

**Informal Recommendation 3:** Embassy Seoul should hold an annual public diplomacy section meeting, including all relevant staff, to confer on key topics.

An examination of representation vouchers found few one-on-one events with key contacts, which could deepen and strengthen important relationships.

***Informal Recommendation 4:*** Embassy Seoul should encourage officers in the public affairs section to invite key contacts to one-on-one representation events.

### **Consular Affairs**

The consular section in Seoul is an efficient, productive operation that provides a full range of consular services in a customer oriented fashion. The section has mutually supportive relations with other sections of the embassy and other agencies in the mission. The LE staff is knowledgeable and professional. The embassy recently upgraded the section's public and working areas. As noted elsewhere in this report, the presence of the USFK has a huge impact on consular operations, particularly American citizens services and immigrant visas, and is a significant draw on the time and attention of the consular chief.

The section has internal management and (b) (5) It has undergone a considerable transformation and downsizing since the implementation of the visa waiver program for Korea in FY 2009. By the end of the summer, the section will have lost 13 officer positions and 35 LE staff positions. The reduction in staffing was handled smoothly over a period of time, and the current levels appear to be appropriate to the present workload. However, the nonimmigrant visa (NIV) unit, and by extension the consular section, no longer can serve as the staffing backup for special projects and visits, as has been the case in the past. The mission is still absorbing this new reality. The LE staff as a whole is still adjusting to the downsizing, the internal reorganizations, and the loss of prominence of the NIV function within both the section and the mission.

### **Consular Management**

The consular section is run by an experienced senior consular officer whose initiatives have achieved consistency of process and product. However, many subordinates and staff feel discouraged from voicing their opinions or offering suggestions to their supervisors. The OIG team observed that the section's management practices inhibit bottom-up communications. Consular management selects officers to work on special projects and out-of-section opportunities without consulting the pool of available officers. Most officers perceive, and the OIG team concurs, that such opportunities are not distributed equitably. This situation has been detrimental to the development of entry-level officers as Foreign Service professionals.

The consul general dedicates most of her time to dealing with matters that are external to the section and has had notable success in her interaction with the USFK concerning emergency planning and with South Korean counterparts advancing the Hague Convention on the Civil Aspects of International Child Abduction. She has significantly expanded consular outreach and the provision of American citizens services at remote locations. Her deputy is largely responsible for the day-to-day operations within the consular section. The deputy position is being eliminated with the departure of the incumbent in the summer of 2011.

The section is facing a huge turnover in the summer of 2011, with four of the five consular managers leaving within a short period and significant gaps between departures and arrival of new officers. The OIG team counseled the managers on planning for this transition challenge.

### *American Citizens Services*

Demand for American citizens services is on the rise. The population of U.S. citizens resident in Korea is increasing, as U.S. military assignment policy now permits family members to accompany service members to Korea, with the associated need for passports, immigrant visas, and certificates of birth abroad. A number of U.S. citizens live in Korea and work as English teachers, and there are many South Koreans who lived in the United States and have returned to Korea. Both groups often need notarized documents to satisfy South Korean authorities. Managing this increasing workload in a crowded chancery is a continuing challenge.

Consular managers implemented off-site services in 2010 at the USFK's Yongsan base, an initiative that offers routine services to U.S. military members and base contractors, thus saving 60 to 80 families per week a trip to the embassy and relieving pressure on the small American citizens services waiting room. Routine consular services also are offered once each month at the APP in Busan. These practices are sound from both a public service and an efficiency standpoint, and they should be preserved through the upcoming transition in consular management.

A consular management assistance team recommended in mid 2010 that the embassy institute an appointment system to help manage the American citizens services workload. In partial compliance, the embassy launched an appointment system for mornings, but it continues to allow people to come without appointments in the afternoons, believing that there are clients who would prefer not to commit themselves to specific times. This practice encourages no-shows and has not succeeded in spacing out the workload. It is always possible to deal with emergency needs or individual appeals on a case-by-case, discretionary basis.

**Recommendation 5:** Embassy Seoul should institute an appointment system for all American citizens services and all notarial services, eliminating walk-in hours for routine services and establishing policies and procedures for making necessary exceptions. (Action: Embassy Seoul)

Embassy employees and their family members are also consumers of American citizens services. Presently, they are not required or encouraged to make appointments, nor is there information on the post's Web site directed to them. They may call ahead or simply appear in the section for services, which is an area restricted to section employees.

**Informal Recommendation 5:** Embassy Seoul should establish and publish procedures for providing American citizens services to internal customers, including embassy employees' family members.

In the small American citizens services waiting room, the first step is for customers to pay the fee for the expected service. They line up in the order of arrival, which does not necessarily correspond to their appointment times. Once they pay the fee, they sit down and wait to be called. Having no access to information about who has actually arrived or paid, a consular assistant calls the names on the appointment list. This arrangement causes some confusion in the waiting room as people look to see who responds – or when seeing no one, approach the window to ask for reassurance that they have not been called yet. It is also an inefficient use of a consular assistant's time.

***Informal Recommendation 6:*** Embassy Seoul should streamline the intake of customers so they move seamlessly from the cashier window to a service window.

Even though the waiting room is small, customers expressed satisfaction with its welcoming atmosphere and the amenities for children. Most customers the inspectors encountered had used the Web site to obtain forms and information and to make an appointment. However, they did not find information on the Web site about available public parking, and information about public transportation information was not easy to find.

***Informal Recommendation 7:*** Embassy Seoul should place on its American citizens services Web page information about public transportation options and nearby parking.

### ***Crisis Management***

There are an estimated 107,000 American citizens residing in South Korea (including U.S. military dependents), in addition to more than 28,000 active duty U.S. military personnel. Because of its large scale presence, the military conducts one major evacuation exercise each year, in which the entire consular section participates. In addition, there are several smaller scale tests and a continuous series of meetings relating to the process throughout the year. The consular section identifies one officer as a crisis management coordinator. The section benefits from having several officers with recent experience assisting Embassy Tokyo in the wake of the earthquake/tsunami disaster. The system for notifying U.S. citizens in a crisis is well developed, with online registration and email warden messages.

Overall, the embassy and the USFK cooperate well in crisis planning. All parties show an excellent awareness of the “No Double Standard” policy in 7 FAM 052, which requires the Department to make information about threats available to both the official and non-official American community. However, at times there is confusion about the appropriate roles of the embassy and USFK in regard to three distinct groups: military dependents are the responsibility of the USFK; embassy community members fall under the embassy management section and regional security office; and the consular section is responsible for the American public at large. The OIG team discussed the need to constantly review and reinforce the roles regarding these disparate groups as the rotation schedules bring new people into the process. This issue is discussed in more depth in the annex to this report.

### ***Nonimmigrant Visas***

In the wake of accession to the visa waiver program, Seoul remains the 14<sup>th</sup> busiest NIV issuing post in the world, with the third largest student visa workload. Employment related categories are also significant in volume and complexity. The NIV unit experiences two peak seasons, coinciding with U.S. autumn and winter school calendars. While nearly all visa adjudicating officers receive some Korean language training and are able to conduct basic interviews in Korean, nearly 50 percent of the interviews require some degree of LE staff translator assistance. In the face of these ongoing workload challenges and the downsizing of the past three years, the unit maintains a very efficient operation under the capable direction of a mid-level manager. Visa appointment waits rarely extend more than a week, even in peak periods. From start to finish, applicants are on the premises less than an hour.

