



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

Office of Inspections

**Inspection of
the U.S. Mission to
the Organization for Security
and Cooperation in Europe**

Report Number ISP-I-12-18A, March 2012

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Office of Inspector General

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 for the U.S. Department of State (Department) and the Broadcasting Board of Governors (BBG).

PURPOSE AND SCOPE

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

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

METHODOLOGY

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



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PREFACE

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

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

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

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

A handwritten signature in black ink, appearing to read "H. W. Geisel". The signature is fluid and cursive, with a large loop at the end.

Harold W. Geisel
Deputy Inspector General

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Key Judgments

- The U.S. Mission to the Organization for Security and Cooperation in Europe (USOSCE) has operated for decades in an (b) (5) facility that impedes efficient operations. The Department should complete negotiations as soon as possible with an identified commercial developer so the mission can relocate at the earliest possible date.
- An experienced Ambassador and a new deputy chief of mission (DCM) are strong leaders who provide a clear, common vision and the strategic guidance to enable their capable team to achieve agreed-upon goals.
- Advancing U.S. objectives in a climate where there is a growing divergence between Europe and Eurasia's democratic West and increasingly authoritarian East is challenging for both the United States and the Organization for Security and Cooperation in Europe (OSCE).
- The mission led the OSCE's efforts to maximize the participation of civil society and nongovernmental organizations (NGO) in meetings and conferences. Including these organizations in meetings and conferences advances U.S. interests in holding participating states accountable for their actions, reflects modern international realities, and enhances the relevance of the OSCE.
- The mission excels in its planning and tactics to promote U.S. interests in and facilitate the work of the OSCE. Staff manages highly technical issues and provides high-quality analysis to Washington consumers, but the mission could expand its reporting via formal channels.
- The public affairs section performs well in conducting outreach throughout Europe and Eurasia, often using the Ambassador as a public speaker. The section needs to focus its social media efforts on developing larger target audiences.

Management services are evaluated in the OIG report, *Inspection of Tri-Mission Vienna Joint Management Office* (March 2012).

All findings and recommendations in this report are based on conditions observed during the on-site review and the standards and policies then in effect. The report does not comment at length on areas where OIG did not identify problems that need to be corrected.

The inspection took place in Washington, DC, between September 12 and 29, 2011, and in Vienna, Austria, between October 3 and November 17, 2011. The members of the team were (b) (6)

Context

Founded in 1975 to foster cooperation and break down dividing lines between Europe's East and West, the OSCE is the world's largest regional security organization. Its 56 participating states and 12 partner countries include countries as diverse as North Atlantic Treaty Organization (NATO) allies, the Central Asian republics, and Russia. In the 1990s, the OSCE gained a mandate to help new states in Eastern Europe and Eurasia manage the transition to democratic governance and resolve their frozen conflicts. Today, lingering tensions and increasingly authoritarian governance in parts of its region give the OSCE reason to keep focusing on these areas. Achieving consensus has been challenging in recent years, however, as Russia and certain Eurasian countries have begun to question OSCE's authority and activities.

The mandate of USOSCE aligns with key U.S. foreign policy objectives: advancing human rights and democratic values, helping to prevent conflicts, countering transnational threats, promoting regional stability and arms control, and engaging with Russia. OSCE provides the United States with opportunities to gain region-wide support for these policies that would be difficult to achieve through NATO coordination, U.S.-European Union cooperation, or bilateral relations alone. The U.S. engagement with the OSCE also signals sustained U.S. commitment to the security of Europe and Eurasia.

U.S. interests in the OSCE center on the Helsinki commitments that each member undertakes with regard to democratic freedoms and security, as well as the tradition of dialogue between civil society and governments. The uprisings and upheaval in 2011 across North Africa and the Middle East provide the OSCE with an opportunity to model ways of supporting human rights and fundamental freedoms in new arenas. In addition, the OSCE in recent years has helped Central Asian states address threats emanating from Afghanistan. The OSCE maintains field missions and training academies across Central Asia and is devoting increasing resources to the issue of border management.

U.S. support to the OSCE relies on two different appropriations. One appropriation, drawing on the Bureau of European and Eurasian Affairs (EUR) program funds, contributes to the OSCE Secretariat and OSCE institutions. The other appropriation, drawing on foreign assistance funding, helps support OSCE field missions and the assignment of U.S. personnel to those missions. After years of decline, U.S. funding has returned to previous levels and now constitutes approximately 11.5 percent of the OSCE's unified budget and 14 percent of the cost of its field missions. Department budget constraints will require EUR and USOSCE to consult closely with OSCE and member states on ways to rebalance OSCE budgets.

USOSCE staffing consists of 22 Department U.S. direct-hire and 15 locally employed staff members. The Department of Defense (DOD) is considering the withdrawal of five Joint Staff and Defense Threat Reduction Agency positions, reportedly due to its own budget cuts and the \$1.3 million charge for its share of fit-out costs for the planned, new USOSCE space.

