



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

Office of Inspections

**Compliance Followup Review of
Embassy Islamabad and Constituent Posts,
Pakistan**

Report Number ISP-C-12-28A, May 2012

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PURPOSE, SCOPE, AND METHODOLOGY OF THE COMPLIANCE FOLLOWUP REVIEW

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.

PURPOSE AND SCOPE

The Office of Inspections provides the Secretary of State, Chairman of the Broadcasting Board of Governors, and Congress with systematic and independent evaluations of the operations of the Department and the Broadcasting Board of Governors. Compliance Followup Reviews (CFR) 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.

The Office of Inspections may perform on-site CFRs to verify whether agreed-upon corrective actions for recommendations issued in previous reports were fully and properly implemented and to provide OIG with a quality assurance assessment of its work.

METHODOLOGY

In conducting this CFR, the inspectors have: 1) reviewed the previous inspection report and the reported corrective actions; 2) distributed survey instruments to inspected entity(s) and compiled and analyzed the results to measure and report changes in the period between the previous inspection and this CFR; 3) conducted on-site interviews and reviewed and collected documentation to substantiate reported corrective actions; 4) addressed new, significant deficiencies or vulnerabilities identified in the CFR survey results and during the course of the on-site CFR and, where appropriate, issued new recommendations; and, 5) discussed the substance of the draft CFR report substance of the draft CFR report at the final meeting with the head of the inspected bureau/office or post.



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

- Embassy Islamabad complied with almost all of the formal and informal recommendations made in both the main report and the security annex of the 2010 Office of Inspector General (OIG) inspection.
- Embassy leadership deserves great credit for its role in managing the fallout from a series of major events in 2011, including the shooting incident in Lahore in January, the assault against Osama bin Laden's compound in Abbottabad in May, and the unintended attack by the North Atlantic Treaty Organization/International Security Assistance Force on a Pakistani border post that killed 24 Pakistani soldiers in November.
- Embassy reporting at all levels has provided a clear-eyed assessment of realities in Pakistan, as well as sober advice to Washington on how to deal with those realities, even when the message was not what Washington might have wanted to hear.
- Embassy leadership has forged effective working relationships with and among the unusual assemblage of agencies at post, some of which have substantial budgets and assets, large presences, and strong agency interests. The success of these team-building efforts is also reflected in a shared view within the country team on how the United States should approach and advance its sometimes competing interests in Pakistan.
- Embassy leadership should accelerate its assessment of the implications of the changing relationship between the United States and Pakistan so that decisions can be made to shape discussions now underway in Washington on both program and operating budgets as well as staffing and construction plans in Islamabad and its constituent posts.
- One of the embassy's greatest challenges is managing Washington's intense and at times intrusive involvement and its voracious appetite for information on the situation in Pakistan. While it ensures that mission concerns receive both timely and top-level attention, it also consumes extraordinary amounts of the mission's time and energy and adds significantly to the stresses at this already stressed post.
- Official Pakistani obstructionism and harassment, an endemic problem in Pakistan, has increased to the point where it is significantly impairing mission operations and program implementation [REDACTED] The issue of harassment must be made an integral part of high-level policy discussions with the Pakistani Government regarding the future of the bilateral relationship.
- A recommendation in the classified annex to this report calls for a comprehensive reassessment by Washington and Embassy Islamabad of the security situation at Consulate General Peshawar.
- The mission struggles with the challenge of programming more than \$2 billion in annual funding for development and security assistance programs, a challenge made more daunting by the security environment and by government institutions at all levels that suffer from both a lack of capacity and pervasive corruption.

- The public affairs program has initiated a creative new effort to counter violent extremism, which may serve as a model elsewhere. Further work is needed to integrate the extensive public outreach efforts of various agencies in the mission.
- In the management section, a highly centralized and controlling management style, coupled with the lack of focus and effective oversight from the front office, has had a detrimental impact on the functioning of the mission and the timely delivery of administrative services.
- The embassy's ability to carry out its responsibilities is impeded by the current policy of 1-year tours. The OIG team recommends modifications in current policies to allow for 2-year tours.
- Pakistan is viewed through a different lens from Afghanistan for the purpose of determining compensation and benefits. This ignores the real differences in both living and security conditions between Islamabad and the constituent posts, most notably Consulate General Peshawar, where conditions more closely resemble those in Afghanistan. The result is that employees serving in Peshawar are significantly disadvantaged.

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 the OIG team did not identify problems that need to be corrected.

The compliance followup review (CFR) took place in Washington, DC, between January 4 and 30, 2012; in Islamabad, Pakistan, between February 3 and 12 and February 17 and 23, 2012; in Karachi, Pakistan, between February 12 and 16, 2012; in Peshawar, Pakistan, February 15 and 16, 2012; and in Lahore, Pakistan, February 16 and 17, 2012. [REDACTED]

Evaluation of Compliance

The OIG team found that Embassy Islamabad had complied with almost all of the formal and informal recommendations from the 2010 inspection. A CFR automatically closes all formal and informal recommendations from the inspection, but some may be reopened, revised and/or reissued by the CFR, as appropriate.

Of the 49 formal recommendations in the unclassified 2010 report, all but 1 was closed by the end of the CFR. Recommendation 19 was reissued. Of the 41 formal recommendations in the security annex, all but 2 were closed by the end of the CFR. Recommendation 34 was reissued in the unclassified report, and Recommendation 16 was reissued in the classified annex.

Of the 68 informal recommendations in the unclassified report, all but 4 were closed by the CFR. Informal Recommendations 20, 33, 44, and 53 were reissued as formal recommendations. Of the 27 informal recommendations in the security annex, all but 1 was closed by the CFR. Informal Recommendation 19 regarding the ability of Consulate General Peshawar to develop a way to drawdown in the event of a catastrophic incident needs to be reevaluated. It was not reissued as a formal recommendation; however, a new recommendation regarding the possible closure of Consulate General Peshawar was added.

Innovative Practice: Compliance Matrix to Track Recommendations

Issue: In preparation for the compliance process for OIG’s 2010 inspection report, the management section needed a way to track compliance by the individual responsible and by section.

Response: The management section prepared a matrix for OIG’s compliance process listing each recommendation, which office is responsible for carrying it out, and the current status of compliance. When the CFR was announced, the embassy redesigned the matrix, eliminating the correspondence tracking section and replacing it with a “status of compliance” section. The management section acted as the central repository for input from all sections of the embassy. Each section or subsection of the embassy responsible for compliance wrote a paragraph on where the recommendation stood.

Result: Upon arrival, the OIG team was handed the matrix, which outlined the officer responsible, current status of the recommendation, and the original recommendation. The OIG team then organized their schedule of meetings based on the information in the matrix. This created a more efficient process and ensured that the OIG team had sufficient time to validate all of the compliance on both the formal and informal recommendations.

Background

Events of the past year have rocked the U.S.-Pakistani relationship and fundamentally altered the assumptions on which U.S. engagement with Pakistan has been based since 2009. The shooting of two Pakistanis by a U.S. employee in Lahore in January 2011 embarrassed the Pakistani Government by revealing the nature and extent of U.S. activities. The unannounced attack on Osama bin Laden's hideout in Abbottabad in May 2011 was a double embarrassment, evidencing both Pakistani Government incompetence and its inability to detect or defend against a military intervention that many Pakistanis deemed a gross violation of the country's sovereignty. Confidence on both sides was further shaken by the September 13, 2011, attack on the U.S. embassy in Kabul by extremists alleged to have ties to Pakistan's Inter-Services Intelligence agency (ISI); public remarks of the then outgoing Chairman of the Joint Chiefs regarding Pakistan's collaboration with extremist groups; and revelations in Wikileaks about the extent of U.S.-Pakistani collaboration in counterterrorism efforts, as well as official U.S. misgivings about Pakistan's commitment to those efforts. The shocks culminated in the November 26, 2011, unintentional attack by North Atlantic Treaty Organization/International Security Assistance Force forces on a Pakistani border post in Mohmand that resulted in the death of 24 Pakistani soldiers and that some Pakistanis continue to view as a deliberate attack.

The impact of these events has been felt across the full spectrum of the bilateral relationship. Following the November incident in Mohmand, the government evicted the U.S. military from the operations headquarters it had occupied at the Shamsi base in central Baluchistan, shut down the cross-border ground transportation links used to supply U.S. forces and other International Security Assistance Forces in Afghanistan and placed tighter restrictions on the activities and movements of U.S. mission staff and contract employees. At the same time, the government also announced that Pakistan's Parliamentary Committee on National Security would undertake a full-scale review of U.S.-Pakistani relations. Parliament's report on the Pakistani "reset" was to have been issued in late December, was postponed to mid-February, and then further postponed until at least mid- to late-March.

Meanwhile, the U.S. policy review has been on hold pending receipt of Pakistan's views. There is a general consensus at both Embassy Islamabad and in Washington that the new relationship will be different than the grand engagement strategy conceived by the Special Representative for Afghanistan and Pakistan in 2009 and reflected in the 2009 Kerry-Lugar-Berman legislation and appropriation that was designed to support it. The expectation is that the future relationship will be less ambitious, more pragmatic, and more closely focused on those areas where both Pakistan and the United States perceive a common interest. While the final details of the "reset" were not yet clear at the time of the CFR, embassy leadership was confident that the new relationship would continue to serve and advance priority U.S. counterterrorism and nonproliferation interests.

Another dimension of the policy shift that is already underway is the intensified diplomatic effort to engage the Afghan Government and the Afghan Taliban in discussions that could lead to a negotiated peace. This effort, pursued in parallel with ongoing counterterrorism activities in both Afghanistan and Pakistan, is also predicated on Pakistan's willingness to play a supportive role.

Even as officials anticipate a more modest relationship with Pakistan in the future, the pace of U.S. activity continues along the trajectory envisaged in the original strategic engagement paradigm. In the period since the 2010 inspection, Mission Pakistan has experienced a spike in funding for U.S. civilian and military programs and a concomitant increase in civilian staffing. When the inspection took place in early 2010, the countrywide mission had a staff of 640 U.S. direct-hire employees, 25 U.S. local-hire employees, and 1,503 foreign national employees for a total staff of 2,168. In FY 2009, the actual appropriation for Department of State (Department) operations (diplomatic and consular programs funds) was \$106.5 million, not including the United States Agency for International Development (USAID). At the time of this CFR, the mission had grown to a staff of 793 U.S. direct-hire employees, 45 U.S. local-hire employees, and 1,625 foreign national employees, for a total staff of 2,463. The FY 2012 expected diplomatic and consular programs funds total is \$122.8 million, not including USAID. This infrastructure supports one of the largest development and assistance budgets in the world, perhaps second only to Afghanistan. Total U.S. civilian assistance appropriated to Pakistan was \$340 million in FY 2007, \$411 million in FY 2008, \$1.3 billion in FY 2009, \$1.6 billion in FY 2010, and \$1.1 billion in FY 2011.

Construction

This surge in funding and staffing has in turn necessitated a massive construction project to provide secure office space that will disrupt normal life on the compound in Islamabad for the next 5 to 6 years. In Islamabad, construction of a temporary office annex to house the Office of the Defense Representative was just completed in February. With the forced drawdown of the U.S. military presence following the November 26, 2011, incident, the annex is not fully occupied. Meanwhile, work is nearing completion on a temporary office annex for USAID on the embassy compound that will have 256 desks; USAID has indicated that it will need 300 desks in the new chancery building now under construction. The new embassy complex (phases 1 and 2) is being built at a cost of \$1 billion. The classified and unclassified office buildings are designed to accommodate offices for 1,503. The second phase will add a new annex to house consular operations, as well as 259 apartments for U.S. employees.