The consular section maintains a robust series of standard operating procedures covering a wide variety of topics. These are readily accessible on every consular employee's computer as a desktop link called SOPedia. However, several visa procedures relating to students and third country nationals require prior supervisory approval before adjudicating officers are allowed to make their final decisions. While encouraging consultations in certain cases is a valid way for managers to maintain consistency and develop officers' adjudicating skills, the existing requirement discourages those officers from exercising independent judgment and violates the review provisions of 9 FAM 41.113 (i) and 9 FAM 41.121 (c), which require that a reviewing officer assume responsibility for and readjudicate a case if he or she disagrees with the adjudicating officer's decision.

**Recommendation 6:** Embassy Seoul should revise its visa standard operating procedures to remove the requirement for advance supervisory approval of any class of visa adjudications. (Action: Embassy Seoul)

The embassy's posted visa referral procedures were more restrictive than the worldwide visa referral policy outlined in 9 FAM, Appendix K, 200. Also the local procedures themselves were not clearly laid out. The OIG team discussed the referral procedures at length, and the embassy began revising the policy during the inspection.

**Recommendation 7:** Embassy Seoul should revise its visa referral procedures to bring them into accord with the worldwide visa referral policy. (Action: Embassy Seoul)

### *Immigrant Visas*

Embassy Seoul processes immigrant visas smoothly and professionally. The immigrant visa unit is a busy, efficient operation with applicants spending an average of less than 70 minutes in the building from start to finish. Operations are complicated by a large percentage of American citizen spouse cases, generated by the U.S. military presence. Most of these cases involve third country nationals. The unit has an effective working relationship with the U.S. Citizenship and Immigration Services office of the Department of Homeland Security that is located next to the unit and handles the immigrant visa petition process.

There is a good working relationship among the immigrant visa officers and the unit's LE staff. The mid-level unit chief rarely holds unit wide meetings, believing that the relatively small size of the unit makes them unnecessary. However, the LE staff feels that it is not always kept informed of recent developments, or that information is only sporadically shared.

**Informal Recommendation 8:** Embassy Seoul should hold regularly scheduled immigrant visa unit meetings.

Adoption cases traditionally have constituted a significant workload for Embassy Seoul. As a matter of policy, the South Korean Government is in the process of reducing the number of authorized foreign adoptions by 10 percent each year. While this change will have the effect of reducing the number of cases, it also will increase the number of inquiries and complaints by adoptive parents when the South Korean Government quota is used up earlier and earlier each year.

Embassy Seoul has three panel physician facilities: two in Seoul and one in Busan, which is a reduction of two from a year earlier and is in line with the current immigrant visas workload. A consular manager inspects all facilities annually, and a representative of the Centers for Disease Control and Prevention conducted an on-site review in April 2011, finding all of them to be superior.

### ***Fraud Prevention Unit***

With the implementation of the visa waiver for Korea and the reduced number of cases subject to scrutiny, the fraud prevention unit's workload has shrunk. The full-time manager position has been eliminated, and the unit now comes under the oversight of the NIV chief with a rotating entry-level officer handling the daily work. The unit continues to investigate fraud relating to employment visas and the misuse of student visas. The unit works closely with the assistant regional security officer for investigations (ARSO-I), who has an office adjacent to the fraud prevention unit.

On the whole, the embassy has a very active officer and staff training program in the consular section, covering a wide variety of topics. However, apart from an initial briefing as part of the orientation process, there is little ongoing training dedicated to fraud prevention.

***Informal Recommendation 9:*** Embassy Seoul should conduct quarterly training sessions for consular officers on both country-specific and regional and worldwide fraud trends.

### ***Assistant Regional Security Officer for Investigations***

An ARSO-I position was established in Seoul in 2008. The ARSO-I is rated by the deputy regional security officer and reviewed by the deputy consul general. There is a cooperative relationship between the consular section and the regional security office on matters relating to the ARSO-I's work. The ARSO-I assists the regional security officer as needed with investigations and high level visits, but appropriately spends the majority of his time on consular matters.

Some aspects of the ARSO-I's investigations changed following Korea's accession to the visa waiver program, but the ARSO-I continues to work closely with other law enforcement elements of the embassy (primarily Department of Homeland Security elements) as well as with local South Korean authorities investigating visa fraud. He assisted a broad, international investigation into the misuse of student visas as a conduit for South Korean sex workers.

The ARSO-I did not receive Korean language training, but functions capably with the help of fraud prevention unit LE staff as translators. His successor is due to receive some Korean language training, but almost certainly will need to continue the current practice of using interpreters when dealing with local authorities. This issue is addressed in more depth in the annex to this report.

### ***Visas Viper Program***

Embassy Seoul held all required Visas Viper meetings, and the consular section submitted all required reports on time. During the past year, there were regular reports of monthly meetings. However, only one name was submitted for inclusion in this process. The

meeting the OIG team observed was conducted in a pro forma manner, without any indication of interest on the part of the participants. The consular section did not make any classified Visas Viper submissions during the past year.

***Informal Recommendation 10:*** Embassy Seoul should reinvigorate the Visas Viper program with a clear explanation to other agency participants of the benefits of the program. This process could include periodic presentations with specific examples of the breadth of submissions that other posts have made through the program.

### ***Information Unit***

The information unit receives and responds to all written, phone, or email inquiries coming to the consular section. On average, the unit responds to 200 to 300 phone calls and up to 200 emails every day. The unit manages the section information content on the consulate Web site and prepares materials for consular outreach and off-site service visits. The Bureau of Consular Affairs' Global Support Strategy, a consolidated contract for providing support services to consular sections, is due to be deployed to Seoul by the end of 2011. This contract will include information and appointment services and likely will affect the functioning of the information unit.

The unit also maintains information packets for the regular flow of requests for special immigrant visas that stem from the embassy and military presence. The OIG team discussed the advantages of placing much of this information and related materials on the section's intranet site.

### **American Presence Post Busan**

The APP in Busan is two and a half hours from Seoul by train. It is staffed by one Foreign Service officer and two LE staff members. The office is housed in a modern building in downtown Busan.

The office has three primary purposes: to further public diplomacy goals, to maintain and strengthen contacts with Koreans in the Busan region, and to promote U.S. commercial interests. The office also provides emergency services to U.S. citizens. Embassy offices in Seoul, without exception, expressed their satisfaction with the APP's work. The OIG team concurs with the high evaluation of the post's work and believes that current staffing is sufficient.

The head of the APP occupies a mid-level position. His successor's personal grade is a level below that established for the position. The embassy is aware of the importance of substantive orientation for this position, and the next head is receiving orientation from both the incumbent and the relevant embassy sections. The OIG team believes that every officer, no matter how capable, requires guidance. At an embassy or larger consulate, more senior officers provide guidance orally and by example. At a one-officer post, there is no senior officer at hand to provide a model or to observe the work being done. The APP head does participate in the weekly public affairs section meeting via digital video conference, which would provide a forum in which to discuss scheduling and programming issues. The officer at the APP relies on sporadic feedback to improve performance and obtain guidance.

***Informal Recommendation 11:*** Embassy Seoul should require the rating officer for the head of the American presence post in Busan to regularly visit and hold telephone consultations with the head of the American presence post, to provide guidance, evaluation, and suggestions for improvement.

Staff members of Embassy Seoul make frequent business trips to the Busan region. They do not always inform the head of the APP. An inspector observed a staff meeting during which the head of the APP was informed that an embassy officer was travelling to Busan in two days and had already made appointments. While this particular incident did not create difficulties, other cases have. The problem can be obviated by a mechanism that informs the APP of visits far enough in advance to prevent scheduling conflicts.