(b) (5)



Executive Direction

An experienced Ambassador, new DCM, and capable staff overcome a plethora of obstacles to advance U.S. objectives in the increasingly challenging OSCE environment. The Ambassador perceives with concern the growing divergence between Eurasia's democratic West and the increasingly authoritarian East. He is active in urging decisionmakers in Washington to attend to this trend and to rely on the OSCE as the key forum in which to do so, even while U.S. priorities and global power and attention continue to shift to Asia. Several bureaus in the Department have equities in USOSCE, which complicates communications on these issues. The Ambassador's long experience with Russia, coupled with his work on advancing the Department's "reset" policy on relations with Russia, enable him to play a valuable role in the ongoing policy debate and in his dialogue with Russian officials.

The Ambassador leads the USOSCE team in analyzing and strategizing about how best to advocate U.S. positions regarding OSCE's civil society responsibilities. Russia and many of the states of the former Soviet Union have sought to limit the activities of OSCE institutions, such as the Office of Democratic Institutions and Human Rights (ODIHR), the High Commission for National Minorities, and others. This has been especially the case with regard to election observer missions and the participation of NGOs in OSCE summits, ministerial meetings, conferences, and implementation meetings (namely, the annual human dimension implementation meeting and the environment and economic dimension meeting). Nonetheless, USOSCE has succeeded in ensuring that the OSCE continues to deploy election observation missions, although these missions increasingly face restrictions from some host governments.

The Ambassador also has been instrumental in maximizing outreach to NGOs on the margins of the main, annual OSCE meetings. At the Astana OSCE summit meeting of 2010, for example, he conceived and fostered a parallel NGO summit featuring an important speech by the Secretary of State. This paradigm will be repeated at the 2011 OSCE Ministerial Council in Vilnius and may become a permanent feature of these annual gatherings, representing an important legacy of the Ambassador's tenure. The presence of hundreds of NGOs guarantees that the OSCE takes civil society views into account, however uncomfortable that may be for some participating states.

The mission has cultivated an impressive array of contacts among the OSCE's 56 participating state representatives, as well as observer delegations and hundreds of international staff members. The Ambassador knows all the key representatives, often on a first-name basis, thanks to his ability to use fluent Russian as needed. (b) (5)

Similarly, the USOSCE staff has excellent contacts at the appropriate levels, a situation the Ambassador strongly encourages. He also includes staff in outside meetings, calls on them to present their expert opinions, and takes along junior and other colleagues on his trips in the OSCE region. Mission officers use representation funds well to deepen these important relationships. The Ambassador, whose background includes extensive public diplomacy experience, is active with the press and is an outstanding, extemporaneous public speaker. His numerous interviews and speeches constitute a valuable element in the United States' advocacy efforts.

The administration's interest in using the OSCE to lend support to new democracies in North Africa elicited a number of quick, pertinent responses from USOSCE leadership. The Ambassador used a series of public statements and interviews, worked his diplomatic contacts, and increased the mission's reporting to support this initiative.

Overall, the difficulty of achieving consensus in such a large organization and the resistance of some participating states to fundamental OSCE principles serve to limit senior-level U.S. engagement in the OSCE. Funding so far has remained healthy, however, especially for extra-budgetary projects that do not require consensus. Nonetheless, lowered Washington expectations of the OSCE in recent years compel the USOSCE mission to demonstrate that the OSCE is more than a forum for exchanging views. Some in Washington agencies and bureaus view that the staffing in the OSCE's field missions in third countries should be rebalanced. Budgetary pressures from participating states also are increasing scrutiny of the OSCE's field missions, which many consider the organization's "crown jewels." USOSCE faces a related challenge: keeping the OSCE focused on its core mandate of conflict prevention and human rights, while avoiding duplication of work already being done by other international or regional organizations, such as in the Arctic or with regard to export controls.

In this context, USOSCE has done a good job husbanding its resources and planning for the likely, future decline in U.S. funding. Although funding comes to USOSCE and to the OSCE itself from several sources, EUR has committed to continuing the existing funding streams. After extended consideration, the bureau believes this mechanism is a more reliable way to sustain contributions and support than to try to consolidate them or shift them to another bureau; the OIG team concurs with this assessment.

The mission excels in planning and tactics, particularly with regard to the OSCE's two major, annual meetings, the December Ministerial Council and the October human dimension implementation meeting. The leadership of USOSCE lays out all the meetings' potential problems and opportunities, defines the issues, and acts as the U.S. Government's policy and logistics secretariat. The OIG concurs with the widespread sentiment among mission officers, that the USOSCE leadership provides a clear, common vision and the strategic guidance to achieve agreed-upon goals. USOSCE's Mission and Strategic Resource Plan adequately describes its activities and objectives.