In Karachi, consulate staff took possession in January 2011 of a new office building and apartment complex. Already, plans are being made for the construction of a new office annex and additional apartments designed to accommodate projected or proposed increases in staffing. USAID alone is in the process of establishing 20 new positions—3 American and 17 locally employed (LE) staff members—at the consulate general and projects a need for an additional 37 positions, mostly LE staff, over the next 2 years. Taken together with planned increases for the political and economic sections, consular affairs, public diplomacy, Foreign Commercial Service, Drug Enforcement Administration, Bureau of International Narcotics and Law Enforcement Affairs, and Department of Homeland Security, staffing in Karachi is projected to increase by 74 positions.

Given the expected change in the bilateral relationship, the concerns expressed by some members of Congress, and the constrained budget environment in Washington, it is by no means clear that this projected growth is either realistic or sustainable. Therefore, the time to address this issue is now, while there is still an opportunity to adjust and scale back current construction plans.

Assistance

U.S. assistance agencies—and especially USAID, which is responsible for roughly 80 percent of nonmilitary assistance—have been challenged to program the increased funding in ways that materially impact U.S. diplomatic and development goals. In particular, the goal of channeling 50 percent of our development assistance through the Pakistani Government has posed a special challenge, given the weakness, lack of capacity, and corruption at all levels of government. Governmental performance has been further affected by a succession of political scandals, constitutional challenges, apprehensions about the intentions of the Pakistani military, and the prospect of parliamentary elections in the fall, all of which have distracted the political leadership.

The intent in channeling more assistance through the Pakistani Government was to demonstrate U.S. commitment to the government, enhance governmental capacity, and improve popular perceptions of the government. The mission points to the fact that some governmental agencies have performed well in carrying out joint development projects. A notable example is the Water and Power Development Authority, USAID's partner in three major hydroelectric construction projects that will provide some help in meeting Pakistan's growing electric power requirements. At the same time, however, the government continues to resist cost recovery initiatives needed to sustain improvements in the power sector. In other areas, as well, U.S. assistance funding has failed to supply the leverage needed to improve the government's capacity to deliver needed services to the Pakistani people. Given the prevalence of institutional weaknesses and corruption, there is now a consensus within the mission to move away from an artificial target for government-to-government programming. The mission has taken a pragmatic approach, only programming significant resources through government institutions that have demonstrated implementing capacity. Where that capacity does not exist, the mission is relying more heavily on nongovernmental institutions, civil society organizations, and the private sector, and it is increasingly exploring public-private partnerships.

Two other developments have added to the challenges faced by USAID and other aid agencies. The first was the May 2011 decision by the government of the Punjab province, in reaction to the shooting in Lahore, to shut down all U.S. government-to-government assistance efforts in the province. (The United States continues to support private sector assistance programs in the province.) This decision has forced USAID to reprogram roughly \$250 million to other parts of the country, with most going to Sindh province and its capital Karachi. The second was a constitutional amendment adopted in May 2011 devolving substantial authorities from the federal to the provincial levels of government. While a positive development in theory, the lack of preparation for such a major change has, among other things, obliged assistance agencies to find and develop new partnering relationships. There is also a growing disconnect between U.S. efforts to press ahead with programs designed to assist the Pakistani people and

strengthen the Pakistani Government, at a time when obstructionism and harassment by Pakistan's ISI and other Pakistani agents have created new obstacles to the Department's ability to implement and monitor those programs.

Official Harassment

U.S. official entities operating in Pakistan have long been subjected to unusual, government-initiated obstructionism and harassment. That harassment has reached new levels of intensity, however, after the events of 2011. The embassy describes the harassment as deliberate, willful, and systematic. While other diplomatic missions have experienced similar treatment, the United States is clearly the principal target. The harassment takes many forms: delayed visa issuances; blocked shipments for both assistance programs and construction projects; denials of requests for in-country travel; and surveillance of and interference with mission employees and contractors.



Executive Direction

With the exceptions of Baghdad and Kabul, no U.S. diplomatic establishment faces a more daunting set of policy, coordination, and management challenges than Embassy Islamabad and its constituent posts. Mission leadership is called upon to conduct a complex relationship with a passive-aggressive partner that vacillates between being an ally and an adversary; balance U.S. short-term and long-term interests that are often at odds; manage an immense and rapidly expanding portfolio of assistance programs and activities; feed Washington's voracious appetite for information and micro-level engagement; and do it all in an environment where threats to the mission and its staff range between high and critical. Over the past year, these challenges have been compounded by a series of incidents that have shaken the U.S.-Pakistani relationship and undermined trust and confidence on both sides.

In these extraordinary circumstances, the Ambassador and deputy chief of mission (DCM) are to be commended for providing steady guidance and clear direction that has enabled the mission to manage the shocks and weather the resulting storms. They also deserve credit for providing sound analysis and advice to senior officials in Washington, even when their assessment of Pakistani realities might not have been what Washington wanted to hear.

Embassy leadership has also forged exceptionally close and effective working relationships with and among members of the mission's country team. This model in team building has been very much aided by the exceptional caliber and experience of the leaders who represent their agencies. The success of these team-building efforts is reflected in a shared view within the country team of how the United States should approach and advance its sometimes competing interests in Pakistan.

The Background section of this report describes the events that are forcing a fundamental change in the U.S.-Pakistani relationship. In anticipation of this change, embassy leadership is already beginning its consideration of the implications for future programs and activities, to include the size and composition of the U.S. official presence, and the structure and scale of U.S. assistance efforts. This effort should be accelerated so that decisions can be taken as soon as possible to shape budget discussions now underway in Washington, as well as staffing and construction plans in Islamabad and constituent posts for which the projected costs easily exceed a billion dollars. Specifically, decisions are needed now on whether and how best to scale back the current construction plan for the new chancery in Islamabad and the proposed new office annex and apartment building in Karachi. The OIG team believes that the currently projected staffing increases are excessive.

Recommendation CFR 1: Embassy Islamabad, in coordination with the Bureau of Human Resources and the Executive Office for the Bureaus of Near Eastern Affairs and South and Central Asian Affairs, should immediately initiate a comprehensive program-based review of all requests or proposals for increases in staffing at both the embassy and constituent posts and make recommendations to Washington for scaling back projected staffing increases. (Action: Embassy Islamabad, in coordination with DGHR and SCA)

Recommendation CFR 2: Embassy Islamabad should provide the Bureau of Overseas Buildings Operations with its recommendations on how current and proposed construction projects should be scaled back. (Action: Embassy Islamabad)

Policy and Program Coordination

Given the high priority that Pakistan commands in Washington and the diplomatic challenges created by the extraordinary events of the past year, it is not an exaggeration to say that 90 percent of the Ambassador's time is devoted to managing the relationships with the Pakistani Government on the one hand and Washington on the other. Certainly for the past 2 years, this has involved mediating between the two on how to reconcile U.S.-Afghanistan and counterterrorism objectives with U.S. nonproliferation and broader regional security objectives, including the Indian-Pakistani relationship. To this agenda has been added the goal of gaining Pakistan's cooperation in the pursuit of a peace between the Afghan Government and the Afghan Taliban.

The Ambassador is fortunate to have as his DCM a highly experienced senior officer who has served as chief of mission in two previous posts. As their working relationship has developed and deepened, the Ambassador has delegated increasing responsibilities to the DCM for both policy and mission management. The DCM also plays an important and helpful role as alter ego and reality check.

To manage the size and complexity of the mission's policy and program efforts, the embassy has created three senior coordinator positions. The first, an assistance coordinator, was established 3 years ago. The current incumbent, the second person to occupy the position, is an experienced officer with the rank of minister counselor. He heads a lightly staffed assist team that is responsible for coordinating all nonmilitary assistance programs and activities across the mission. A senior public affairs officer, also with the rank of minister counselor, has the title of mission director for communications, with responsibility for coordinating the mission's diverse public diplomacy activities. Lastly a Defense Department civilian with a legal background heads what is called the Strategic Interagency Assistance Team (SIAT), with responsibility for coordinating missionwide rule-of-law programs.

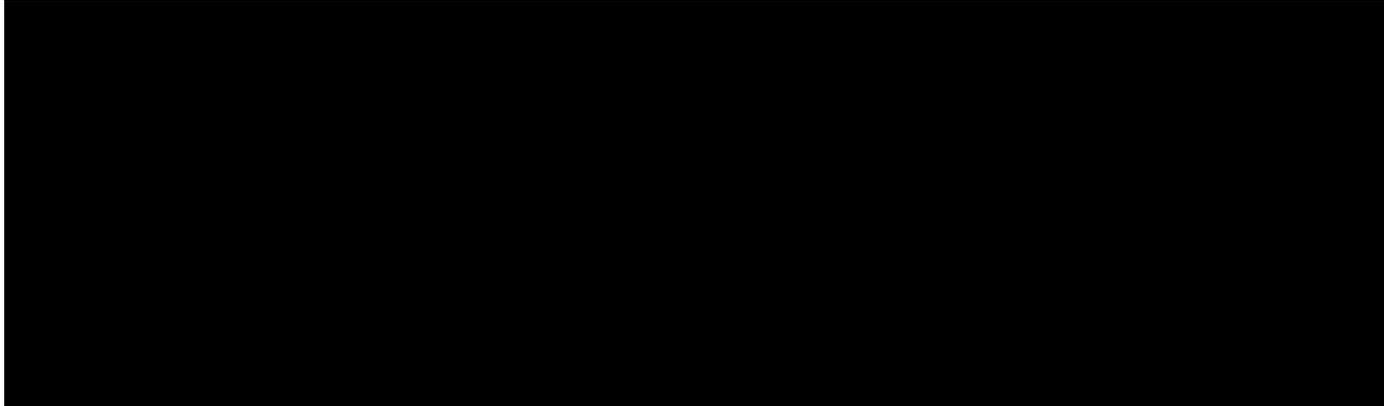
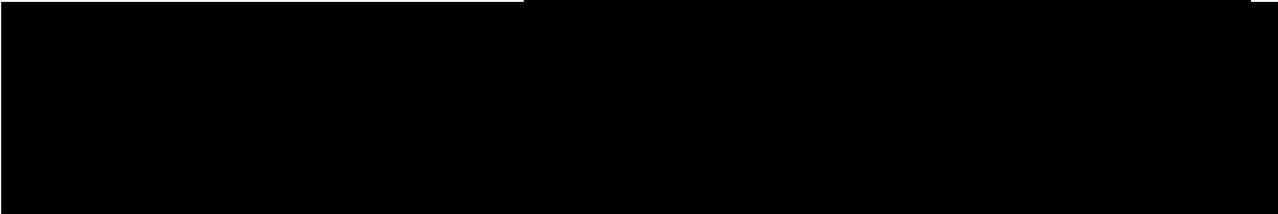
The clear intent in creating these positions was to better align resources from all mission sources behind defined policy and program objectives and to provide greater coherence to the mission programs and activities to achieve greater impact. For the most part, the effort appears to be achieving positive results. Under the direction of the assistance coordinator, progress has been made in sharpening the focus of development assistance efforts. One example is the effort to create synergies among programs managed by the narcotics affairs section, USAID, and other mission elements in support of stabilization efforts in the Federally Administered Tribal Areas on the border with Afghanistan. While the assistance coordinator lacks the ambassadorial title, mandate, and clear authority exercised by his nominal counterpart in Afghanistan, he has nevertheless been effective in getting various elements of the mission to collaborate more closely. Not surprisingly, it is the relationship with USAID—which accounts for more than 80 percent of the assistance budget—that has presented the greatest challenge. Both the coordinator and the USAID mission director deserve credit for their personal commitment to making the

arrangement work. (A fuller description of assistance activities and coordination can be found in the Foreign Assistance section of this report.) The challenge now confronting the assistance coordinator, and the mission as a whole, will be to rebalance and rescale the current assistance effort to reflect the anticipated change in the nature of the bilateral relationship.