***Informal Recommendation 12:*** Embassy Seoul should develop a system that provides the American presence post with timely notification of embassy staff member visits to the Busan region.

Both LE staff members at the APP transferred there from Embassy Seoul when the APP opened in 2007. They are experienced and have good job skills. While they enjoy their work, they sometimes feel isolated from the rest of the embassy staff. Including these employees in short classes to update skills or introduce new technologies via digital video conference could help alleviate this problem.

***Informal Recommendation 13:*** Embassy Seoul should include the locally employed staff working at the American presence post in Busan in training sessions via digital video conference, as appropriate.

## Resource Management

Agency	U.S. Direct-Hire Staff	U.S. Local Hire Staff	Foreign National Staff	Total Staff	Total Funding FY 2010
Department of State Diplomatic and Consular Programs	113	15	79	207	\$7,444,440
International Cooperative Administrative Support Services	8	8	146	162	\$13,476,700
Public Diplomacy	9	5	35	49	\$3,160,614
Diplomatic Security	2	-	3	5	\$1,588,359
Marine Security	10	-	3	13	\$160,796
Foreign Service Institute	6*	1	7	14	\$235,000
Representation	-	-	-	-	\$140,500
Bureau of Overseas Buildings Operations	2	-	-	2	\$2,006,801
Broadcasting Board of Governors	-	-	1	1	-
Department of Agriculture Animal and Plant Health Inspection Service	1	-	2	3	-
Agricultural Trade Office	1	-	6	7	\$923,101
Foreign Agricultural Service	3	-	6	9	\$482,524
Department of Commerce Foreign Commercial Service	5	1	14	20	
Department of Defense Joint U.S. Military Advisory Group, Korea	14	1	12	27	-
Defense Attaché Office**	14	2	1	17	\$237,820
National Geospatial-Intelligence Agency	3	-	-	3	-
Department of Homeland Security U.S. Citizenship and Immigration Services	2	1	2	5	-
U.S. Customs and Border Protection	4	-	2	6	-
U.S. Immigration and Customs Enforcement	4	-	7	11	-
U.S. Coast Guard	1	-	-	1	-
Department of Justice Drug Enforcement Administration	3	-	1	4	-
Federal Bureau of Investigation	3	-	-	3	-
Open Source Center	5	1	24	30	-
<b>Totals</b>	<b>213</b>	<b>35</b>	<b>351</b>	<b>599</b>	<b>\$29,856,655</b>

\* Includes students assigned to the Foreign Service Institute field school.

\*\* Includes Foreign Assistance officer positions.

## **Management Operations**

Embassy Seoul's management section operates effectively and is committed to customer service. The management counselor, assigned to the embassy to fill a 1-year staffing gap, has provided clear direction to the management section. Scores on OIG's service questionnaires for management services were well above Department averages in almost all areas. Many officers noted that Seoul's administrative services are among the strongest and most customer oriented they had seen in their careers. Operationally, the management section supports a heavy visitor workload and expansive regional and public outreach activities.

Notwithstanding its many positive accomplishments, Embassy Seoul can achieve greater efficiencies in its \$28.2 million operating budget by implementing established best practices in its operations. Such savings can be substantial: a recent renegotiation of the embassy's cell phone contract is expected to save the embassy \$100,000 annually, for example. The inspection team believes that the embassy can achieve additional efficiencies by outsourcing certain motor pool services, moving to offshore processing of some vouchers, and outsourcing accommodation exchange operations, all standard best practices in use at other embassies. These changes could reduce operating costs by approximately \$262,000 annually.

## **Human Resources**

The human resources office has made notable improvements in operations since the last OIG inspection in 2004. An experienced human resources officer and local staff effectively manage human resources issues. The embassy's processes for recruitment, position classification, performance management, and awards processes are well documented. Morale among LE staff is good, but local staff expressed concerns about the lack of a salary increase last year. Salaries and benefits cannot be increased for at least one more fiscal year, because of the U.S. Government-wide salary freeze. Local employee attrition rates are low, and the embassy is able to attract qualified applicants for most positions. The embassy is positioned appropriately in the local market with respect to salaries and benefits.

### ***Eligible Family Member Employment***

Embassy Seoul employs relatively few eligible family members, accounting for about 14 percent of all those who hold jobs, which is well below the worldwide family member employment rate at other overseas missions. Within the mission, many embassy positions have Korean language proficiency requirements that preclude family members from qualifying for employment. These requirements extend to positions in the management section that are usually available to American family members, such as general services and information management positions that interact primarily with American staff within the mission. Unusually, there are no family members employed in either unit. For such positions, language requirements may be an unwarranted obstacle to family member employment.

***Informal Recommendation 14:*** Embassy Seoul's management counselor should review Korean language requirements for locally hired positions within the management section prior to advertising such positions.

**Innovative Practice:** Automated Check-In Process

**Issue:** When new employees arrive at a post, the check-in process typically takes several days, as the employee visits management and security offices to complete necessary paperwork and obtain information about embassy services. Service providers cannot prepare in advance of an employee's arrival to meet special requirements such as schooling and medical support.

**Response:** Embassy Seoul's human resources office developed a form template that automatically completes all check-in paperwork prior to the employee's arrival. When employees arrive at post, many service requests already have been completed, and others are expedited by having the check-in forms already prepared.

**Result:** The check-in process is much more efficient from the customer's perspective. Service providers also are better prepared to address specific employee needs immediately upon arrival.

**Korean Language Program**

Long-term U.S. interests in the Korean peninsula require an ample corps of Korean speaking officers who are trained and prepared to serve multiple tours of duty in Korea over the course of their careers. However, currently fewer than 100 Department employees have achieved general professional proficiency in Korean, and of those currently assigned to language designated positions in South Korea, nearly half have not achieved the required level of proficiency. The development of a cadre of Korean speaking officers demands a deliberate and sustained approach to training and assignments, and offering and measuring the effect of incentives. It cannot be left to chance to supply a sufficient number of Korean speaking officers from those who may have spoken Korean at home while growing up. The OIG team addressed language training related issues broadly throughout the inspection, analyzing current practice and identifying ways to address the need.

Most officers assigned to the political, economic, and public diplomacy sections use Korean regularly with contacts, switching to English or using an interpreter when the conversation grows complex. In the consular section, visa interviewing officer positions are designated at the 2/0 level (speaking at the level of limited working proficiency). Some entry-level officers not assigned to language designated positions receive training to meet Department requirements for demonstrated language proficiency in order to qualify for tenure. There are no language designated positions among the consular managers. Most consular officers conducted their visa interviews partially in Korean, but only one had enough language skills to interview most of the time in Korean. All use LE staff as interpreters if the subject matter becomes detailed or complex.

The embassy recently reaffirmed the need for its language designated positions, but stated there was no need for language designated positions beyond the general professional proficiency (3/3) level. However, the OIG team concluded there is a strategic need for a cadre of officers who can speak and read Korean at advanced proficiency levels. The embassy is aware of Korean language immersion programs that could be used to supplement the Foreign Service

Institute's language training for a small number of students to pursue proficiency levels beyond the 3/3.

Korean is an extremely difficult language, requiring intense study and commitment. In order to expand the numbers of officers who are proficient in Korean, the Department must be prepared to address the resource requirements for training employees in this language. Because of the need for 2 full years of language instruction, each position at the 3/3 level (as defined in 13 FAH-1 H-242) costs the Department about \$574,000 annually in training, salary, and support costs. Options for increasing the numbers of language proficient officers – whether adding an immersion component to training, training more students in South Korea, or expanding the numbers of language designated positions – will require an investment of Department resources.