The mission confronts an interagency dilemma regarding the future of a U.S. military presence in USOSCE. For many years, military advisors have been on permanent assignment at USOSCE and have contributed valuable perspectives on such key OSCE activities as arms control, munitions destruction, and the military aspects of conflict resolution, while also making important contacts among the military advisors that most other OSCE participating states count in their delegations. The continuation of a permanent DOD presence will affect the mission's ability to represent U.S. defense interests in OSCE fora. At present, however, DOD is considering withdrawing the five-person military staff assigned to USOSCE, largely because of the increased startup and ongoing costs of moving into a new building. The Ambassador and a team of Embassy Vienna and Washington officials worked hard to secure leased space in a new building, but the security customization expense and prospective recurring lease costs have proved to be higher than DOD expected. EUR has raised the issue with the Joint Chiefs of

Staff, and it remains under consideration. The OIG team believes that the Department has handled this issue in the appropriate manner.

The leadership of USOSCE works effectively with mission staff members, who rate both the Ambassador and the new DCM highly for their substantive expertise and attention to staff concerns. A good balance of duties and expertise characterizes the Ambassador-DCM partnership. They complement each other well, fostering a productive, efficient work environment. The DCM is restoring clear, standardized procedures for the flow of decisions and documents in and out of the front office. At the same time, the front office has sought an uptick in the amount of formal paperwork, especially briefing materials from the political section. Some of the requested information could be provided more efficiently through informal communications, such as email. This situation will evolve satisfactorily as the new DCM settles in, but it will require monitoring by both the front office and the political section head.

High morale prevails at USOSCE, thanks to concerted efforts by the Ambassador and particularly the new DCM, who has already made enormous strides in bolstering a sense of team cohesion. During in-house USOSCE meetings, the atmosphere is open, substantive, good humored, pragmatic, and conducive to valuable brainstorming. The Ambassador's interest in the officers' work and his trust in their capabilities have a motivating influence on their performance. USOSCE staff work long hours, often on holidays, and they frequently travel to meetings that intensify their workload, so appreciation from the front office makes a positive difference. Although the Ambassador and DCM frequently praise employees in meetings, some indicated to the inspectors that they also would appreciate more personal feedback about their work.

The Ambassador and DCM fully support Equal Employment Opportunity principles and uphold ethical standards. They also demonstrate careful attention to security and safety – (b) (5) – and they are responsible stewards of (5) resources.)

The Ambassador and DCM at times have meetings without an embassy note taker and have not consistently shared with the political section the information that was picked up or exchanged during meetings. As a result, officers sometimes were not informed on recent developments in their portfolios. The DCM and Ambassador acknowledged the need to improve the downward flow of key information and have begun to use frequent informal and formal meetings to do this.

Office management specialists at USOSCE have been filling in for each other during temporary vacancies, a sharing of workload that is evolving well since the arrival of the new DCM. Continuing attention to judicious allocation of this limited personnel resource will ensure that no section of USOSCE finds its work disrupted unnecessarily.

Development of Entry-Level Officers

The career development program for first- and second-tour officers and specialists needs attention. It is centered at Embassy Vienna, and does not provide the full range of

opportunities that would constitute a comprehensive career development matrix. The Ambassador and DCM acknowledge these shortcomings.

First- and second-tour personnel at USOSCE are active in an informal association that includes their counterparts at Embassy Vienna and the U.S. Mission to International Organizations in Vienna (UNVIE). Some employees in this larger group feel confined to the duties of their sections and do not experience the full scope of Foreign Service activities. Only rarely are opportunities available to participate in the wider work of each mission or the other missions in Vienna. While first- and second-tour officers and specialists from some missions receive mentoring and guidance on a day-to-day basis from their direct supervisors, others do not. All report that their careers would benefit from wider access to senior officers to build expertise in diplomatic skills.

The Ambassador and DCM welcomed the OIG team's suggestions for fashioning an entry-level development program at USOSCE that fulfills the Foreign Service Director General's direction, transmitted worldwide on November 22, 2010, as State 120467, to conduct robust mentoring and professional development of entry-level Foreign Service employees. They pledged to collaborate with the other missions to seek short-term opportunities for first- and second-tour personnel to work in the sister missions.

Recommendation 1: The U.S. Mission to the Organization for Security and Cooperation in Europe should develop and implement a plan to provide first- and second-tour officers and specialists with regular mentoring sessions and well defined opportunities to gain experience with multilateral relations, support official visits, speak in public fora, produce written reports, and participate in representational events. (Action: USOSCE)

Policy and Program Implementation

The mission's arms control and political section heads report to the Ambassador through the DCM, and they work with different OSCE fora. According to 1 FAM 442.4, the head of the arms control section is the chief U.S. arms control delegate to the OSCE and represents the United States in the multilateral OSCE Forum for Security Cooperation, the Joint Consultative Group, and the Open Skies Consultative Commission. In the capacity of chief U.S. arms control delegate, the counselor reports to the Assistant Secretary for Arms Control, Verification, and Compliance, as well as the Ambassador. The OSCE's "human dimension," which encompasses human rights, civil society, the rule of law, and democratic institutions, has increasingly become the mission's main focus, for which the political section has responsibility.