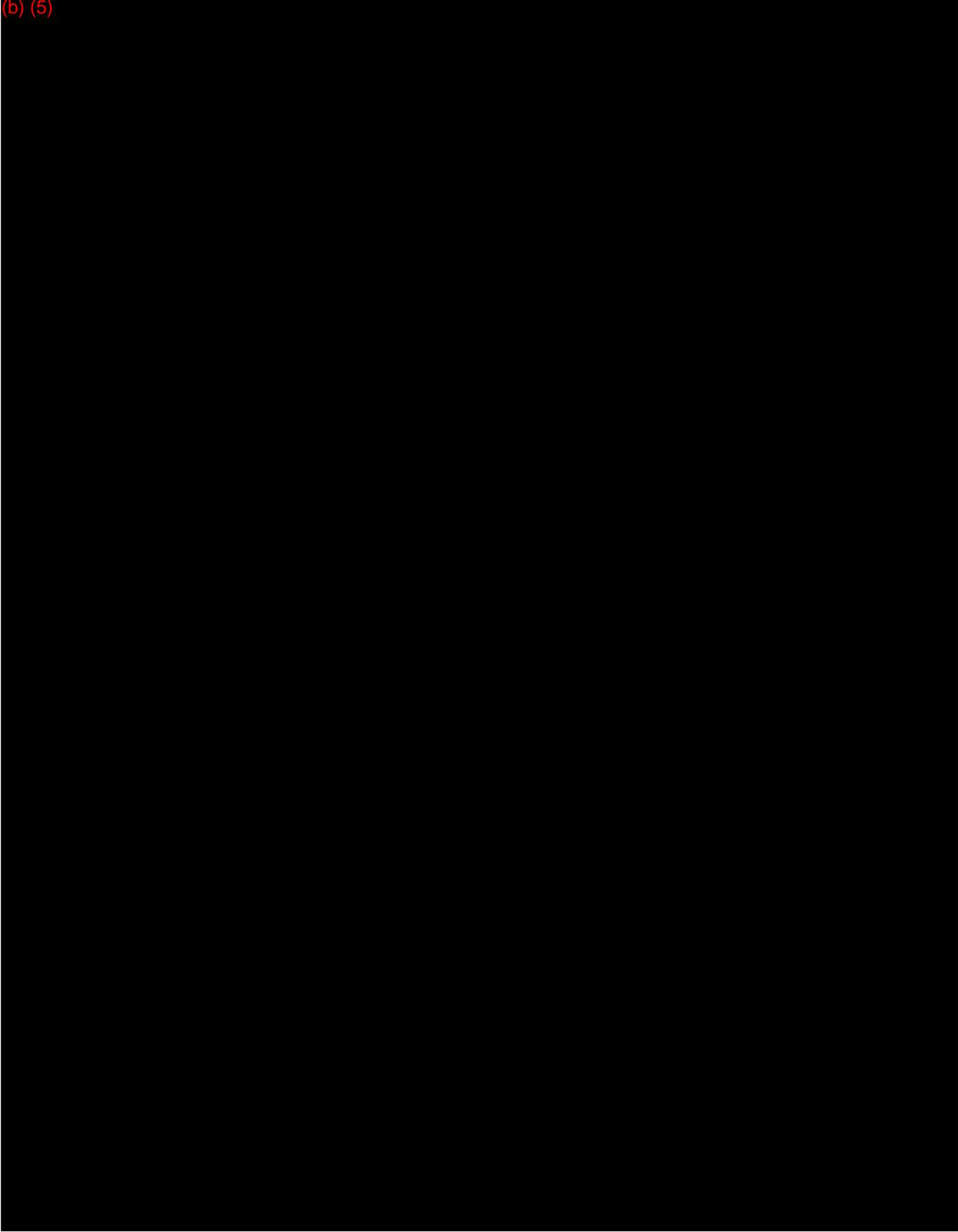
The Public Diplomacy section of this report describes the dramatic build-up of resources and staffing that has occurred in this area over the last 2 years, as well as the challenges of doing public affairs and public diplomacy work in Pakistan's unique and sometimes hostile environment. The position of director for mission communications was established to help manage what has become one of the largest public diplomacy programs in the world. In theory, the structure makes good sense. Because every agency in the mission is in some way involved in communications, and many have their own funding streams to support those efforts, there is a critical need for high-level coordination to provide coherence and direction. In practice, however, the structure has not performed as well as embassy leaders had hoped, in part because the roles of the two senior officers concerned, mission director for communications and the country public affairs officer, were not clearly differentiated in practice, despite a memorandum done by the front office defining their respective roles per a recommendation in OIG's 2010 inspection report. Based on this experience, embassy leadership has decided to revert to a more traditional public affairs structure when the mission director for communications and the current country public affairs officer depart this summer. The challenge for their successors, however, will remain that of bringing coherence to the mission's diverse public affairs and public diplomacy activities while building on the programs developed by their predecessors and developing new tools that will be effective.

Official Harassment

The scope and impact of official Pakistani harassment and obstructionism is described in the Background section of this report.



(b) (5)



(b) (5)

Recommendation CFR 3:

Recommendation CFR 4:

Managing Washington

One of the embassy's greatest challenges is managing Washington's intense and at times intrusive involvement and voracious appetite for information. The high-level attention is driven by the reality of Pakistan's inextricable connections with neighboring Afghanistan, which stands at the very top of the administration's foreign policy agenda. Washington involvement is reflected in the rhythm of video conferences—some chaired by the President himself. In the 2.5 months following the November 26 Mohmand border incident, senior mission officials have participated in 40 such video conferences with high-level officials in Washington. This intense involvement ensures that mission concerns receive both timely and top-level attention. It has also been critical in synthesizing and harmonizing the often divergent interagency perspectives and interests.

Washington's intense engagement also comes at a price. It consumes extraordinary amounts of the mission's time and energy; sections across the mission are required to devote considerable time to supporting these meetings and preparing principals, both in Washington and in the mission, for their participation. While most conferences are no longer scheduled at times that would require mission principals to get up in the middle of the night, the rhythm of meetings still adds significantly to the stresses at this already stressed post. Moreover, the expenditure of energy and effort is not always justified by the outcomes. Issues addressed at the Interagency Policy Committee are often revisited by the Deputies Committee, and vice versa. A particular case in point is the intense engagement of senior officials in both the Department and USAID in the design and monitoring of assistance programs. The level of Washington involvement may have been justified at a time when the USAID program in particular was undergoing major restructuring, with close scrutiny from the Congress. Over time, however, Washington's engagement—when it extends beyond policy formulation and direction—has become both intrusive and inefficient. During a February video conference chaired by the Deputy Secretary, participants attempted to work through a line-by-line review of a nine-page, single-spaced list of USAID projects, a process that many at the mission felt could have been done more efficiently and effectively in a normal paper exercise, and at much lower levels.

Recommendation CFR 5: The Office of the Special Representative for Afghanistan and Pakistan should streamline and rationalize the use of high-level video conference meetings between Washington and Islamabad. (Action: S/SRAP)

At the same time, the current organizational structure within the Department does not always provide needed focus on and attention to issues that are specific to Pakistan and the bilateral relationship. In theory, the Special Representative for Afghanistan and Pakistan functions as the home bureau for Embassy Islamabad. In practice, however, responsibility for policy, programmatic, and management issues is shared among the Special Representative for Afghanistan and Pakistan, the Bureau of South and Central Asian Affairs, and the Executive Office for the Bureaus of Near Eastern Affairs and South and Central Asian Affairs. While the construct of having one of the deputies in the Office of the Special Representative for Afghanistan and Pakistan dual-hatted as a deputy assistant secretary in the Bureau of South and Central Asian Affairs was created to bridge the organizational divide, the arrangement has been less effective in practice. Moreover, priorities for the Special Representative for Afghanistan and Pakistan have shifted, with the Special Representative being given primary responsibility for leading the negotiations between the Afghan Government and the Afghan Taliban. There is an expectation that support and oversight for Islamabad may soon revert to the Bureau of South and Central Asian Affairs, but the OIG team is unaware of any plans for such a transition.

Recommendation CFR 6: The Office of the Special Representative for Afghanistan and Pakistan, in coordination with the Bureau of South and Central Asian Affairs, should implement procedures that provide appropriate oversight and support for Embassy Islamabad's policy, programmatic, and management activities. (Action: S/SRAP, in coordination with SCA)

Employment of the Ambassador's Spouse

Embassy Islamabad is an unaccompanied post. Only spouses who have employment with the mission may accompany their spouses. The Ambassador's spouse works as an eligible family member for USAID's directorate of communications. She also volunteers to carry out some public outreach activities unrelated to her work at USAID. For these outreach activities, she properly does not receive pay from USAID.

Nonetheless, this dual-hatted role regarding public outreach activities has created confusion regarding the division between the two activities. It has raised questions as to whether she is overly tasking and taxing parts of the mission that are not under the direction of USAID. While the Department recognizes the value of the role often played by the spouse of the Ambassador, the Department provides guidance on the resources that can be devoted to supporting a spouse's activities, as well as the way in which embassy resources are to be allocated to the spouse.

Recommendation CFR 7: Embassy Islamabad, in coordination with the Office of the Special Representative for Afghanistan and Pakistan and the Office of the Under Secretary for Management should clarify the role of the Ambassador's spouse including the appropriate level of resources that should be dedicated to any outreach activities. (Action: Embassy Islamabad, in coordination with S/SRAP and M/PRI)

Management

The surge in program funding and staffing, coupled with the immensity of the construction projects now underway, has placed an enormous burden on the mission's management and administrative elements. To their credit, most management units are performing reasonably well under these circumstances. They effectively provide basic administrative support services to a large and diverse community due in large measure to the competence of line managers. At the same time, however, the OIG team identified embassy leadership's lack of oversight of management operations as a critical weakness that is undermining the mission's ability to function effectively. Confronted with the requirements of our diplomatic engagement with the Pakistanis on the one hand and the voracious demands of Washington policymakers on the other, the Ambassador and DCM have delegated substantial authority for mission management and administration to the management counselor, [REDACTED]



As in neighboring Afghanistan, the policy of assigning officers to 1-year tours has a negative impact on the continuity and sustainability of mission activities at all levels. While the security environment in Karachi, Lahore, and especially Peshawar will continue to pose recruitment challenges, possibilities exist for increasing the number of employees assigned for 2-year tours in Islamabad. A detailed discussion of these issues is contained in the Resource Management section of this report.

Constituent Posts

Mission Pakistan has consulates general in Karachi, Lahore, and Peshawar. The Ambassador has delegated responsibility to the DCM for their supervision and oversight. However, given the magnitude of the DCM's workload, day-to-day supervision is de facto transferred to the management counselor and other embassy section heads. There is a need for greater involvement by the DCM in direction and supervision of the consulates general.