**Recommendation 8:** Embassy Seoul, in coordination with the Bureau of Human Resources, the Bureau of East Asian and Pacific Affairs, and the Foreign Service Institute, should design a program for meeting the long-term Korean language training needs of the Department at the limited working, general professional, and advanced professional levels, through a combination of Foreign Service Institute training in the United States and in Korea, the post language training program, and an immersion program. (Action: Embassy Seoul, in coordination with DGHR, EAP, and FSI)

### *Post Language Program*

Regulations in 13 FAM 231.1 require that supervisors include language proficiency in the work requirements statements and evaluations of officers who have not achieved the level of proficiency required for their positions. Supervisors also must provide support for continued language study. The OIG team found that language related objectives are not always included in work requirements statements and evaluations of employees in language designated positions.

**Recommendation 9:** Embassy Seoul should include goals for making progress towards achieving designated language proficiency levels in the work requirements statements of employees who have not reached the required proficiency levels before being assigned to language designated positions. (Action: Embassy Seoul)

The director of FSI's field language school also supervises the embassy's robustly funded post language program for about 40 students. The fixed hours of instruction for these courses may discourage some people from participating in the program, because of their work commitments. In fact, in one section, employees were not permitted to attend language training during working hours.

The embassy offers courses to language learners at all levels, but about two-thirds of participants do not occupy language designated positions. The guidelines in 13 FAH-1 H-251.1 a.(1) indicate that the most important reason for a post to provide language instruction is to train employees who occupy language designated positions. Embassy Seoul's post language program could more effectively assist learners by targeting its resources to support employees in language designated positions. Options to do so could include providing more opportunities for one-on-one instruction, offering weekend and evening options, and allocating additional hours of training for the initial months of employees' arrivals. Instead of providing some officers with

rudimentary Korean language skills, it may be more cost effective to use some of those resources to raise the language proficiency levels of officers who are expected to return for repeat tours.

***Informal Recommendation 15:*** Embassy Seoul should conduct a needs assessment survey of officers who occupy language designated positions to determine the priority of training requirements for the post language program.

### ***Attracting Bidders for Korean Language Positions***

Relatively few officers bid on positions designated at the 3/3 level in Korean. Reasons include the difficulty of the language; the perception that learning a one-country language is of limited usefulness; and the fact that there are fewer professional opportunities in Korean at the senior levels, compared to other languages that require 2 years of formal study, such as Arabic and Chinese. The Department offers incentives for studying Korean, but they are not well advertised to prospective bidders. For example, for officers who qualify for language pay incentive (under 3 FAM 3913.1 a.) and who serve a second tour in a language designated position, the Department offers 150 percent of the standard salary level. Those who have already qualified at the 3/3 level have the opportunity for a full year of advanced study if they accept a repeat assignment. In lieu of a year at FSI followed by a year of training in Seoul, the Department offers 2 years of Korean language training in Seoul, allowing for 5 years of continuous service in Korea, an attractive option for families seeking to avoid frequent moves. The embassy may be more successful in attracting potential bidders if these incentives and professional opportunities were better publicized.

**Recommendation 10:** The Bureau of East Asian and Pacific Affairs, in coordination with Embassy Seoul, should prepare and distribute a cable describing incentives and professional opportunities for studying the Korean language. (Action: EAP, in coordination with Embassy Seoul)

The Department has special incentive programs and advanced language training programs for other difficult languages, including Arabic and Chinese. Incorporating elements of these programs into incentives for studying Korean could help attract more officers to pursue advanced Korean language training and bid on language designated positions.

### **Financial Management**

The embassy's financial management office is strong and effective. Accounting and vouchering operations for accounts totaling \$31 million receive high marks from International Cooperative Administrative Support Services (ICASS) customers. The Class B cashier is working to improve tracking of voided collection documents and internal controls related to consular receipts. About half the cashier's workload consists of accommodation exchange services for U.S. Government employees. At other embassies, such services are provided either by a local bank or an automatic teller machine. Physical space limitations preclude establishing a second cashier window at the embassy for a local bank. However, with Seoul's advanced infrastructure, it should be possible to use local banks and automated teller machines. The embassy is in the process of negotiating with a local bank to install an automated teller machine on the chancery premises.

### ***Regional Voucher Processing***

Embassy Seoul may be able to achieve cost savings by transferring certain voucher processing functions to a regional center. The embassy's voucher unit processes about 10,200 fiscal strip code transactions per year. The number of fiscal strip codes processed per employee at the embassy is about 15 percent lower than the Department's worldwide average for voucher operations. The embassy's cost per strip code is nearly three times higher than the cost to process vouchers at the Department's regional voucher processing center. Other embassies have successfully transferred responsibility for processing travel and vendor payments vouchers to regional centers. The embassy's financial management officer noted that offshore voucher processing is impractical for certain types of vouchers, because they are submitted in Korean and must be processed promptly to avoid late payment penalties. The OIG team estimated that if 50 percent of voucher payments were processed at a Post Support Unit, rather than in Seoul, the embassy could save approximately \$110,000 annually in processing costs.

**Recommendation 11:** Embassy Seoul, in coordination with the Bureau of Resource Management, should develop and implement a plan to transfer a portion of the embassy's voucher workload to the Post Support Unit. (Action: Embassy Seoul, in coordination with RM)

### **New Embassy Compound Transition Planning**

Embassy Seoul has occupied an insecure, aging, and functionally obsolete chancery since 1968. After almost 25 years of negotiations and false starts, the embassy entered into a property exchange agreement with the Seoul metropolitan government in 2011 that enables the U.S. Government to obtain the title for a new embassy compound on land currently occupied by the USFK on Yongsan Garrison. This agreement presents the U.S. Government with a unique opportunity to use funds judiciously to secure office space and housing at considerably less cost than the available alternatives.

The Department now can move forward with design and development plans for the new embassy compound. The property exchange agreement will affect three mission-critical facilities: the chancery, the general services and public affairs annex, and the housing compound. Both the latter facilities are located on Yongsan Garrison. The USFK intends to vacate the Yongsan Garrison site entirely by 2016, at which time they will terminate the infrastructure support they currently provide to the annex and housing compounds. USFK officials asserted that the land intended for the new embassy compound could be vacated entirely as soon as the Department is prepared to begin construction. The Seoul compound is on the Bureau of Overseas Buildings Operations' Capital Security Construction Program schedule for 2023.

A number of issues need to be addressed quickly to ensure the success of the new embassy compound project. The embassy is negotiating with the Seoul metropolitan government on zoning issues in order to finalize the title; these zoning and title issues will require early decisions on the design and scope of the construction process, including the new embassy compound's residential housing options. The embassy also needs to take demonstrable physical possession of the property in order to protect the U.S. Government's equities, given the upcoming transition of Yongsan Garrison to the South Korean Government.

**Recommendation 12:** The Bureau of Overseas Buildings Operations should identify and evaluate the costs associated with the United States Forces Korea's departure from the Yongsan Garrison and accelerate the construction of Embassy Seoul's new embassy compound project on the Capital Security Construction Program schedule. (Action: OBO)

The embassy annex, located close to the site for the new embassy compound, is dependent on the Yongsan Garrison department of public works for electricity, water, and sewer service. If the utilities infrastructure is complete on the new embassy compound by the time Yongsan Garrison is closed, it may be possible to connect the annex to these utilities at that time, so the annex continues to receive services until the new embassy compound is completed.

Plans for the new embassy compound project also will have an impact on decisions about the maintenance of existing facilities and the timeline for returning properties to South Korean control. In order to manage the transition efficiently, the mission will need a comprehensive plan for the new embassy compound that includes a timeline with project requirements and benchmarks for all facilities.