The United States provides funding to the OSCE through a variety of programs. U.S. contributions to the OSCE unified budget in FY 2011 amounted to \$30 million, of which \$20 million was funding from the Assistance for Eastern Europe, Eurasia, and Central Asia appropriation (AEECA) for OSCE field missions, and \$10 million from Diplomatic and Consular Program funding for OSCE Secretariat operations.

In addition, in FY 2011 the United States provided \$2 million in AEECA funds as extra-budgetary contributions to the OSCE, and another \$8 million in Assistance for Eastern Europe and Central Asia funds to cover the costs of seconding U.S. personnel to the OSCE. Separately, several Department bureaus provide Nonproliferation, Antiterrorism, Demining, and Related Programs funding to the OSCE. The program funding includes a grant from the Bureau of International Narcotics and Law Enforcement Affairs for \$500,000 to combat drug trafficking and strengthen border controls, a grant from the Bureau of International Security and Nonproliferation of \$500,000 to stem trafficking in small arms and light weapons, and a grant from the Office of the Coordinator for Counterterrorism of \$300,000 to combat extremism and terrorism. USOSCE monitors and reports on the use of these funds, with the exception of the Nonproliferation, Antiterrorism, Demining, and Related Programs grants, for which OSCE personnel work directly with the relevant bureau.

The mission is organized along legacy lines that reflect a time when the arms control section was much larger and had a more active agenda. Two sections report to different bureaus in the Department. The Bureau of Arms Control, Verification, and Compliance gives guidance to the arms control section, and EUR provides guidance to the political section. The former consists of two officers, one temporary duty position, and one locally employed office management specialist. The latter consists of six officers, a locally employed staff member, a professional associate, and an office management specialist. As organized, the mission is unable to provide balanced office management support for the two sections, with a negative effect on officer productivity. The current arrangement of two separate sections also limits the mission's capacity to backstop a position in the event of extended vacancies.

The rationale for the continued maintenance of separate arms control and political sections will depend on whether the arms control workload increases and whether DOD maintains a permanent presence in the mission. Although DOD has direct interests at play in

OSCE arms control bodies, there is no longer a civilian representative from the Office of the Secretary of Defense. At the time of the inspection, the Joint Chiefs of Staff were considering whether to end a permanent presence in the mission.

Informal Recommendation 1: The U.S. Mission to the Organization for Security and Cooperation in Europe should assess its organizational structure in 2012 and determine, in light of the workload and institutional representation in the mission, whether it should maintain separate arms control and political sections.

The political section focuses largely on the activities of the OSCE's Permanent Council and its subordinate entities, such as the ODIHR, as well as the OSCE Chairman-in-Office and OSCE Secretariat. The political section deputy supervises four officers and has a substantive portfolio that includes the Permanent Council's security committee. In a combined section, that responsibility could be shared or transferred to a political-military officer.

Some employees believe that the political section needs an additional officer, but the mission did not request a position in its last Mission Strategic and Resource Plan. Officers perform some overtime work; the amount is not excessive, except around major OSCE events, such as the human dimension implementation meeting. The recent addition of a professional associate and the planned hiring of a part-time office management specialist to fill a 1-year vacancy will ease some of the workload imbalance.

Informal Recommendation 2: The U.S. Mission to the Organization for Security and Cooperation in Europe should monitor and periodically assess staff workloads, especially in the political section, and incorporate its resource findings into the next strategic planning request.

In recent years, the OSCE has expanded its outreach to civil society and NGOs. The USOSCE supports the inclusion of NGOs, academics, and media representatives in parallel events in connection with OSCE summits, ministerial meetings, and conferences. After the OSCE Ministerial Council in December 2011, the mission is transferring the media freedom portfolio from the political section to the public diplomacy section. The political section is not consistently including the public diplomacy officer in the section's work to prepare for the December council, even though the topic of media freedom is featured on the meeting agenda. If this practice is not changed, the mission will be disadvantaged in the area of media freedom when it has to prepare for subsequent OSCE ministerial meetings.

Informal Recommendation 3: The U.S. Mission to the Organization for Security and Cooperation in Europe should include the public diplomacy officer in preparations for the December 2011 Organization for Security and Cooperation in Europe Ministerial Council meeting, in the area of media freedom.

Short, daily huddles of the political section each morning focus on ongoing activities, and these sessions are supplemented by weekly staff meetings. The huddles enhance communication among staff and improve the officers' ability to backstop one another. The public diplomacy officer and the officer for resource management both work with the political

section, but they do not regularly attend the weekly meetings. The political section also does not engage in long-term planning at the weekly staff meeting.

Informal Recommendation 4: The U.S. Mission to the Organization for Security and Cooperation in Europe should include the public diplomacy officer and the officer for resource management in the weekly staff meetings of the political section and should include a focus on long-term planning in these meetings.

The weekly OSCE Permanent Council provides an opportunity for mission officers to engage in diplomatic work with other delegations. At times the number of mission officers present at sessions of the Permanent Council can be very large. The Permanent Council is the center of OSCE deliberations, and attendance provides officers with an opportunity to learn and advance U.S. objectives.