Karachi

With an estimated population of 20 million, Karachi is the largest Muslim city in the world. It is Pakistan's commercial and industrial capital and the center of several large media empires with regional reach and influence. Karachi also hosts a highly diverse collection of

communities and constituencies, including those that are very closely associated with both national and global extremists groups. It is therefore a vital front line for American interests.

Consulate General Karachi is housed in a newly constructed office and residential complex that is somewhat removed from the heart of the city. The size of the U.S. presence (described in the Resource Management section of this report) is appropriate to the importance of the city and U.S. interests. The consulate general is led by a Senior Foreign Service officer with considerable management experience. He has led his team in an active outreach effort to Karachi's political, business, and religious communities and has been the catalyst of the effort to refocus U.S. assistance and public diplomacy activities on influential urban constituencies. The new public affairs section chief is revitalizing a section that lacked experienced officers before.

Despite having occupied the new office building in January 2011, plans are already in the works for a significant further increase in staffing, which has prompted consideration of constructing additional office space and housing. As discussed in the Resource Management section of this report, the OIG team believes a comprehensive review of proposed staffing should be undertaken before final decisions are made with regard to any new construction.

Lahore

Consulate General Lahore, located in the center of the city, is shoehorned into the reconfigured former consul general's residence. The building is now full to capacity and, given the security posture of the consulate general, has no additional space to absorb other agencies' personnel. Due to the increase in violent crime and sectarian violence, combined with the tensions provoked by the shooting incident by a consulate general employee, the staff's movements are severely restricted and require careful preparation.

The consul general is generally well regarded but would benefit from additional guidance and mentoring. At the time of the OIG team's visit, there were two vacancies (the assistant regional security officer and political/economic section chief). The consulate general staff is uniformly eager and for the most part performing well. The public affairs staff is relatively inexperienced and needs more interaction and mentoring with Embassy Islamabad public affairs. The morale of all employees is remarkably upbeat given the very restrictive security posture.

Peshawar

Based on its visit, the OIG team would not dispute the characterization of Peshawar in the 2010 inspection report as the most dangerous post in the world. The consulate general is skillfully and confidently led by a senior officer, who has built a strong sense of teamwork and loyalty. While demonstrating prudent concern for the security risks, she has nevertheless forged important relationships with local officials and community leaders that advance U.S. diplomatic interests. She has also expanded public outreach efforts that help counter negative perceptions of the United States and its policies.

Despite the critical threat environment, Consulate General Peshawar has been deemed to be of high value from the perspective of our counterterrorism interests both in Pakistan and

neighboring Afghanistan. A recommendation in the classified annex of this report calls on the Department to undertake a comprehensive reassessment of the security situation at the consulate general.

Peshawar is seriously disadvantaged by the fact that it is viewed through the prism of Islamabad, rather than in its real context as “Afghanistan’s near abroad.” This optic understates the realities of both living and security conditions, which are more in line with those in Baghdad and Kabul. It also means that that compensation and benefits afforded to those in Peshawar are not in line with those living in comparable conditions in nearby Afghanistan. This issue is addressed in the Resource Management section of this report.

Resource Management

Agency	U.S. Direct- Hire Staff	U.S. Local-Hire Staff	Foreign National Staff	Total Staff	Total Funding FY 2011
Diplomatic and Consular Programs	287	9	79	375	\$18,534,320
ICASS	30	25	949	1004	\$33,735,120
Public Diplomacy	18		68	86	\$11,375,087
Diplomatic Security	31		139	170	\$14,152,962
Marine Security	23		8	31	\$168,730
Representation				0	\$104,939
Overseas Buildings Operations	9		19	28	\$35,733,389
Broadcasting Board of Governors	1		2	3	
Narcotics Affairs (INL)	11			74	\$3,244,264
Refugees (PRM)	1	1		1	\$206,000
OIG	4		1	5	
Kabul Support			3	3	
Consular-machine- readable visas			16	16	\$1,000,000
Department of Agriculture					
Foreign Agriculture Service	4		5	9	\$276,488
Animal and Plant Health Inspection Service				0	\$323,960
Department of Defense					
Defense Attaché Office	17		4	21	\$711,240
Office of Defense Representative	156		18	174	
Department of Justice					
Drug Enforcement Administration	14		12	26	
Legal Attaché's Office	12		3	15	
Immigration and	3		13	16	

Customs Enforcement					
Foreign Commercial Service	2	1	10	13	\$383,237
USAID	107	8	190	305	n/a
Consular Affairs			16	16	\$2,436,864
Library of Congress			28	28	\$1,425,268
Department of Treasury	3		1	4	
Department of Energy	1			1	
Totals	0	0	0	0	\$122,811,868*

*Does not include United States Agency for International Development

Mission Pakistan faces extremely challenging management tasks. Since 2009 (Kerry-Lugar-Berman Bill), U.S. assistance funds have increased rapidly along with the staffing to manage the associated programs. The sheer range of construction projects, security programs, the number of different U.S. Government agencies involved, and the actions necessary to support programs in country have placed an enormous burden on the International Cooperative Administrative Support Services (ICASS) platform. These tasks are further complicated by the extremely dangerous environment in which the mission operates and the day-to-day harassment carried out by an arm of the Government of Pakistan (see classified annex). The Bureau of Overseas Buildings Operations has a two-phase, \$1 billion construction program underway on the embassy grounds. The construction program, essential as it has been, has further complicated the operational activities of the mission.

The management challenges and security posture of the embassy and its three consulates general are uniquely diverse. The embassy is located on a 44-acre campus in the diplomatic enclave secured by a contingent of Pakistan's Frontier Corps. The consulates general all have higher security postures and unique security challenges. The operational requirements and security restrictions vary from post to post, from difficult to all but impossible.

The management office faces enormous challenges: constant and prolonged visa delays for personnel assigned to the mission, massive and complex construction and infrastructure projects, a highly restrictive security posture, and a dynamic, ever evolving assistance program countrywide. The embassy and its consulates general have done a credible job responding to the recommendations contained in the 2010 inspection report. There are only a few management recommendations that required reissuance.

The management section is led by an experienced and highly motivated management counselor, serving in her third successive hardship tour. She supervises a cadre of well-qualified and experienced unit chiefs, many recruited by her personally. This team has worked hard to

improve management controls and strengthen delivery of ICASS to all mission elements, and the effect of its efforts is palpable in every aspect of management at this mission.

The DCM, as he has with other senior counselors, delegated significant responsibilities to the management counselor.



Recommendation CFR 8:



Assignments to Pakistan are limited to 1-year, unaccompanied tours. When combined with time out of country for the two authorized rest and recuperation trips, actual time on the ground is only 10 months. These policies severely handicap the ability of the mission to effectively carryout and oversee its programs. Almost everyone the OIG team spoke with made the point that constant turnover undermines their sections performance and is detrimental to their ability to carry out their activities. Senior leadership both in Washington and at the embassy expressed strong support for lengthening tours of duty to 2 years. Many officers indicated they would be more inclined to accept 2-year assignments if their spouses were allowed to accompany them. Moreover, many agency heads and program directors in country believe there would be employment opportunities for many accompanying spouses. The OIG team notes that both the British and French diplomatic missions in Islamabad authorize accompanied tours.

The OIG team also found the security situation, which decidedly impacts on the length of tours, is significantly different in Islamabad, Karachi, Lahore, and Peshawar. Because the security environment differs at each post, it is appropriate that each have different security policies governing the ability of the staff to operate.

Recommendation CFR 9: Embassy Islamabad, in coordination with the Bureau of Diplomatic Security and the Bureau of Human Resources, should conduct a review of the security posture for the embassy and each of its constituent posts, with a view toward determining if the current restriction prohibiting spouses from accompanying employees can be relaxed. (Action: Embassy Islamabad, in coordination with DS and DGHR)

Recommendation CFR 10: Embassy Islamabad, in coordination with the Office of the Special Representative for Afghanistan and Pakistan and the Bureau of Human Resources, should make a determination, based on the security review, on whether to change the current policy regarding accompanied tours. (Embassy Islamabad, in coordination with S/SRAP and DGHR)

Recommendation CFR 11: Embassy Islamabad, in coordination with the Bureau of Human Resources, should establish a more robust eligible family member program for the embassy and consulates general in Karachi and Lahore. (Action: Embassy Islamabad, in coordination with DGHR)

The embassy provides home-to-office shuttle service, after hours support for personal trips, and support for official transportation by fully armored vehicle. The Department authorizes the shipment of personal vehicles to the mission and the purchase or rental of vehicles in Islamabad. While the security posture mandates that individuals have to register their travel, even in the city of Islamabad, with the regional security office, employees can use their private vehicles to conduct personal errands and travel to and from the embassy. The OIG team recognizes that the security situation can change quickly in Islamabad; nonetheless, some individuals are using personal vehicles and rental cars while others are using fully armored vehicles for the same activity.

Recommendation CFR 12: Embassy Islamabad should update and reissue its policy on the use of fully armored vehicles. (Action: Embassy Islamabad)

Human Resources

The human resources section, which is well led by a Senior Foreign Service officer, is implementing a number of improvements including an effective tracking process for evaluations for U.S. direct-hire, eligible family member, and LE staff. The section is sorely pressed to meet growing demands stemming from increases in staffing, reprogramming positions, hiring, and an increased need for ICASS staffing. The human resources section strives to provide responsive service but, given the volume and complexity of demand, delays are inevitable. The section lacks a tracking system for locally employed staff actions, including recruitment for vacant or newly approved positions, which is transparent and accessible to other agencies and sections in the mission.

Informal CFR Recommendation 1: Embassy Islamabad should establish a tracking system for locally employed staff personnel actions on its Web site.

Equal Employment Opportunity

The embassy has three Equal Employment Opportunity counselors and one Federal Women's Program coordinator. Although there are no outstanding Equal Employment Opportunity or Federal Women's Program issues, employees working in Islamabad are under a great deal of strain due to the long work hours, the security concerns that affect every aspect of their lives, and the conditions of service. Under these stressful circumstances, it is especially

important that all employees are kept aware of their Equal Employment Opportunity responsibilities.

Informal CFR Recommendation 2: Embassy Islamabad should establish an informal briefing session conducted by the Equal Employment Opportunity and Federal Women's Program counselors to inform and raise awareness of the responsibilities of all employees to treat their American and Pakistani colleagues and subordinates with tolerance and proper behavior.

Representational Activities

Despite the security posture and the construction activities, the Ambassador still requires a venue for hosting representational activities in Islamabad. The interim residence is well-appointed but necessary security precautions reduce its usefulness. The OIG team believes that with a slight addition in representational funding, the Ambassador could host appropriate high-level events at one of the local hotels, which has significantly upgraded its security.

Recommendation CFR 13: Embassy Islamabad should request from the Executive Office for the Bureaus of Near Eastern Affairs and South and Central Asian Affairs additional representational funding to allow for periodic events to be hosted at venues outside the embassy compound in Islamabad. (Action: Embassy Islamabad)

Housing/Facilities

The embassy manages 356 short-term leases, 16 government-owned properties, 22 on-compound apartments, and 41 group homes. Housing is generally of an acceptable standard, but construction quality is uneven and maintenance requirements are heavy. The facilities management team provides make ready services for over 300 turnovers plus over 20,000 work orders each year, in addition to maintaining an aging embassy compound. The housing board meets monthly; however, due to press of business, the members are unable to visit houses under consideration for assignment. This has created the impression that housing assignments are made arbitrarily. The housing officer intends to implement a rotating "duty housing board member," to inspect the housing up for assignment and provide independent input to the housing board decisions. The facilities manager has implemented a very effective work order tracking system using WebPASS and is in the process of rewriting the standard operating procedures to improve oversight of the process. He is also using the eServices customer service program to track the work order teams' performance.