**Recommendation 13:** The Bureau of Overseas Buildings Operations, in coordination with Embassy Seoul, should conduct a design survey for the new embassy compound and prepare a comprehensive mission facilities master plan. (Action: OBO, in coordination with Embassy Seoul)

### *Housing*

The embassy currently occupies a housing compound on Yongsan Garrison that will be returned to the South Korean Government when the new embassy compound is completed. The housing compound depends on the garrison's public works infrastructure. Since the garrison expects to vacate by 2016, the Department must make decisions rapidly about how to replace this housing. Because of exceptionally high local real estate costs, leasing comparable space on the local market would increase annual lease expenses by \$16 million.

The Bureau of Overseas Buildings Operations' early concept design for the new embassy compound includes five residential apartment buildings, but the Department has not given final approval to the concept design. In order to apply for appropriate zoning and to plan for the embassy's housing needs, the Department cannot delay the decision on whether residences will be a part of the new embassy compound.

The inspectors examined two options. The first is to eliminate the residential buildings from the new embassy design plan, and replace the entire housing pool with leased housing when Yongsan Garrison is closed. The second is to expedite the construction of residential apartments on the new embassy compound and move staff directly from the Yongsan Garrison housing into the new housing before the garrison shuts down its support for utilities. The OIG team's analysis of these options follows.

### *Leased Housing Option*

The total embassy housing pool, including leased residences for non-foreign affairs agency employees, consists of 159 units (122 occupied by Department employees). Ten of

these residences are leases for employees of non-foreign affairs agencies, and the general services office acknowledged that it is difficult to find affordable housing even for these few. In order to recreate the housing pool to reflect the current mix of standard, mid-level, and executive rank housing within the existing rental ceilings in FY 2016, the mission would need to spend \$15.3 million just on annual leases (adjusted for inflation). In South Korea, leases are generally limited to 3 years, and landlords usually ask for deposits equivalent to an entire year's rent. Since these leases would be new to the mission, funds would be needed in the first year for security upgrades. It is reasonable to estimate that expenses in FY 2016 for initiating a leased housing program could exceed \$20 million; over 7 years, the inspectors estimate lease costs would be over \$100 million. The mission also would need to increase local guard coverage and hire additional housing staff in the general services office to manage the leases.

#### *Government-Owned Housing Option*

The 20-acre, new embassy compound site includes 10 acres to accommodate residential buildings. The Department would have to commit funds to construct the residences. This cost could be reduced through cost sharing agreements with other foreign affairs agencies that will require housing in Seoul. Government-owned housing also would alleviate the need to maintain an annual budget of \$16 million for leasing residences; the embassy would require minimal housing staff to manage the program; and the centralization of residences in towers would minimize both maintenance and security costs.

Maintaining the existing government-owned housing would require significant investment in the utilities infrastructure, once Yongsan Garrison closes. Seeking to retain the housing compound on Yongsan Garrison property after the USFK departs in 2016 also would have a political cost, since the municipality and public of Seoul are counting on turning the Yongsan Garrison property into a large public park as soon as the USFK has completed its evacuation of the property.

The Department can select the best option for Embassy Seoul's future housing pool once the estimated costs of leasing and building are ascertained through a professional survey of real estate and construction costs in Seoul. The high estimates for residential leases and the potential need for investment in the current housing make this a priority issue.

**Recommendation 14:** The Bureau of Overseas Buildings Operations, in coordination with Embassy Seoul, should immediately send a team to conduct a survey of housing options in order to assess the cost of converting infrastructure in the current housing compound and to select the most cost effective option for meeting the embassy's future housing needs. (Action: OBO, in coordination with Embassy Seoul)

#### *Services After Yongsan Garrison Closure*

The USFK provides a number of other services to Embassy Seoul employees living on Yongsan Garrison that will no longer be available, once the forces relocate in 2016. For example, the hospital provides emergency services (most importantly, the use of the ambulances), and the mission's cost of living allowance factors in the availability of the commissary and the post exchange, which sell duty free goods. There are likely a number of other issues that will require

changes in how the mission operates once the USFK turns over the Yongsan Garrison to the South Korean Government.

***Informal Recommendation 16:*** Embassy Seoul should prepare a timeline that identifies the changes that will occur when Yongsan Garrison closes and when the embassy will need to take specified actions.

## **General Services**

The general services office is well managed and efficient. The LE staff is particularly strong in procurement, shipping, travel, and housing. Although the physical offices are located on the embassy annex, somewhat isolating the staff from its customers, there is regular communication with the serviced offices and agencies. The shipping unit is implementing a pilot program to provide more efficient support for the mission's Department of Defense and U.S. Coast Guard customers. A spot check of the embassy warehouse identified a few minor issues that staff immediately reconciled. The management controls section of the report includes one recommendation for property management.

## ***Official Vehicles***

The mission lacks adequate oversight and management of the official vehicles program. Responsibility is split between the two assistant general services officers: one is the motor vehicle accountable officer, and the other supervises the motor pool operation. However, responsibilities for managing the motor vehicle program are not clearly delineated. For example, the mission vehicle policy is out of date and does not address a number of the Department's requirements; there are a number of errors and inconsistencies in the vehicle records; and the motor pool has a number of morale and management issues in which the American supervisors need to be more involved.

**Recommendation 15:** Embassy Seoul should designate the supervisory general services officer as the motor vehicle accountable officer, and clearly identify and assign other responsibilities for the management of official vehicles. (Action: Embassy Seoul)

The regional security office manages a separate fleet of official vehicles. The office does not provide copies of the vehicle trip records to the motor pool supervisor for inclusion in official reports; instead, the motor pool supervisor uses the fuel invoices to reconstruct the data for monthly reports. This method of data collection does not provide adequate assurance that motor vehicle usage records are being completed properly. The motor vehicle accountable officer cannot ensure that vehicles are used only for official purpose.

**Recommendation 16:** Embassy Seoul should require all drivers of embassy-owned vehicles to submit individual trip records to the motor pool supervisor. (Action: Embassy Seoul)

The ICASS motor pool, with 26 drivers and 30 vehicles, is underutilized. On average, chauffeurs spend 1 out of 4 working days without any trips assigned to them. The vehicles are driven an average of 650 kilometers per month, roughly a third of the expected use of a motor pool vehicle. In the past, motor pool staffing was enlarged to provide English speaking drivers for official visitors, but the embassy now successfully contracts out motor vehicle chauffeur

support for visits. The motor pool is overstaffed for its workload and can be restructured to improve its efficiency. The embassy could save approximately \$116,000 in annual recurring costs by reducing the size of the motor vehicle fleet and chauffeur staffing.

**Recommendation 17:** Embassy Seoul should develop and implement a plan to reduce the size of the International Cooperative Administrative Support Services motor pool staff through attrition. (Action: Embassy Seoul)

**Recommendation 18:** Embassy Seoul should develop and implement a plan to reduce the size of the International Cooperative Administrative Support Services vehicle fleet. (Action: Embassy Seoul)

The embassy operates an effective and efficient, home-to-work shuttle service to and from the South Post housing area that saves fuel and reduces demand for scarce parking facilities. Embassy employees pay for this service through a ticketing system that recovers costs and is properly administered. The motor pool also operates a shuttle between the chancery and the annex every 30 minutes during business hours. The annex shuttle carries passengers on only 30 percent of its trips, and two-thirds of these occupied trips have only 1 passenger in the 10-passenger van. On most work days, it would be more efficient to schedule individual trips during the workday than to operate a shuttle at all. In the meantime, the mission expends a great deal of fuel on empty shuttle runs, and the 30-minute schedule for a 20- to 25-minute drive across town puts a great burden on the shuttle drivers. The OIG believes that the embassy could save approximately \$36,000 per year by discontinuing the annex shuttle service.