Representation and travel funds are adequate. Officers have been able to travel to countries within their portfolios to observe and report on OSCE activities. Until recently, representation funds were not equitably used within the political section, but the new counselor is correcting this disparity. The section head and deputy are developing an allocation plan for representation funds, so that all officers can identify better representation activities that will advance U.S. objectives.

The U.S. Commission on Security and Cooperation in Europe (the Helsinki Commission), which was created by Congress, assigns a representative to the USOSCE who serves on a basis similar to that of a long-term congressional staff delegation. This arrangement is unique and works very well. The incumbent has an office in the mission and is fully integrated into the mission's work. He keeps the Helsinki Commission informed on OSCE developments, advises the Ambassador on congressional views, and supports the mission's work in the field of human dimension and with regard to OSCE organizational reform. These activities help the mission advance U.S. objectives within the OSCE, for which the Helsinki Commission shares continued credit. In addition, the incumbent serves as a liaison to the OSCE's parliamentary assembly. Because of the potential for conflict of interest as a representative of the legislative branch, the incumbent does not work on OSCE budgetary issues.

Reporting, Analysis, and Advocacy

The political and arms control sections report regularly on OSCE issues. A large majority of the reporting consists of spot reports on meetings. Washington consumers give both sections high marks for timeliness of reporting and quality. Many issues are technical, especially in the arms control area, and Department as well as DOD officials value the mission's substantive expertise.

The mission reports extensively on efforts to update the Vienna Document, a foundation document relating to OSCE member obligations and responsibilities, as well as on efforts to negotiate a new agreement on conventional forces in Europe. Both of these issues involve U.S. security and foreign policy interests that command the attention of policymakers. Washington consumers especially value the mission's reporting on the OSCE's work in the human dimension topics promoting civil society, human rights, and the rule of law, areas for

which the OSCE is best known. For example, USOSCE succeeded in finding a nonconsensus mechanism that allowed the OSCE to investigate Belarus for its human rights violations, following its December 2010 elections.

About one-tenth of the approximately 100 front-channel cables that the USOSCE transmitted in the 6 months prior to the OIG inspection provided analysis and policy recommendations. Washington agencies credit USOSCE with providing value-added input to U.S. Government policymaking. Much of this reporting, however, is done through informal, nonrecord channels.

The political, arms control, and resource management sections are not implementing Department procedures for managing and retiring records, as is required by 5 FAM 414.5 and 5 FAH-4 H-113. One office management specialist does not have access to folders on the section's shared drive. The political section head has instructed staff on the requirement to file official documents on the shared drive, but the files are disorganized and documents are not readily accessible.

In addition, the political and arms control sections are not organizing shared folders according to the Department's Traffic Analysis by Geography and Subject labeling system. The sections do not archive email messages that meet the definition of records in 5 FAM 443.2. Failure to implement such procedures impedes the Department's ability to retrieve official documents that are of value in the conduct of foreign policy and to historians. Tri-Mission Vienna's joint management office (JMO) has issued an administrative notice on 5 FAM 443 requirements, but USOSCE remains noncompliant.

Recommendation 2: The U.S. Mission to the Organization for Security and Cooperation in Europe should implement a tracking system to verify that employees establish, maintain, and annually retire official records, including email messages that qualify as records.
(Action: USOSCE)

The mission produces a classified "USOSCE Daily Digest," which the political section prepares and sends by nonrecord email to a variety of Washington agencies and departments. All mission sections contribute to the report, which conveys breaking information that is not otherwise included in front-channel cables. The mission, however, makes little use of the record email function of the State Messaging and Archive Retrieval Toolset software system. Record email is designed to archive emails that should be preserved for the historical record, such as those relating to official reports, schedules for visitors, ongoing steps taken in the implementation of programs, and the exchange of views on policy-related matters. By using nonrecord email, USOSCE is not preserving important record information as required.

Recommendation 3: The U.S. Mission to the Organization for Security and Cooperation in Europe should use the record email function in the State Messaging and Archive Retrieval Toolset system to save all correspondence that qualifies as record information.
(Action: USOSCE)

Political Section

Under the pressure of a heavy workload, not all officers give proper attention to producing analytical reports. Analytical reporting contributes to Washington's understanding of the OSCE's capacity for (and limitations to) advancing U.S. interests. An example of useful analytical reporting was the mission's 2011 cable on ways the OSCE can contribute to Afghanistan's transition. Another useful area for analysis is how the United States and the OSCE should manage the expansion of OSCE's work beyond its traditional area, such as how to manage Mongolia's application for OSCE membership. The mission could usefully expand its analytical reporting on challenges facing the OSCE.

The flow of information between the political section and the front office is improving with the arrival of the new DCM. The political counselor recognizes the continuing need to elicit read-outs of meetings from the Ambassador and DCM, and to share the read-outs with his staff. He also plans to take steps to show the section's officers the editorial changes made to briefing memos prepared for the Ambassador or DCM, which should help the staff improve their drafting skills.