General Services Operations

The general services office (GSO) has a number of experienced officers. The one entry-level officer in the section has received accolades from the Pakistani and the American employees working with her. The section faces significant difficulties, some of which are beyond its control. Inbound and outbound shipments are routinely delayed in the port of Karachi with no justification or predictability. These delays complicate the GSO's ability to provide services

requested in a timely manner. In addition, the movement of the embassy warehouse and the construction of a new warehouse have also created hurdles that the section has to overcome.

The section has made great progress in overseeing the management of bulk purchase agreements by entering the data into the Integrated Logistics Management System (ILMS). Unfortunately, the section has several complaints about the system, including that it does not identify when goods are received. Other complaints are that the system does not always generate the purchase order for fully approved requests, synchronization between the Federal Procurement Data System and the ILMS/Ariba is not always successful, and receiving reports are not tied in with the ILMS/Ariba procurement module. The ILMS problems weaken internal controls and create a greater risk.

Recommendation CFR 14: The Bureau of Administration, in coordination with Embassy Islamabad, should identify and correct the shortcomings of the Integrated Logistics Management System at the embassy and its constituent posts. (Action: A, in coordination with Embassy Islamabad)

Innovative Practice: Integrated Logistics Management System Coordinator Position

Issue: When ILMS was rolled out in 2010, many of the agencies required to use the system balked at its implementation. They found that it was time consuming and difficult for their personnel to use. Furthermore it required significant hands-on training to use it effectively.

Response: To promote compliance by other sections and agencies, the embassy established an ILMS coordinator position in the GSO. The coordinator functions as a liaison with the Washington-based ILMS help desk and is proficient in all ILMS modules (diplomatic pouch and mail, receiving, asset management, reporting functions, etc.).

Result: The ILMS coordinator is able to respond immediately to requests by ILMS users in Pakistan and to flag systems errors that must be addressed by ILMS Washington. By receiving preview versions of system improvements, upgrades, and changes, the coordinator is often able to anticipate questions and concerns of users in Pakistan and address these concerns with the ILMS help desk in advance of systems releases and improvements.

The ILMS coordinator is a bargaining tool for GSO and other offices that require customers to use the application. New users—Americans coming from posts or positions that did not require them to use ILMS and local staff new to the mission or in new roles requiring greater knowledge of ILMS—have a robust resource for tutorials, guidance, and customized training materials. It is rare that users remain reluctant to use ILMS modules, as they quickly recognize the solid support they receive from the coordinator. The position has changed from being ILMS-centered to providing equal support for problems with the E2 travel system. In addition to responding to hundreds of questions each month for ILMS and the E2 travel system, the coordinator is able to make training trips to the consulates general and host training sessions at the embassy related to recurring problems and new features.

Innovative Practice: Creation of a Travel Information Site

Issue: Customers and service providers from the embassy and the constituent posts were contacting the GSO travel unit with a plethora of travel questions and problems. The travel unit was spending hours each day responding to frustrated travelers.

Response: The travel unit created a Web site called “Ask GSO Travel” that captures the most common questions being asked missionwide and provides a forum for new questions. The embassy’s senior travel assistant used his own file on missionwide queries and responses, and turned this information into a Frequently Asked Questions format. Links to the Frequently Asked Questions are now on the Team Pakistan intranet site, and the same file is available in PDF format for those employees and agencies that do not have access to the Department’s OpenNet.

Result: Since developing this site, the number of daily missionwide travel questions has decreased drastically, and employees seem more satisfied with the services. This site is updated daily by the GSO travel unit in Islamabad.

It is critical, in a high-fraud environment, to double check the use of the bulk purchase agreements and track the receipt of goods and service received.

Informal CFR Recommendation 3: Embassy Islamabad should implement a system of spot checking draws on its bulk purchase agreements on a monthly basis.

The ICASS motor pool program gets good marks from the community. The motor pool provides free home-to-office shuttle service based on the security situation. Department guidance in 14 FAM 433.4 requires that the need for this service be documented in writing. The embassy has not documented the need for the service. Failure to provide such documentation could lead to unnecessary expenses if the service is being used when it is not necessary.

Recommendation CFR 15: Embassy Islamabad should document in writing the need to use the motor pool for home-to-office transportation. (Action: Embassy Islamabad)

Real Property Management

The embassy compound is undergoing a comprehensive two-phase reconstruction. Upon completion of the project in 2017, every building on the compound will be replaced. The project requires a workforce of over 2,000 Pakistanis, 50 construction security personnel, and between 4,000 and 5,000 containers that have to clear the port of Karachi. This project is managed by a team of extremely qualified and dedicated engineers and planning staff. They work closely with the embassy management staff through a two-person liaison staff in the management counselor’s office. The sheer volume of transactions that require coordination with the host government (permits, clearance actions, visas, and labor permits) is demanding in itself. Unfortunately, the Pakistani Government’s response to date has been neither predictable nor consistent.

Custom clearances for shipments of construction materials have been an issue and could present serious delays to the project in the future. Shipments are usually released from the Port of Karachi after 4 to 6 weeks. Recently the fourth tower crane was delayed for 16 weeks for no apparent reason, incurring \$210,000 in demurrage fees.

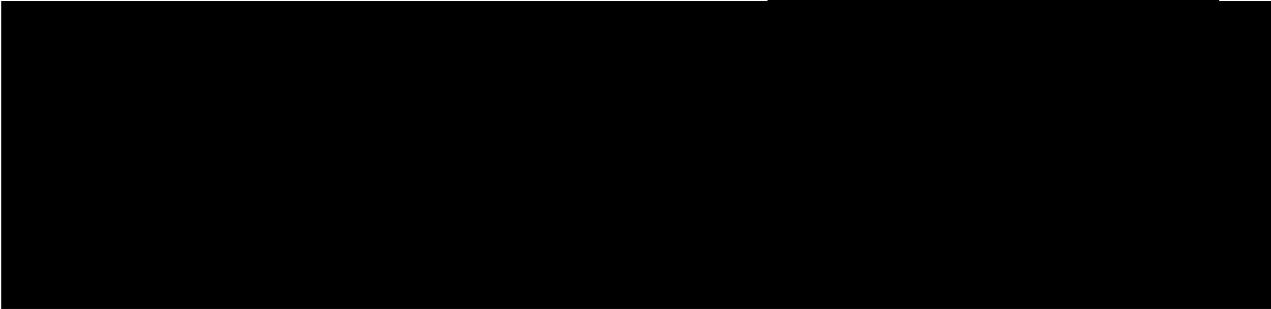
Visas for employees working as third party contractors on this project are issued for a 1-year period with the provision that they must leave and reenter the country after a period of either 30 or 90 days in country. This limitation requires individuals to exit and reenter the country every 30 to 90 days, causing considerable disruption in the work and adding significant additional costs. The project manager estimates that it will cost the U.S. Government approximately \$2.1 million for these trips alone. The lost time required by this visa provision will add time and cost to the construction of the classified areas of the new office building and new office annex.

Despite this challenge, the project manager has worked around delays and managed to keep the project moving. He told the OIG team that workarounds will be much more difficult in the future. The embassy has tried with mixed results to free up containers in the port and obtain visas from the reluctant Ministry of Foreign Affairs. These problems are part of a larger pattern of official obstructionism and harassment that the OIG team believes must be addressed as part of a high-level dialogue with Pakistani officials.

Recommendation CFR 16: Embassy Islamabad, in coordination with the Bureau of Overseas Buildings Operations, the Office of Foreign Missions, and the Office of the Special Representative for Afghanistan and Pakistan, should resolve the clearance and visa issues related to the construction project or, if they cannot resolve these issues satisfactorily, ask the Office of Foreign Missions to ensure reciprocity. (Action: Embassy Islamabad, in coordination with OBO, DS, and S/SRAP)

Locally Employed Staff

The mission is staffed by over 2,000 Pakistani employees. Many of these have demonstrated unfailing loyalty and devotion for decades. 



Karachi

Karachi has been a city of conflict for decades with sectarian and politically inspired violence taking place throughout the city. In more recent years, the consulate general itself has been the target of terrorist attacks. The city is a massive, unregulated, urban sprawl, with an

estimated population of over 20 million people. In 2011, the consulate staff moved into a newly constructed, secure compound on the edge of the city. The complex has a well-designed office building with spacious public and multipurpose spaces. The compound includes 40 apartments, a 20-room hotel, the Marine house, and the consul general's residence. The security posture requires employees to live on the compound and, when authorized, to travel outside the compound in a fully armored vehicle with an armed police officer in the car. Despite these security measures, employee morale remains high. [REDACTED]

Staffing of the consulate general is in constant flux, with USAID and the Department of Homeland Security planning to increase staff. Given the current delay in visa issuance, it is unclear when or whether this proposed increase will happen. In the meantime, Embassy Islamabad sent a cable (12 Islamabad 198) outlining the need for additional office and apartment space. However, these staffing projections were made before the downturn in bilateral relations resulting from the events that transpired in 2011.

Nonetheless, based on input from the embassy, OBO is reviewing plans to build both an office annex and additional housing on the consulate compound. This project will take a number of years to plan, fund, and construct and is estimated to cost millions of dollars, leaving insufficient space in the near term. The need for office space and housing may become urgent to accommodate an influx of personnel. While there may be a longer-term need for additional office space, given the lack of clarity on staffing and the potential need for space in the short term, the OIG team believes a cost effective approach should be considered. In a review of existing space in the consulate general, there appears to be several areas that could be used more effectively to support additional staffing needs.

Recommendation CFR 17: The Bureau of Overseas Buildings Operations, in coordination with Embassy Islamabad, should conduct a cost benefit analysis of retrofitting existing office space and the hotel in order to free enough space to allow planned expansion of the United States Agency for International Development and Department of Homeland Security programs in Karachi in the near term. (Action: OBO, in coordination with Embassy Islamabad)

The consul general is unable to use the residence on the compound to carryout representational events given the tight security of the compound and its remote location. Based on guidance from the Office of the Under Secretary for Management, the consul general has been using the former residence to conduct outreach activities for both the consulate general and the Ambassador when he visits. The team strongly supports the consulate general's desire to maintain the old consul general's residence to effectively facilitate public outreach activities in Karachi. Furthermore, given the need for additional housing to facilitate an influx of USAID and Department of Homeland Security employees there is an immediate need for additional secure housing. The security situation in Karachi makes it extremely difficult to lease appropriate housing off compound to comply with the requirements in 15 FAM 211.1 a. for safe and secure housing that meets employees' personal and professional requirements at a cost most advantageous to the U.S. government. The Frere compound is a complex of U.S. Government residences surrounding the former consul general's residence. Maintaining and upgrading

security for these housing units could be the most cost-effective way to meet the consulate general's immediate needs.

Although OBO is planning to build additional housing on the compound, it has no funding for this project. In the meantime the assignment of these pending new positions will have to be put on hold, which will put the programs supported by these agencies in Karachi in jeopardy.