**Recommendation 19:** Embassy Seoul should eliminate the half-hourly shuttle service between the chancery and the embassy annex. (Action: Embassy Seoul)

The general services office provides vehicle repair service in a garage on the annex compound with four full-time mechanics. The mission has not recently surveyed the local market to determine whether vehicle repair services can be contracted, in order to increase efficiencies. Auto mechanics and vehicle repair shops appear to be readily available in Seoul.

**Informal Recommendation 17:** Embassy Seoul should conduct a survey of local vehicle repair services and determine whether it would be more efficient to contract with local companies or continue operating an in-house garage.

### ***Visitor Support***

Embassy Seoul hosted 73 high level visits from various U.S. agencies in 2010, and the visitor workload is expected to exceed this number in 2011. The travel assistant serves as the mission's coordinator for visits, providing information to both incoming visitors and the control offices. Just before the inspection, the travel coordinator developed a visitor checklist that contains the variety of resources available for an official visit. Control offices used this checklist to identify their needs and provide the visiting officials with estimates of their visit costs. The supervisory general services officer also is working with the human resources and financial management offices to reduce duplicated responsibilities, streamline the process for planning visits, and expand the email distribution list so that more offices can participate in the early

planning stages. However, documentation on procedures and responsibilities is sparse and decentralized.

***Informal Recommendation 18:*** Embassy Seoul should prepare a handbook with the mission's procedures for official visits to provide guidance to control offices and supporting staff members.

### ***Foreign Affairs Agency Housing Assignments***

In addition to the 150 residences it occupies on Yongsan Garrison, Embassy Seoul leases a small number of apartments for employees of non-foreign affairs agencies. The housing assignments process for employees coming to the post in summer 2011 was more contentious than in the past, due to the growing number of Department employees. In particular, the Korean Field School is running a pilot program in which language students spend both years of training in Seoul while living in embassy housing. Several non-foreign affairs agency representatives on the interagency housing board expressed concern about the possibility that the general services office would require mid-tour moves for some of their employees, in order to satisfy the requirement to place incoming foreign affairs agency employees (as defined in 2 FAM 1113.5) in government-owned housing. Ultimately, the housing unit was able to organize the assignments so that incoming employees would replace only those families already at the end of a tour of duty; more non-foreign affairs employees would be in leased housing, but they would be newcomers to the post and would not be moved in the middle of an assignment. Nonetheless, the process created tension among the housing board members and caused arguments over what "priority" for foreign affairs agencies really means.

***Informal Recommendation 19:*** Embassy Seoul should amend the housing handbook to explain the requirement to give priority to foreign affairs agencies in assigning government-owned housing.

### ***Residential Safety***

The OIG team identified a number of residences with large play equipment in the yards, such as trampolines, that did not appear to have adequate safeguards. The general services office recently amended the housing handbook to include specific safety requirements for trampolines and general requirements for other play equipment, but it has not developed a method of enforcement.

***Informal Recommendation 20:*** Embassy Seoul should enforce the housing policy's safety requirements for trampolines and other play equipment.

### **Facilities**

As discussed earlier in the report, the embassy has facilities on a number of compounds. These include the chancery compound, the Ambassador's residence, 150 housing units, a general services office annex, and other support buildings. The facility manager's primary challenge is prioritizing maintenance needs in light of the upcoming new embassy compound project and the loss of a number of facilities and infrastructure support when the land occupied by the USFK's Yongsan Garrison is turned over to the Korean Government over the next several years. Most of

the existing buildings are at least 50 years old and require a great deal of maintenance attention. In some cases, buildings need upgrades, notwithstanding the pending relocation. Considering the challenges and limited resources, the facilities maintenance staff is successful in keeping the facilities in good shape. Safety and preventive maintenance programs are operating properly. The poor condition of the recreation association building, discussed later in this report, is of concern from a safety perspective.

## **Information Management**

The information management unit is headed by a mid-grade information management professional completing her tour of duty in summer 2011. She cooperates capably with outside entities, including with counterparts in USFK and with South Korean contacts. However, she does not communicate well within the information management section. The section continued to demonstrate a high level of performance, anyway – even through several exceptional situations, including a typhoon in September 2010 that wreaked havoc on the embassy’s telecommunications capabilities, and a G-20 meeting in Seoul in November 2010 during which section officers worked closely with the White House Communications Agency to support the President’s telecommunications requirements.

The section consists of two units: the information systems center and the information program center. The information systems center, which provides OpenNet computer support, server maintenance, programming, and intranet site maintenance, scored well on both the most recent ICASS survey and the OIG survey. However, the internal communications situation became so problematic that the management counselor assumed direct responsibility for supervising the information systems center in November 2010. Despite this unusual reporting arrangement, the staff maintained their professionalism and the unit remained productive.

The information program center, which has remained under the information management officer’s authority, also scored well on the surveys. This center provides classified network support, pouch, and telephone and radio support. The staff implemented three major systems upgrades this fiscal year, including FASTNet, SMART, and Top Secret messaging.

The information management officer held weekly meetings with both units until November 2010. At that point, she discontinued the meetings because of the removal of the information systems center staff from her authority. Discontinuing these meetings resulted in further damage to communication and team cohesiveness in the information management section.

***Informal Recommendation 21:*** Embassy Seoul should implement weekly meetings between the information management officer and all information management staff.

The information systems center server room has power cords and network cables lying on the floor behind the server racks. The server room has a raised floor for the routing of cables, but the staff has been running cables across the floor because it is quick and easy. Routing cables under the floor takes time and involves lifting up the flooring, running cables under the flooring, and retrieving the cables on the other end. However, cabling should be kept out of walkways, because it could cause personal injury, network problems, or denial of service.

**Recommendation 20:** Embassy Seoul should route power and network cables under the raised floor. (Action: Embassy Seoul)

The information systems center server room does not have a temperature sensor to warn operators of potential overheating. The number of supported devices has increased, producing more British thermal units and requiring additional cooling. Cooling system failure could cause device failure or shutdown, resulting in a denial of service. The server room should have a device that notifies duty personnel to prevent shutdown.

**Recommendation 21:** Embassy Seoul should install a temperature sensor in the information systems center server room that notifies personnel of overheating. (Action: Embassy Seoul)

The OIG team found problems in server room construction, power panels, network device access, printer security, wireless access, account management, expired lock combinations, and communications security. Embassy Seoul mitigated these problems during the course of the inspection.

### **Information Security**

The information program center and information systems center perform all proactive maintenance. The staff upgrades the systems regularly, following Department guidelines.

The 2004 OIG report noted that the embassy was not performing the information system security officer duties, and recommended that it designate a person with primary duties as an information systems security officer, as required (12 FAM 622.1-1 a.). The embassy failed to comply with this recommendation. Currently, the embassy carries out information systems security officer duties only when the computer incident response team identifies a precipitating event. The information systems security officer duties have been treated as adjunct responsibilities, and nobody is completing the required tasks of the information assurance checklist. (b) (5)

**Recommendation 22:** Embassy Seoul should designate an information management specialist with primary duties as information systems security officer. (Action: Embassy Seoul)

Embassy Seoul has a dedicated Internet network. The network is shared by various elements of the mission, including public affairs, the employees' association, the information management section, and other agencies. The network does not have login capabilities, as indicated in the Department's 2008 cable, STATE 110378: "Public users must sign in and out for a particular workstation, using temporary logins and passwords." Absence of a login capability results in lack of user accountability.