The political counselor is sensitive to workload imbalances resulting from requests from the front office, and is making efforts to encourage the use of other options that require less officer work. The political counselor has flagged this issue for the front office and understands that he has a responsibility to keep the front office advised, if workload demands become excessive.

Section leadership values the skills and motivation of the office management specialist. The OIG team endorses the section's plans to provide the specialist with more career enhancing responsibilities, after the section fills a part-time office management position to help provide office support.

A local, U.S.-citizen employee with a security clearance works in the section. Over a period of 8 years with USOSCE, she has accumulated one of the mission's more substantive portfolios. The employee expects to depart USOSCE soon. The section needs to plan how it will reallocate the local employee's portfolio (which includes helping the mission prepare for ministerial meetings) among the section officers.

Informal Recommendation 5: The U.S. Mission to the Organization for Security and Cooperation in Europe should develop a plan for reassigning the responsibilities of the local, U.S.-citizen employee once the position becomes vacant.

The political section prepares briefing memos using various formats. The section head recognizes that training officers to use the Department's format for a briefing checklist would better prepare them for other assignments; the OIG team encouraged him to do so.

Arms Control Section

With a slowdown over the last decade in arms control activity in OSCE fora, the mission's arms control section has decreased to its present small size. An effort by the United

States and its allies to renew negotiations on the conventional forces in Europe did not progress in 2010.

The section coordinates its reporting with a military office in the mission that represents the Joint Chiefs of Staff. The two officers in the mission's Joint Chiefs of Staff section represent the United States at the OSCE military advisory committee. Those officers and a person in a rotating temporary duty position from the Defense Threat Reduction Agency cover DOD interests in the OSCE's arms control fora. These three representatives assist the arms control section in representing the United States at meetings of the OSCE Joint Consultative Group, or in meetings of the parties to the multilateral, security Open Skies Treaty, as well as in working groups revising the Vienna Document.

Office of Resource Management

The mission's office of resource management is headed by a Civil Service officer and an assistant who is an eligible family member employee. The section head works closely with the OSCE Secretariat's Advisory Committee on Management and Finance to establish and assess the OSCE's budget and program performance.

In addition, the section head oversees a Department contractor who handles U.S. personnel seconded to the OSCE. She reviews and initials contractor billing statements, which she then submits to the Bureau of Administration for processing, thus serving as the contracting officer's representative. The contract employee completed the required training prior to arriving at USOSCE in the summer of 2011 and has sought designation as the contracting officer's representative, pursuant to 14 FAH-2 H-142, at the start of her assignment in July 2011. However, the Bureau of Administration had not formally designated her as such at the time of the inspection.

Recommendation 4: The Bureau of Administration should immediately designate a qualified contracting officer's representative in the office of resource management. (Action: A)

The OSCE Secretariat has improved its accountability for field mission projects and provides quarterly reports on all project phases, from proposal through implementation to close-out. Field mission projects normally last 1 to 2 years and are financed by extra-budgetary contributions from participating states. The new OSCE Secretary General now also is requiring field missions to prepare similar reports on activities carried out under the unified budget. This recent improvement in OSCE accountability came at the urging of the United States, but it also has increased the workload for the political section officers who review and assess project reports. The OSCE normally prepares three reports covering each project phase, and an officer in the political section can spend as much as 45 hours a year reviewing and assessing OSCE project reports, which are shared with Washington.

Informal Recommendation 6: The U.S. Mission to the Organization for Security and Cooperation in Europe should coordinate with the Bureau of European and Eurasian Affairs to determine the feasibility of streamlining the process for U.S. evaluation of Organization for Security and Cooperation in Europe projects without diminishing accountability for the use of U.S. Government funds.

Public Affairs

The small section conducts a wide range of outreach programs, which often involve the public diplomacy-minded Ambassador, who is attentive to the importance of reaching audiences throughout Europe and Eurasia. For example, the Ambassador in September 2011 launched a panel discussion sponsored by Reporters Without Borders, on the topic of European security policy and freedom of expression. Also in September 2011, he conducted a digital video conference with Belarusian NGO activists in Minsk; he followed this conference up with a representational event with a different group of Belarusians at the OSCE's human dimension implementation meeting, held October 2011 in Warsaw.

Section staff could better integrate its efforts into more aspects of USOSCE policy advocacy. The new public affairs officer has taken initial steps to work more proactively with other sections of the mission.

Until very recently, the public affairs section conducted routine media activities, such as disseminating U.S. positions or arranging speaking events. Its activities will change in January 2012, when the section takes responsibility from the political section for the mission's reporting, analysis, and advocacy on media freedom issues in the OSCE. Freedom of the media is an integral part of the OSCE's overarching human dimension mandate, which encompasses topics ranging from human rights and minorities to media freedom and civil society. In anticipation of the portfolio transfer from the political section, the public affairs officer began consultations in October 2011 with OSCE Secretariat staff charged with coordinating human dimension programs.