Recommendation CFR 18: The Bureau of Overseas Buildings Operations should implement a plan to address immediate needs for additional housing in Karachi. (Action: OBO)

During the OIG team's visit, the staff indicated that communications between the consulate general and the embassy had not been satisfactory. Decisions related to funding, staffing, and construction issues had been delayed and in some cases inexplicably put on hold without effective communication between the embassy and the consulate general. As a result, the consulate general has projects on hold, staffing shortfalls, and a significant degree of confusion about the staffing plan for the consulate general. These problems should have been worked out between the embassy and the consulate general. Despite weekly phone conversations and monthly videoconferences proper coordination is lacking; it appears that embassy officers do not fully understand the conditions in Karachi. The embassy management team does not have sufficient face-to-face contact with the consulate staff to address critical issues facing the consulate general (personnel, funding, building issues, and security) and to enable embassy officers to develop a better understanding of the situation in Karachi to adequately allocate resources in an efficient manner.

Recommendation CFR 19: Embassy Islamabad should implement a schedule of quarterly visits by representatives from the human resources, facilities maintenance, and other management units to Consulate General Karachi to facilitate understanding and to clarify outstanding issues. (Action: Embassy Islamabad)

Real Property

OBO has commissioned a real estate agent to negotiate the sale of the old consulate building. The lawyer overseeing the sale identified a number of concerns in a report to OBO (11 Karachi 596). The lawyer followed up with a formal legal report on February 3, 2012, which was also forwarded to OBO. This matter will be the subject of a separate memorandum from the Office of the Inspector General to the Under Secretary for Management.

Lahore

Consulate General Lahore is located in the center of the city adjacent to the Press Club and the governor of the Punjab province's official residence and office complex. The building, originally a residence, was reconstructed as a consulate office building in the early 1990s. Even with the downsizing of USAID in the Punjab province, the consulate general's space is completely utilized. The consulate general's security posture is much the same as Karachi's. Violent crime, sectarian attacks, and acts of terrorism are all on the rise. Employees live in

fortified residences throughout the city, guarded by live-in police detachments and locally contracted guards. The employees' movements have to be coordinated in advance by the security officer and must be in a fully armored vehicle with an armed police officer in the vehicle and a police follow vehicle with a team of armed police officers. Despite these requirements, morale is good and the staff is performing well.

Peshawar

By all calculations, Peshawar is the most dangerous post in the Foreign Service. The OIG team believes strongly that Peshawar should be viewed as "Afghanistan's near abroad" rather than a dangerous consulate general in Pakistan. The conditions are analogous to those faced in one of the provinces of Afghanistan, without the benefit of North Atlantic Treaty Organization security. The consulate general is located in the former consul general's residence on a Pakistani military cantonment. Security is so dire that employees are frequently required to sleep in their offices on the very confined consulate compound rather than travel to their residences in town. Despite this situation, the employees have an unflagging commitment to the mission and good morale bolstered by a sense of teamwork. Given the U.S. Government's commitment to our continued presence in Peshawar, it is critical that more be done to assist these beleaguered personnel. They are under constant threat of terrorist attacks and harassed by local government agents, it is difficult to impossible for them to travel in the region and their present existence is analogous to a state of siege.

The American consulate employees assigned to Peshawar raised a matter of equity regarding their terms of service. They face the same dangers as those assigned to Afghanistan yet their benefits package is not comparable. Their benefits package is tied to service in Pakistan where the conditions of service vary significantly between the embassy in Islamabad and each of the consulates general in Lahore, Karachi, and Peshawar.

Recommendation CFR 20: The Bureau of Human Resources should authorize benefits for all personnel assigned to Consulate General Peshawar that are comparable to those benefits authorized for service in Afghanistan and should authorize overtime to the fullest extent possible for the American security and information management personnel. (Action: DGHR)

A number of the American staff indicated that they have continual delays and difficulty with pay related problems. These issues are referred to the Global Financial Services Center in Charleston for resolution but the employees complain that these issues are frequently left up to the individuals themselves to track. Given the workload of the employees assigned to Peshawar, the dangerous work environment, and the difficulties they face in communicating with Charleston, the embassy management team could be proactive in assisting these employees with resolving payroll issues.

Recommendation CFR 21: The Bureau of Resource Management, in coordination with Embassy Islamabad, should resolve all mission payroll issues in a timely manner, especially but not limited to those personnel assigned to Consulate General Peshawar. (RM, in coordination with Embassy Islamabad)

The Khyber Club is essential to the functioning of the consulate general in Peshawar. No hotel in Peshawar provides an acceptable level of security for housing visiting personnel or for those on long-term temporary duty. The consulate general is required to support not only visiting dignitaries but a significant number of temporary duty employees on a weekly basis, which can only be done at the Khyber Club due to the heightened security in Peshawar.

Without the availability of this facility, the mission would be unable to staff the consulate general and would have to refuse requests by congressional delegations and others to visit the area. Currently, the Khyber Club is leased as a U.S. Government residence but operated by the recreation association. However, the small recreational association cannot support the volume of visitors who use the facility. The solution is to officially recognize the club as an official U.S. Government guesthouse so the U.S. government is responsible for the facility and could contract with the recreational association to operate it.

Recommendation CFR 22: Embassy Islamabad, in coordination with the Bureau of Overseas Buildings Operations, should amend the lease to reflect that the Khyber Club is Consulate General Peshawar's official guesthouse. (Embassy Islamabad, in coordination with OBO)

Foreign Assistance

Pakistan received considerable civilian and military foreign assistance from the United States after 9/11. Military assistance included foreign military financing, international military education and training, and the Pakistan Counterinsurgency Fund (and the successor Pakistan Counterinsurgency Contingency Fund). Civilian assistance included funds from USAID, international narcotics control and law enforcement funds implemented by the narcotics affairs section, economic support funds implemented by several agencies, and several other accounts. In October 2009, the Kerry-Lugar-Berman Bill, otherwise known as the Enhanced Partnership with Pakistan Act, increased civilian assistance to Pakistan by authorizing \$7.5 billion over FY 2010-14, or \$1.5 billion each year over 5 years. Implementing agencies at the embassy include USAID, the Departments of State, Defense (for civilian assistance), Commerce, and Agriculture, and the U.S. Trade and Development Agency. Actual appropriations were approximately \$1.1 billion for FYs 2010-12. For FY 2013, the Obama Administration requested \$1.1 billion for civilian assistance, \$800 million for the Counterinsurgency Contingency Fund, and \$350 million in foreign military financing.

Starting in early 2011, embassy leadership and senior Washington officials attempted to sharpen the focus of assistance efforts. However, a series of events in 2011 impacted both the bilateral relationship and the overall assistance effort in Pakistan. The embassy team along with the assistance coordinator is ready for greater implementation of this program.

Following the expected visits to Pakistan of the USAID Administrator and the Deputy Secretary of State in spring 2012, the OIG team hopes that Washington can scale back the intensity and frequency of management oversight, as reflected in the schedule of videoconferences. An open question is whether the Pakistani Government will call for another review of U.S. assistance, as stated by the new Pakistani Ambassador to the United States in her first policy speech on February 15, 2012. The Pakistani Parliament's Committee on National Security reviewing bilateral relations may release its findings in mid-March.

The amounts appropriated under the Kerry-Lugar-Berman Bill have been less than the authorized amounts, and obligations and disbursements even lower, due to normal processes of design, the need to fund multiyear projects upfront, as well as certain delaying factors described elsewhere. These factors account for the large funding pipeline.

Large Role of U.S. Agency for International Development and the Narcotics Affairs Section

Pakistan is USAID's second-largest program in the world after Afghanistan, and one of USAID's five critical priority countries. USAID accounts for about 80.85 percent of all civilian assistance followed by the narcotics affairs section funded by the Department, which works on border security, police programs and counternarcotics, and smaller programs by the Departments of State, Defense (for civilian use), Commerce, Agriculture, and the U.S. Trade and Development Agency. The narcotics affairs section has worked in the country continuously since 1982, while other U.S. assistance was suspended for many years in the 1990s due to provisions of the Pressler Amendment. USAID authorized staff in country at the end of 2011 totaled 296 with 74 vacancies. New expanded temporary office space in Embassy Islamabad is nearing

completion for USAID, which will relieve immediate space constraints and provide for 256 desks. USAID projects 300 desks in the new embassy compound under construction. Plans for considerable staff growth in Consulate General Karachi may be facilitated by eliminating the current cubicles and replacing each of them with two smaller cubicles to accommodate 20 employees in the current space. This phase will be followed by a second phase for 17 more employees, bringing the total to 37. The second phase will require additional reallocation of space or construction of new office space.

Implementation Delays

The massive floods in 2010 led to the reprogramming of USAID funds of about \$700 million for flood relief (plus supplemental emergency relief of about \$500 million conducted by the U.S. military, USAID's Office of Foreign Disaster Assistance, USAID's Food for Progress office, and the local office of the Department's Bureau of Population, Refugees and Migration). Another redirection of the program occurred in 2010 to emphasize government-to-government efforts, and a further reprogramming took place in 2010 to emphasize big signature projects, including two hydroelectric projects. Problems have been compounded by the necessary recruitment of staff, the lack of secure office space in Embassy Islamabad and the constituent posts, and a strenuous effort led by senior officials in Washington to restructure and focus aid on five priority sectors (energy, economic growth, stabilization, education, and health).

Other delays in implementation included limitations on the absorption capacity of the Pakistani Government and private sector, the amendment to the Pakistani constitution in May 2011 devolving considerable federal powers to unprepared provincial governments (especially in education, health and agriculture), and the May 2011 decision by the governor of Punjab province to refuse all government-to-government assistance from the United States. U.S. aid to private parties in the Punjab province continues, but USAID had to reprogram \$250 million in funds destined for the Punjab government.

Recent U.S Law Concerning Use of Assistance

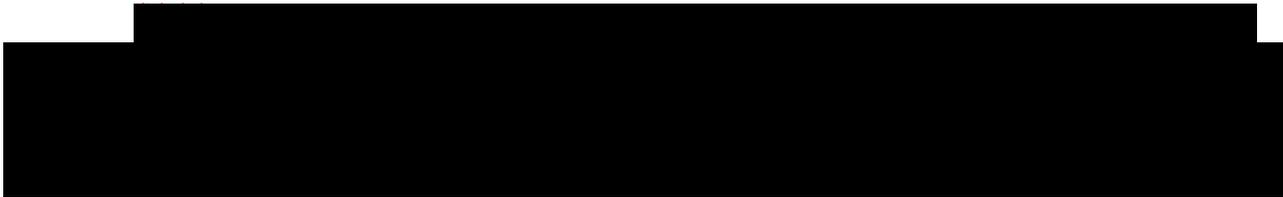
The Quarterly Progress and Oversight Report on the Civilian Assistance Program in Pakistan is prepared every 3 months and signed by the Inspectors General for USAID and the Departments of State and Defense. The report covering activity through December 31, 2011, states that the Consolidated Appropriations Act, 2012, Public Law 112-74, which was signed into law by the President on December 23, 2011, requires the Secretary of State to certify that the Government of Pakistan is cooperating with counterterrorism efforts, dismantling groups that supply materials for and produce improvised explosive devices, issuing timely visas for U.S. counterterrorism and assistance personnel, and providing humanitarian organizations access to detainees and civilians affected by the conflict before using foreign assistance funds for that country. The law permits the Secretary of State to waive this certification requirement if she determines that it is in the United States' national security interest to do so.