**Informal Recommendation 22:** Embassy Seoul should require workstation login on its dedicated Internet network.

## Quality of Life

### Health Unit

The health unit is well managed. The unit is composed of a regional medical officer, two LE nurses, and one receptionist. The primary medical clinic is located in the chancery, and a satellite clinic is located in the housing area on Yongsan Garrison. The regional medical officer also supports Embassy Ulaanbaatar and Consulate General Vladivostok. The medical unit keeps all controlled substances in a safe and maintains proper records for their use and disposal. All non-controlled prescription medications are properly stored in a locked cabinet. The health unit is working with the information management section to create a database to maintain the inventory of non-controlled prescription medications with expiration dates. The practice will automate the monthly check of expiration dates.

The health unit currently refers most patients to the military hospital on Yongsan Garrison. The embassy expects that, with the closure of the garrison, it will have to contract for ambulance services, but otherwise should be able to obtain high quality medical care from local hospitals.

### United States Employee Association

The United States Employee Association operates a chartered recreation association that provides a full range of services to the embassy community. The association oversees five restaurant concessionaires, operates temporary duty guest quarters, and offers other miscellaneous services. At the time of the inspection, the association was in compliance with all audit and Department reporting requirements. The association contributes to the local pension system and changed its cost accounting standards after the last OIG inspection. The association reported sales of approximately \$575,000 in 2010 and turned a substantial profit. The association was taking appropriate action to address potential ethical concerns with one of its concessionaires at the time of the inspection.

The OIG team found that the association does not maintain insurance against employee embezzlement for its \$1.1 million in cash reserves. Individual bond coverage is not adequate to protect against theft of association funds in cases of embezzlement. The maximum insured amount under the current individual bond policy is \$20,000. Regulations at 6 FAM 533 require the association to provide adequate bond coverage to protect association assets. The lack of such insurance could expose the association to loss of funds, in case of theft or misappropriation of funds by association employees.

**Recommendation 23:** Embassy Seoul should direct the United States Employee Association to obtain adequate bond coverage for its cash reserves. (Action: Embassy Seoul)

*Fire and Life Safety Issues*

The United States Employee Association occupies two U.S. Government-owned buildings on Yongsan Garrison. As noted elsewhere in this report, the garrison is expected to close in 2016, at which time the buildings will be returned to the South Korean Government. The main association building is in a state of serious disrepair, with significant life safety deficiencies such as overloaded electrical systems, outdated boilers, structural foundation deficiencies, and partially collapsed retaining walls. The Department identified these deficiencies in a fire inspection in 2009, but to date the embassy has not undertaken the needed repairs. The embassy's facilities maintenance unit has provided a notional estimate of \$300,000 to undertake essential life safety repairs to the building. According to 6 FAM 531.4, associations should use profits to fund capital improvements, among other activities. The building presents significant hazards and cannot be occupied.

**Recommendation 24:** Embassy Seoul should develop and implement a plan to close the main United States Employee Association building. (Action: Embassy Seoul)

**Community Liaison Office**

The community liaison office supports a population of more than 500 embassy employees and family members. The community liaison office coordinator runs an active program to address community needs. The embassy employs a local employment advisor to help place eligible family members in jobs on the local economy. The coordinator also oversees production and distribution of a weekly newsletter to the embassy community. During the last year, the coordinator played an active role in supporting the community during various crises, including a typhoon, the shelling of Yeonpyeong Island, and the earthquake and subsequent nuclear crisis in neighboring Japan. The coordinator regularly attends all appropriate interagency meetings and meets twice a month with the DCM.

**Schools**

(b) (5)



## Management Controls

Embassy Seoul has in place effective management controls to protect against waste, fraud, and mismanagement of government resources. The annual chief of mission certification signed by the Ambassador in July 2010 did not identify any material weaknesses or reportable conditions in embassy operations. The OIG team found appropriate management controls in place for most operations.

One significant controls weakness was found in the general services property management unit. The warehouse contains a number of items that are not included in the official inventory records. The embassy is required to track all expendable and nonexpendable property in warehouses or storerooms, and include this information in the official inventory in accordance with 14 FAM 414.1-1 a.(2). Embassy Seoul includes property in the inventory only if the value is at least \$500.

**Recommendation 25:** Embassy Seoul should implement procedures to include all property stored in the warehouses and stockrooms in the official inventory records. (Action: Embassy Seoul)

## Consular Management Controls

Consular management controls are in excellent shape. Access to the consular section is controlled, accountable items are well secured, and accountable officers are designated in writing. Consular automated systems are up to date. The consular shared tables are current, and user roles are correctly assigned and maintained.

Consular managers generally are conducting appropriate reviews of visa adjudications, as required in 9 FAM 41.113 (i) and 9 FAM 42.81 PN1.4, with the exception of visa referrals. The consul general currently is not reviewing the referral adjudications of her deputy, and the DCM is not reviewing the referral adjudications of the consul general.

**Recommendation 26:** Embassy Seoul should require appropriate level supervisors, including the consul general and the deputy chief of mission, to review the adjudication decisions of visa referral cases. (Action: Embassy Seoul)

The consular cashiers perform their duties appropriately, and the accountable consular officer verifies collections. The American citizens services cashier has two backups, and the visa cashier has three backups. The American citizens services cashier rotates on a regular schedule among the primary and backups. The visa cashier backups fill in as needed. There is no regular schedule for rotating the backups into the visa cashier position to help them maintain their familiarity with current procedures.

**Informal Recommendation 23:** Embassy Seoul should establish a schedule whereby each backup consular visa cashier will serve as consular visa cashier on a regular basis.

## List of Recommendations

**Recommendation 1:** Embassy Seoul, in coordination with the Bureau of Democracy, Human Rights and Labor, should designate primary and secondary coordinators for the Leahy vetting program, ensure completion of training, and authorize them to access the Leahy database. (Action: Embassy Seoul, in coordination with DRL)

**Recommendation 2:** Embassy Seoul should issue a notice explaining the Leahy vetting process, including the requirements for each relevant section's participation, and establish a system whereby it will reissue this information annually. (Action: Embassy Seoul)

**Recommendation 3:** Embassy Seoul should establish a formal law enforcement working group, which should meet at least quarterly, to organize policy coordination and advocacy with South Korean officials and to schedule training and advisory efforts in the near to medium term. The working group should maintain and share with all group members records of the agenda items discussed and major outcomes of its meetings. (Action: Embassy Seoul)

**Recommendation 4:** Embassy Seoul, in coordination with the Bureau of Intelligence and Research, should conduct research designed to identify weaknesses in South Korean support for United States policies, either by issue or by demographics, that could be used to inform future programming in South Korea. (Action: Embassy Seoul, in coordination with INR)

**Recommendation 5:** Embassy Seoul should institute an appointment system for all American citizens services and all notarial services, eliminating walk-in hours for routine services and establishing policies and procedures for making necessary exceptions. (Action: Embassy Seoul)

**Recommendation 6:** Embassy Seoul should revise its visa standard operating procedures to remove the requirement for advance supervisory approval of any class of visa adjudications. (Action: Embassy Seoul)

**Recommendation 7:** Embassy Seoul should revise its visa referral procedures to bring them into accord with the worldwide visa referral policy. (Action: Embassy Seoul)