The mission makes good use of the Department's International Visitor Leadership Program to advance U.S. objectives with influential persons in OSCE participating states. In FY 2011, one group of grantees from Armenia, Azerbaijan, Moldova, and Kyrgyzstan visited the United States to learn how to build capacity in NGO management and community leadership. A second project sent six Roma and Sinti NGO leaders to the United States to meet with civil rights leaders, aid societies, government officials, and educators. All sections in the mission contribute to the selection of grantees and the initial design of the visitor programs.

The public diplomacy section administers a modest grant program tied closely to Mission Strategic and Resource Plan goals and aimed at promoting regional stability through long-term capacity building. One grant funded a program for young Kosovar filmmakers that resulted in the production of a documentary film on the work of the OSCE mission in Kosovo. A second grant brought seven journalists and one academic from Armenia, Azerbaijan, Georgia, and Moldova on a USOSCE-sponsored familiarization tour of the OSCE and UN offices in Vienna.

The public affairs officer holds valid grant authority. One shortcoming is the absence of the mandatory DS-4012 Federal assistance file form, which comprehensively inventories grants documentation. The form was not prepared for any of the grants that the OIG team reviewed. The section is in the process of correcting this error. The locally employed staff

member who administers grants does not have required grants administration training.¹ Failure to maintain proper grants documentation puts USOSCE at risk of the misuse of U.S. funds.

Recommendation 5: The U.S. Mission to the Organization for Security and Cooperation in Europe should arrange for locally employed staff to complete the required grants training. (Action: USOSCE)

The public affairs section produces a Russian-language Web site, which is the centerpiece of USOSCE outreach to the Russian speaking world. It is linked to USOSCE's English-language site and contains extensive information about both the OSCE and USOSCE objectives, and how the two entities function. More importantly, the Web site features translations of U.S. statements made before the OSCE Permanent Council, as well as translations of significant OSCE documents. It is the only comprehensive, Russian-language source for this information. The Bureau of International Information Programs uses much of USOSCE's Russian-language material for broader dissemination.

In 2010, the section introduced social media platforms, including Twitter, Facebook, YouTube, and Flickr, to its outreach programming activities. However, the section needs to implement its evolving social media strategy judiciously, so the growing demands from audiences for increased content do not outpace its ability to respond in a timely fashion. While the number of people accessing each platform has increased over the past year, the mission should focus on developing larger target audiences. UNVIE has considerable social media marketing expertise that could help USOSCE to identify new audiences.

Informal Recommendation 7: The U.S. Mission to the Organization for Security and Cooperation in Europe should consult with the U.S. Mission to International Organizations in Vienna to improve the marketing and technical quality of its social media platforms.

While it appears that the public affairs section has adequate funding for both its locally employed staff and its major program costs, USOSCE does not receive funding from the Bureau of International Information Programs to enable it to program Washington-supplied speakers who can help promote U.S. policy messages. It is unclear why USOSCE does not receive a speaker allotment from the Bureau of International Information Programs, which normally supplies such funding to all diplomatic missions abroad.

Informal Recommendation 8: The U.S. Mission to the Organization for Security and Cooperation in Europe should ask the Bureau of International Information Programs to include the mission in the bureau's Washington-supplied speaker programs.

¹ Foreign Service Institute courses PY 220: Introduction to Grants and Cooperative Agreements, and PY222: Monitoring Grants and Cooperative Agreements.

Resource Management

Financial and Human Resources

Agency	U.S. Direct-Hire Staff	U.S. Local-Hire Staff	Locally Employed Staff	Total Staff	Total Funding FY2011
Department of State	22	3	9	34	
D&CP	21	2	5	28	\$2,335,500
USOSCE Representation	0	0	0	0	\$36,600
ICASS	0	0	1	1	N/A
Public Diplomacy	1	1	3	5	\$391,000
Public Diplomacy Representation	0	0	0	0	\$3,100
Arms Control	2	0	2	4	\$298,680
Joint Chiefs of Staff	3	0	1	4	\$95,275
Totals	27	3	12	42	\$3,160,155

The Tri-Mission Vienna JMO provides management support services for Embassy Vienna. Management issues are discussed in the OIG report, *Inspection of the Tri-Mission Vienna Joint Management Office* (March 2012).

Management Controls

USOSCE believes that its management controls program is limited to those controls the JMO assures. However, the JMO is the administrative and management service provider and has no relationship to USOSCE's political and public diplomacy functions. Without a controls program for these areas, USOSCE cannot be sure its operations are free from waste, fraud, abuse, and mismanagement. The Department's management controls program applies to all program, operational, and financial areas, according to 2 FAM 021.1 (d). Further, subpart (c) requires Department managers to evaluate systems on an ongoing basis.

Recommendation 6: The U.S. Mission to the Organization for Security and Cooperation in Europe should designate a management control coordinator to undertake a risk assessment of all its assessable units to formulate the basis for an assertion on management controls, and implement a management controls program. (Action: USOSCE)

The Chief of Mission disclaimed responsibility for USOSCE's assertion on the annual management controls statement of assurance, dated July 15, 2011. His statement asserted that the Chief of Mission for Embassy Vienna has final authority and responsibility for assuring that USOSCE's management control objectives are achieved. Chiefs of mission are required to provide an assurance statement concerning the effectiveness of internal controls in their own operations (2 FAM 024 d.).