Monitoring and Oversight of Assistance

To overcome management and monitoring issues, USAID and the Department of State each have inspector general staff in Islamabad. In addition, USAID sends LE staff to the field more easily than U.S. staff, hires independent third parties to monitor projects, uses modern global positioning technology for monitoring, invites complaints about possible abuses from advertised hotlines, and conducts site visits by U.S. staff that must meet strict security arrangements.

Assistance Coordinator

In late 2009, the embassy created an assistance coordinator position with the rank of minister counselor to oversee all civilian assistance. The coordinator is one of two senior positions in the embassy above a section/agency chief who reports directly to the Ambassador. The coordinator and his small office competently oversee the USAID and refugee affairs office, and works closely with the narcotics affairs section and other assistance entities, as well as the public affairs section (see below) and economic section. Relations between the previous assistance coordinator and previous USAID director were tense and conflictive, but a new coordinator arrived in August 2011.



The realities of the extremely large aid program and the complex politics of the U.S.-Pakistani relationship require extra oversight. Senior USAID officers in Washington would like the assistance coordinator to do less managerial oversight and more coordination to ease the burden of added reporting on USAID. Analogous but inexact parallels for Department overseas oversight of USAID activities include Embassies Baghdad and Kabul, and embassy coordinators for large assistance programs under the President's Emergency Plan for Aids Relief. The assistance coordinator in Islamabad does not have full supervisory powers over all assistance and economic entities, which the assistance coordinator in Kabul does have, at least in theory (see OIG Report Number ISP-C-11-53A, June 2011).

A similar position in Kabul, which approximates the assistance coordinator position in Islamabad but has broader and deeper powers, is called the coordinating director for development and economic affairs. The Kabul director has ambassadorial rank and experience, and, among other entities, he has responsibility for USAID, the Departments of Agriculture and Treasury, and the economic section.

Any attempt to replicate the Kabul model for the assistance coordinator position in Islamabad would need to consider whether to seek someone with experience as an ambassador, whether the coordinator would rate all of the agency and section heads and review the deputy heads, and whether some functions that have limited assistance roles such as the economic

section and the Treasury attaché should come under the coordinator. Replicating the Kabul model would also redefine the role of the deputy in the assistance office. Questions include whether the deputy would act as the supervisor of other agencies and sections in the absence of the coordinator, and whether the deputy should be from the Department or USAID.

Informal CFR Recommendation 4: Embassy Islamabad should determine whether the deputy in the assistance coordinator's office should be selected from an entity other than the Department of State and identify the position that will act in the absence of the assistance coordinator.

Public Diplomacy

Public diplomacy staffing and program resources in Pakistan have increased dramatically since FY 2009, reflecting the great interest of the U.S. Government to lessen the overwhelming disapproval and hostility to U.S. policies among the Pakistani populace. Less than 20 percent of the populace has a favorable view of U.S. policies, and most of the rest are hostile. The incidents described elsewhere in this report that damaged the bilateral relationship exacerbated the public disapproval of U.S. policies. Most Pakistanis mistrust U.S. motives, regional and linguistic differences make most national communications strategies ineffective, and government manipulation of the press helps to inflame public opinion against the United States. [REDACTED]

Following the buildup of public diplomacy staffing and resources in the last few years to one of the highest levels in the world, the embassy is focusing on building a national network of exchange alumni, local information centers, and other techniques to try to overcome the considerable local disapproval of U.S. policies. In particular, the embassy would like to keep in close touch with alumni from various exchange and Fulbright programs to maximize opportunities for public outreach. A new creative effort to counter violent extremism is underway that may serve as a model elsewhere.

Public Affairs Resources

From a base of \$1.2 million for total public affairs section operations in FY 2009, total funds including economic support funds and overseas contingency funding equaled \$50 million in FY 2010, \$90 million in FY 2011, and \$50 million thus far in FY 2012. New supplemental allotments may be approved this year. Projected spending in FY 2013 is \$30 million, but could be increased. In any case, the amount of funding in future years is not likely to reach the high levels of recent years.

The embassy conducts frequent teleconferences with senior Washington interlocutors and produces weekly and biweekly products to keep Washington officials informed of its activities. The Under Secretary for Public Diplomacy and Public Affairs on December 28, 2011, reaffirmed the embassy's strategic communication plan per a recommendation in the OIG's 2010 report. Embassy Islamabad's public affairs section in 2009 had 5 U.S. officers and 23 local employees; similar numbers in early 2012 are 19 permanent and temporary U.S. employees, and 33 current or projected local employees. Public affairs staffing in the three consulates general also grew markedly; for example, Consulates General Lahore and Karachi both grew from 1 officer to 3. Pakistan now has the second-largest public diplomacy budget in the world after Afghanistan and the largest Fulbright program in the world in dollar amounts (but not participants or scholars). International visitors equaled 190 in FY 2011 and will equal 100 in FY 2012. Fulbright participants equaled 135 in FY 2011 and will equal 200 in FY 2012.

Mission Director and Country Public Affairs Officer

The mission director for communications, or the strategic communications director, is one of two senior positions in the embassy between a section/agency chief and the DCM. The mission director for communications, with a rank of minister counselor, is charged with coordinating public outreach of all embassy agencies (including USAID, the narcotics affairs section, the U.S. military, and others), as well as coordination with Washington agencies. Under the communications director is the country public affairs officer, with the rank of counselor, who has a role typical of most embassies. He manages the large public affairs staff in Islamabad and the considerable public affairs staff in the consulates general. Both officers arrived last September and will leave next August.

In practice, tensions exist between the mission director for communications and the country public affairs officer because of the difficulty of defining distinct roles and responsibilities for each. The 2010 report recommended that the roles and duties of the two officers be made clear, which was done via a memorandum from the front office dated October 25, 2011. The director still sees a need to be involved in all aspects of the public affairs section. On the positive side, both officers are reasonable and work out their differences. Nonetheless, coordination among the public affairs and public diplomacy elements of different agencies in the mission has been difficult, and the coordination of communication efforts of some agencies, particularly USAID, could be improved. USAID has a small communications office, but most of its public outreach efforts focus on press releases. USAID recently received funding of \$5 million to increase public outreach. A U.S. military information support team departed the country as part of the overall drawdown of U.S. military forces required by the Pakistani Government after the 2011 incidents.

The Ambassador and DCM, with the concurrence of the mission director for communications and the country public affairs officer, have decided to eliminate the mission director for communications position upon the departure of the incumbent and to make the position the country public affairs officer. They will also downgrade the title of the current country public affairs position to a deputy country public affairs officer upon the departure of the incumbent. The OIG team supports these decisions and notes that the senior position should be ranked at least at the counselor level, if not the minister counselor level, and the deputy position at least at the FS-01 level, if not the counselor level. Whatever form and titles the senior management of the public affairs section takes, it will still need to work on building an interagency communications team.

Grants Management Process

The public affairs section in recent months received new positions, including a management officer, a grants officer, and other staff to manage budgets and its large grants program. A grants committee has been established in recent months to vet more thoroughly all proposals above \$10,000. The country public affairs officer gives final approval after reviewing the committee's recommendations. The mission director for communications still has sole source decisionmaking power to award grants outside of the committee process but hasn't used this

power to date. Washington agencies must in any case also approve all grants above \$10,000. The OIG team did not have the time to review all grants.

Officer Recruitment

The 2010 inspection recommended that only officers with some experience in public affairs be assigned to the mission. The staffing of the Islamabad public affairs office with experienced officers has reached a good level, but many public diplomacy officers in the consulates general are inexperienced.

Informal CFR Recommendation 5: Embassy Islamabad should implement a plan to continue to make maximum efforts to recruit experienced officers in the consulates general.

Informal CFR Recommendation 6: Embassy Islamabad should arrange more exchange visits by officers between the embassy and consulates general and senior officers in Islamabad should mentor consulate officers as much as possible.

Countering Violent Extremism

The public affairs section's community engagement office is working on a model program to counter violent extremism among various elements of the Pakistani populace, including the police, local community, and religious leaders. The program will seek to avoid purely positive messages touting the virtues of U.S. policies, which fall on deaf ears, and instead seek to influence and shape Pakistani thinking that they too benefit from the reduction of violence. The community engagement officer did similar work in the United States while working at the Department of Homeland Security, to which he will return when his tour ends this year. The public affairs section has allocated almost \$5 million from its budget for the countering violent extremism program in order to begin its work.

A working group with the assistance coordinator, mission director for communications, USAID, and others has met twice in recent months to work on the program design and implementation. USAID's sectoral work on stabilization may compliment this project. If successful, the countering violent extremism model may be replicated elsewhere in the world. The project, which is now led by the community engagement office's two Section 3161 Civil Service (temporarily employed, generally not to exceed 3 years) officers, shows promise. These employees require diplomatic privileges and immunities given the nature of their work. The senior officer is leaving this October and the embassy recently obtained approval for an FS-02 position for the senior 3161 position, which will supervise the remaining 3161 position. Because the remaining 3161 officer performs equally sensitive work, the OIG team believes the position also requires diplomatic immunity.

Recommendation CFR 23: Embassy Islamabad should seek a Foreign Service position for the remaining 3161 position in the community engagement office in the public affairs section. (Action: Embassy Islamabad)

The public affairs section has received a large increase in funding in recent years. The OIG team had limited time and public affairs expertise to consider all aspects of the public affairs operations, which warrant additional review. Other factors calling for such a review late in 2012 include allowing the new Under Secretary for Public Diplomacy and Public Affairs to judge worldwide operations, allowing enough time for the mission's new strategic communications plan to take effect, for the new country public affairs officer and deputy arriving by late summer 2012 to implement their new roles, for a new recruiting cycle for officers in constituent posts to take effect, and for the countering violent extremism program to take effect.

Recommendation CFR 24: The Office of the Under Secretary for Public Diplomacy and Public Affairs, in coordination with Embassy Islamabad, should commission an evaluation by the end of 2012 to discern the effectiveness of Embassy Islamabad's public affairs operations throughout the mission. (Action: R/PPR, in coordination with Embassy Islamabad)

A separate memo to this report discusses the autonomous role and work of the Voice of America.

Political and Political-Military Affairs

The political section contains five components dealing with internal politics, external political relations, political-military affairs, Afghan border issues, and nonproliferation issues. The section tracks, analyzes, and reports on political developments and advises on the impact for U.S. policy interests. The section meets regularly with a wide range of politicians and civil servants, and engages with human rights groups, civil society organizations, and influential religious communities. The section provides oversight of small grants provided by the Departments of State and Labor. It also oversees training opportunities for government officials engaged in improving Pakistan's nonproliferation regime and training and assistance provided to the Pakistani military by the Department.

The political counselor gets high marks from the political officers at the consulates general for being inclusive and keeping them informed daily. Per OIG's 2010 inspection report, the embassy recently initiated consultation visits to Islamabad by all new consulate staff. Political officers occasionally visit the consulates general. These commendable contacts and mentoring opportunities should continue or even be expanded.

The embassy with good reasoning decided not to create a separate political-military section as recommended in OIG's 2010 inspection report, and it merged the border unit with the political-military unit. The OIG team agrees that a separate political-military section, even with border unit officers, would be too small for good operational effectiveness and oversight, and would lessen the chances of back-up during the frequent absences of officers due to travel, rest and recuperation, and other leave. Instead, the political section folded the border unit and the political-military units under one of the two deputies in the section. Further streamlining, updating, and rationalizing the structure of the entire section, particularly in the political-military and border units, would be possible.

Informal CFR Recommendation 7: Embassy Islamabad should reduce the competing and parallel lines of authority and avoid senior-level positions with similar functions at equal rank in the political section while maintaining current functions within the section.