**Recommendation 8:** Embassy Seoul, in coordination with the Bureau of Human Resources, the Bureau of East Asian and Pacific Affairs, and the Foreign Service Institute, should design a program for meeting the long-term Korean language training needs of the Department at the limited working, general professional, and advanced professional levels, through a combination of Foreign Service Institute training in the United States and in Korea, the post language training program, and an immersion program. (Action: Embassy Seoul, in coordination with DGHR, EAP, and FSI)

**Recommendation 9:** Embassy Seoul should include goals for making progress towards achieving designated language proficiency levels in the work requirements statements of employees who have not reached the required proficiency levels before being assigned to language designated positions. (Action: Embassy Seoul)

**Recommendation 10:** The Bureau of East Asian and Pacific Affairs, in coordination with Embassy Seoul, should prepare and distribute a cable describing incentives and professional

opportunities for studying the Korean language. (Action: EAP, in coordination with Embassy Seoul)

**Recommendation 11:** Embassy Seoul, in coordination with the Bureau of Resource Management, should develop and implement a plan to transfer a portion of the embassy's voucher workload to the Post Support Unit. (Action: Embassy Seoul, in coordination with RM)

**Recommendation 12:** The Bureau of Overseas Buildings Operations should identify and evaluate the costs associated with the United States Forces Korea's departure from the Yongsan Garrison and accelerate the construction of Embassy Seoul's new embassy compound project on the Capital Security Construction Program schedule. (Action: OBO)

**Recommendation 13:** The Bureau of Overseas Buildings Operations, in coordination with Embassy Seoul, should conduct a design survey for the new embassy compound and prepare a comprehensive mission facilities master plan. (Action: OBO, in coordination with Embassy Seoul)

**Recommendation 14:** The Bureau of Overseas Buildings Operations, in coordination with Embassy Seoul, should immediately send a team to conduct a survey of housing options in order to assess the cost of converting infrastructure in the current housing compound and to select the most cost effective option for meeting the embassy's future housing needs. (Action: OBO, in coordination with Embassy Seoul)

**Recommendation 15:** Embassy Seoul should designate the supervisory general services officer as the motor vehicle accountable officer, and clearly identify and assign other responsibilities for the management of official vehicles. (Action: Embassy Seoul)

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**Recommendation 23:** Embassy Seoul should direct the United States Employee Association to obtain adequate bond coverage for its cash reserves. (Action: Embassy Seoul)

**Recommendation 24:** Embassy Seoul should develop and implement a plan to close the main United States Employee Association building. (Action: Embassy Seoul)

**Recommendation 25:** Embassy Seoul should implement procedures to include all property stored in the warehouses and stockrooms in the official inventory records. (Action: Embassy Seoul)

**Recommendation 26:** Embassy Seoul should require appropriate level supervisors, including the consul general and the deputy chief of mission, to review the adjudication decisions of visa referral cases. (Action: Embassy Seoul)

## 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:*** Embassy Seoul should direct all embassy sections and offices to give all entry-level professionals the opportunity to participate in a range of career development opportunities as often as possible, consonant with their job responsibilities.

***Informal Recommendation 2:*** Embassy Seoul should direct the political officer assigned oversight of a grant on vocational and entrepreneurial training to complete grants training online.

***Informal Recommendation 3:*** Embassy Seoul should hold an annual public diplomacy section meeting, including all relevant staff, to confer on key topics.

***Informal Recommendation 4:*** Embassy Seoul should encourage officers in the public affairs section to invite key contacts to one-on-one representation events.

***Informal Recommendation 5:*** Embassy Seoul should establish and publish procedures for providing American citizens services to internal customers, including embassy employees' family members.

***Informal Recommendation 6:*** Embassy Seoul should streamline the intake of customers so they move seamlessly from the cashier window to a service window.

***Informal Recommendation 7:*** Embassy Seoul should place on its American citizens services Web page information about public transportation options and nearby parking.

***Informal Recommendation 8:*** Embassy Seoul should hold regularly scheduled immigrant visa unit meetings.

***Informal Recommendation 9:*** Embassy Seoul should conduct quarterly training sessions for consular officers on both country-specific and regional and worldwide fraud trends.

***Informal Recommendation 10:*** Embassy Seoul should reinvigorate the Visas Viper program with a clear explanation to other agency participants of the benefits of the program. This process could include periodic presentations with specific examples of the breadth of submissions that other posts have made through the program.

***Informal Recommendation 11:*** Embassy Seoul should require the rating officer for the head of the American presence post in Busan to regularly visit and hold telephone consultations with the head of the American presence post, to provide guidance, evaluation, and suggestions for improvement.

***Informal Recommendation 12:*** Embassy Seoul should develop a system that provides the American presence post with timely notification of embassy staff member visits to the Busan region.

***Informal Recommendation 13:*** Embassy Seoul should include the locally employed staff working at the American presence post in Busan in training sessions via digital video conference, as appropriate.

***Informal Recommendation 14:*** Embassy Seoul's management counselor should review Korean language requirements for locally hired positions within the management section prior to advertising such positions.

***Informal Recommendation 15:*** Embassy Seoul should conduct a needs assessment survey of officers who occupy language designated positions to determine the priority of training requirements for the post language program.

***Informal Recommendation 16:*** Embassy Seoul should prepare a timeline that identifies the changes that will occur when Yongsan Garrison closes and when the embassy will need to take specified actions.

***Informal Recommendation 17:*** Embassy Seoul should conduct a survey of local vehicle repair services and determine whether it would be more efficient to contract with local companies or continue operating an in-house garage.

***Informal Recommendation 18:*** Embassy Seoul should prepare a handbook with the mission's procedures for official visits to provide guidance to control offices and supporting staff members.

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***Informal Recommendation 20:*** Embassy Seoul should enforce the housing policy's safety requirements for trampolines and other play equipment.

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***Informal Recommendation 22:*** Embassy Seoul should require workstation login on its dedicated Internet network.

***Informal Recommendation 23:*** Embassy Seoul should establish a schedule whereby each backup consular visa cashier will serve as consular visa cashier on a regular basis.

## Principal Officials

	<b>Name</b>	<b>Arrival Date</b>
Ambassador	D. Kathleen Stephens	09/08
Deputy Chief of Mission	Mark Tokola	08/09
Chiefs of Sections:		
Management	Mary Martinez	06/10
Consular	Cynthia Sharpe	07/09
Political	James Wayman	07/09
Economic	Michael Kleine	08/09
Public Affairs	Patrick Linehan	06/07
Regional Security	Gregary Levin	06/08
Other Agencies:		
Department of Agriculture - Foreign Agricultural Service	Kathryn Ting	09/10
Department of Commerce - Foreign Commercial Service	James Sullivan	08/10
Department of Defense	COL Kevin Madden, USA	08/09
Department of Homeland Security – U.S. Customs and Border Protection	John Jackson	01/11
Department of Homeland Security – U.S. Immigration and Customs Enforcement	Kyung-Yul Kim	08/08 07/09
Drug Enforcement Administration	Edward Fiocchi	
Open Source Center	Kristin Patel	08/09
Legal Attaché	John Yu, Acting	04/11

## Abbreviations

APP	American presence post
ARSO-I	Assistant regional security officer for investigations
COM	Chief of Mission
DCM	Deputy chief of mission
G-20	Group of Twenty Finance Ministers and Central Bank Governors
ICASS	International Cooperative Administrative Support Services
LE	Locally employed
MSRP	Mission Strategic and Resource Plan
North Korea	Democratic People's Republic of Korea
OIG	Office of Inspector General
South Korea	Republic of Korea
USFK	United States Forces Korea
Yongsan Garrison	United States Army Garrison at Yongsan

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800-409-9926

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