Recommendation 7: The U.S. Mission to the Organization for Security and Cooperation in Europe in Vienna should reissue its 2011 annual management control statement of assurance and include the Chief of Mission's statement, based on risk assessments covering the entire mission. (Action: USOSCE)

List of Recommendations

Recommendation 1: The U.S. Mission to the Organization for Security and Cooperation in Europe should develop and implement a plan to provide first- and second-tour officers and specialists with regular mentoring sessions and well defined opportunities to gain experience with multilateral relations, support official visits, speak in public fora, produce written reports, and participate in representational events. (Action: USOSCE)

Recommendation 2: The U.S. Mission to the Organization for Security and Cooperation in Europe should implement a tracking system to verify that employees establish, maintain, and annually retire official records, including email messages that qualify as records. (Action: USOSCE)

Recommendation 3: The U.S. Mission to the Organization for Security and Cooperation in Europe should use the record email function in the State Messaging and Archive Retrieval Toolset system to save all correspondence that qualifies as record information. (Action: USOSCE)

Recommendation 4: The Bureau of Administration should immediately designate a qualified contracting officer's representative in the office of resource management. (Action: A)

Recommendation 5: The U.S. Mission to the Organization for Security and Cooperation in Europe should arrange for locally employed staff to complete the required grants training. (Action: USOSCE)

Recommendation 6: The U.S. Mission to the Organization for Security and Cooperation in Europe should designate a management control coordinator to undertake a risk assessment of all its assessable units to formulate the basis for an assertion on management controls, and implement a management controls program. (Action: USOSCE)

Recommendation 7: The U.S. Mission to the Organization for Security and Cooperation in Europe in Vienna should reissue its 2011 annual management control statement of assurance and include the Chief of Mission's statement, based on risk assessments covering the entire mission. (Action: USOSCE)

List of Informal Recommendations

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

Informal Recommendation 1: The U.S. Mission to the Organization for Security and Cooperation in Europe should assess its organizational structure in 2012 and determine, in light of the workload and institutional representation in the mission, whether it should maintain separate arms control and political sections.

Informal Recommendation 2: The U.S. Mission to the Organization for Security and Cooperation in Europe should monitor and periodically assess staff workloads, especially in the political section, and incorporate its resource findings into the next strategic planning request.

Informal Recommendation 3: The U.S. Mission to the Organization for Security and Cooperation in Europe should include the public diplomacy officer in preparations for the December 2011 Organization for Security and Cooperation in Europe Ministerial Council meeting, in the area of media freedom.

Informal Recommendation 4: The U.S. Mission to the Organization for Security and Cooperation in Europe should include the public diplomacy officer and the officer for resource management in the weekly staff meetings of the political section and should include a focus on long-term planning in these meetings.

Informal Recommendation 5: The U.S. Mission to the Organization for Security and Cooperation in Europe should develop a plan for reassigning the responsibilities of the local, U.S.-citizen employee once the position becomes vacant.

Informal Recommendation 6: The U.S. Mission to the Organization for Security and Cooperation in Europe should coordinate with the Bureau of European and Eurasian Affairs to determine the feasibility of streamlining the process for U.S. evaluation of Organization for Security and Cooperation in Europe projects without diminishing accountability for the use of U.S. Government funds.

Informal Recommendation 7: The U.S. Mission to the Organization for Security and Cooperation in Europe should consult with the U.S. Mission to International Organizations in Vienna to improve the marketing and technical quality of its social media platforms.

Informal Recommendation 8: The U.S. Mission to the Organization for Security and Cooperation in Europe should ask the Bureau of International Information Programs to include the mission in the bureau's Washington-supplied speaker programs.

Principal Officials

	Name	Arrival Date
Ambassador	Ian Kelly	03/10
Deputy Chief of Mission	Gary Robbins	08/11
Chiefs of Units:		
Political	Christopher Robinson	08/11
Arms Control	Damian Leader	08/10
Public Diplomacy	Christopher Midura	07/11
Management Counselor	Margaret Uyehara	08/10
Regional Security	Mary-Jo Swinimer	03/11
Other Agencies:		
Department of Defense	Jeffrey Fischer	06/11

Abbreviations

AEECA	Assistance for Eastern Europe, Eurasia, and Central Asia
DCM	Deputy chief of mission
DOD	Department of Defense
EUR	Bureau of European and Eurasian Affairs
Helsinki Commission	U.S. Commission on Security and Cooperation in Europe
JMO	Tri-Mission Vienna joint management office
NATO	North Atlantic Treaty Organization
NGO	Nongovernmental organization
ODIHR	Office of Democratic Institutions and Human Rights
OSCE	Organization for Security and Cooperation in Europe
UNVIE	U.S. Mission to International Organizations in Vienna
USOSCE	U.S. Mission to the Organization for Security and Cooperation in Europe

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