Economic Affairs

The economic section covers major U.S. interests in energy, regional economic integration, trade, investment, development, and other topics. An embedded Treasury attaché works closely with the section on macroeconomic stability and sanctions policy. An International Monetary Fund Stabilization Program begun in 2008 disbursed almost \$8 billion of the available \$11.3 billion in credit before the Pakistani Government fell out of compliance. The program was terminated in September 2011. Pakistan has a low tax base, rising inflation, dwindling reserves, and electricity and gas shortages. In February 2012, the Paris-based Financial Action Task Force, which reviews 180 countries for the effectiveness of their measures against money laundering, placed Pakistan on its blacklist of 17 nations. The economic section consults closely with the assistance coordinator, USAID, the Foreign Commercial Service, the Foreign Agricultural Service, and others to promote U.S. economic interests. The section's assistance support efforts focus on the energy sector and economic development.

The section takes the lead on dealing with the considerable trade and investment requests from the Pakistani Government, including preferential market access for some items (especially textiles) under World Trade Organization rules, reconstruction opportunity zones, a pending bilateral investment treaty, and other items. Concrete action to date has been limited given U.S. domestic political realities. The section works with the commercial section and the front office on major commercial and regulatory advocacy issues for U.S. businesses. Economic officers make frequent trips to the consulate general in Karachi, the business and financial center of the country, and to the consulate general in Lahore. The section lets the respective consulates general generate reports from these visits, which gives the officers there more ownership of their product.

Law Enforcement and Rule of Law

The various law enforcement agencies in the mission consult informally and meet in various settings, including the Visas Viper meeting and the Strategic Interagency Assistance Team's rule-of-law working group, to improve the performance of local police and judicial authorities. Despite Informal Recommendation 20 in OIG's 2010 report that the law enforcement agencies meet to discuss operational issues, the agencies do not meet in such a fashion.

Recommendation CFR 25: Embassy Islamabad should establish a formal law enforcement working group that should meet at least monthly to discuss operational coordination. (Action: Embassy Islamabad)

Consular

Although much has changed since the 2010 inspection—new positions have been added in all the consular sections, with the exception of Peshawar, and a new compound opened in Karachi—much remains the same. One-year tours still present problems for managers and employees alike, the administrative processing required for visa applicants is still time consuming and difficult to manage, and fraud is pervasive and complicates all consular adjudications. Furthermore, the difficult relationship with the Government of Pakistan has a major impact on consular work. [REDACTED]

American Citizens Services

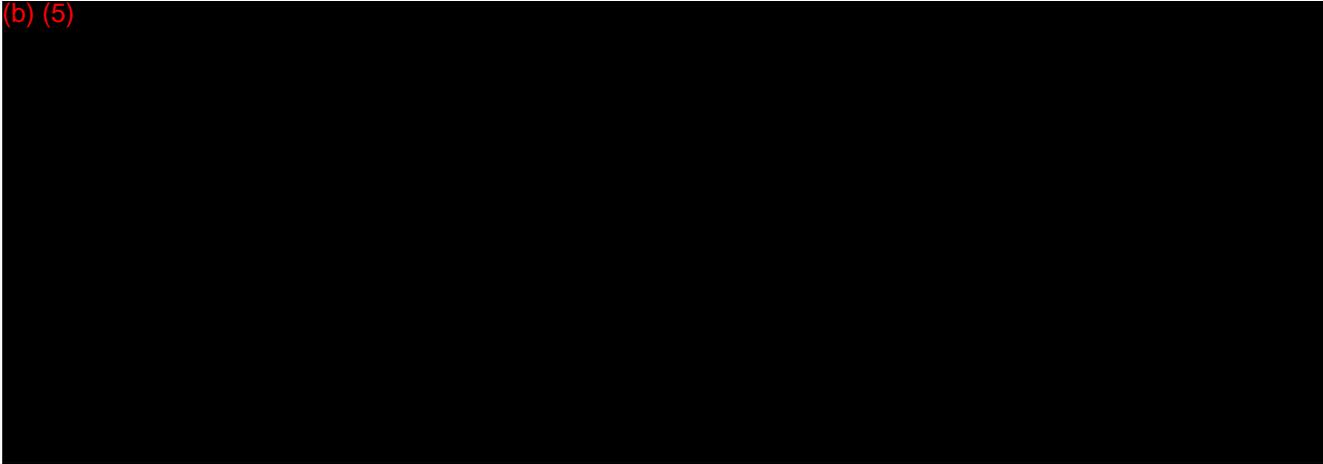
At the time of the OIG's 2010 inspection, officer in charge of the American citizens services unit in Islamabad also had other responsibilities, which concerned the inspectors given the heavy workload. There is now a full-time FS-03 officer who serves solely as the American citizens services chief. He is assisted by an entry-level officer who rotates through the section and two capable LE staff members. This staffing is sufficient to handle the workload, although only one window is available to the unit for much of the morning, requiring staff to rotate between intake and adjudication through that single window.

Consulate General Lahore now has a full-time American citizens services officer; this was a part-time position at the time of the previous inspection. In Consulate General Karachi, the consular chief oversees the American citizens services unit. One entry-level officer is assigned the American citizens services portfolio, but since appointments are currently scheduled on a day with no nonimmigrant visa appointments, all officers assist with American citizens services cases. The part-time American citizens services officer in Consulate General Peshawar divides her time between public diplomacy and consular duties. Because of the current security situation, she also spends most of her time in Islamabad. Only emergency services have been offered in Peshawar, but the consulate general plans to begin offering nonemergency American citizens services in February 2012.

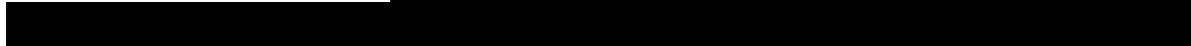
When the U.S. Citizenship and Immigration Services closed its office in Islamabad in September 2007, its workload related to adoption cases was divided between the American citizens services unit and the immigrant visa unit. Gradually, all the work was moved to the American citizens services unit, with LE staff processing the paperwork and American citizens services officers adjudicating immigrant visas for adoptees. This setup could lead to a perceived conflict of interest should American citizens services officers deny a visa, but later be called on to provide assistance to the American citizen petitioner. It also requires the American citizens services officers and LE staff to monitor and be aware of changes in immigrant visa processing or eligibility requirements, taking time away from their American citizens services work.

Recommendation CFR 26: Embassy Islamabad should assign the processing of adoption cases to the immigrant visa unit rather than the American citizens services unit. (Action: Embassy Islamabad)

(b) (5)



Recommendation CFR 27: 

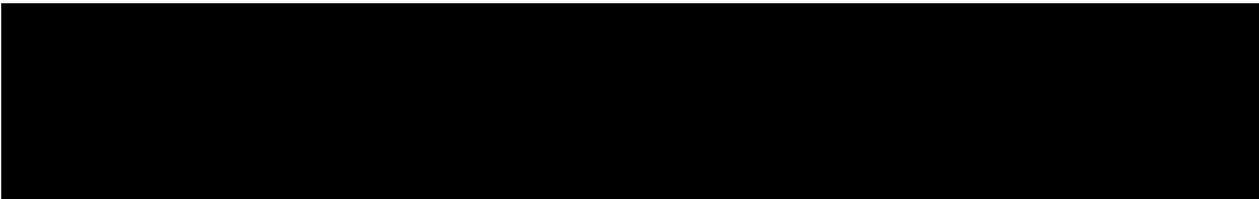


Visas

Karachi is now processing all nonimmigrant visa categories, with the exception of A visas, a change since OIG's 2010 inspection. Although the new building opened in January 2011, the waiting room is already too small, and the consular section could face a shortage of interview windows in the near future. Consulates General Lahore and Peshawar do not process visas, and there are no plans to add visas to the work of either post. One of the concerns during the 2010 inspection was that visa work would be expanded to all posts in Pakistan, something OIG then and now believes is unnecessary given that the volume of nonimmigrant visas processed countrywide is around 70,000.

Indications are that the nonimmigrant visa workload will increase in Karachi, Pakistan's largest city, while remaining stable in Islamabad. The consular coordinator has requested another officer position and two LE staff positions for the consular section in Karachi. One of the LE staff positions is for the fraud prevention unit; the other is for the visa unit. The OIG team believes these positions are necessary.

In Islamabad, the immigrant visa chief asserted greater control over the scheduling of appointments, asking the National Visa Center to schedule the same number of appointments every day. Previously, the number of applicants interviewed varied greatly from day to day. This scheduling has improved  as adjudicating officers know what to expect on any given day. However, most of the entry-level officers noted to the inspectors that the workload in the immigrant visa unit is overwhelming. Consular managers are examining ways to have the nonimmigrant visa officers assist their colleagues in the immigrant visa unit, a move that the inspectors wholeheartedly endorse.



(b) (5)

Recommendation CFR 28:

The consul general was also reviewing the visa adjudications of some of the entry-level officers, although 9 FAM 41.113 PN17 d. and 9 FAM 41.121 N2.3-7 c. state that the reviewing officer should be the officer's immediate supervisor, who is the nonimmigrant visa chief. The inspection team discussed with officers and managers the appropriate role in reviewing adjudications and the correct interpretation of section 214(b) of the Immigration and Nationality Act, which states that all applicants are presumed to be intending immigrants unless they establish that they qualify for a nonimmigrant status. Most nonimmigrant categories, including B visitor visas and F student visas, require that an applicant establish that he or she has a residence in a foreign country that he or she has no intention of abandoning.

Recommendation CFR 29: Embassy Islamabad should require that the consul general cease serving as an adjudication reviewer and assign this responsibility to the nonimmigrant visa chief. (Action: Embassy Islamabad)

Embassy Islamabad has a visa security unit to review visa issuances in Islamabad. The consular section and the visa security unit work well together, but there is no memorandum of understanding to govern the relationship. The inspectors in 2010 recommended that the consular section issue a memorandum of understanding with the Department of Homeland Security, U.S. Immigration and Customs Enforcement, governing the work of the fraud prevention manager and the visa security unit. The memorandum of understanding has not been completed and the recommendation is reissued.

Recommendation CFR 30: Embassy Islamabad should issue a memorandum of understanding between the consular section and the Department of Homeland Security, U.S. Immigration and Customs Enforcement, governing the work of the fraud prevention manager and the visa security unit. (Action: Embassy Islamabad)

Embassy Islamabad issues diplomatic A1 visas for multiple entries over 24 months to Pakistani diplomats assigned to tours of duty in the United States. A1 visa holders normally may remain in the United States for the duration of their assignment to the Pakistani mission. Most U.S. diplomats assigned to Pakistan receive multiple-entry visas valid for a year, but must apply for diplomatic residency status in the country after they arrive. Diplomats have 30 days or 90 days to apply, depending on the period stated on the visa. The Pakistani Government normally

takes more than the 30-90 day period to issue a diplomatic residency permit, leaving applicants in an uncertain legal status until the permit is issued. Thus far, people have been able to leave the country if they needed to during this period, but they must obtain a new visa to reenter. Some officers, rather than remain in country after their permission to stay has expired, have left the country at their own expense and then reentered, thus ensuring they remain in status. This issue is discussed in both the Executive Direction and Resource Management sections of the report

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Recommendation CFR 31:

Fraud Prevention

Fraud is endemic in Pakistan. One officer noted that it often spans generations and families. Documents are not reliable. As the 2010 inspection report noted, the potential for links between fraud and international terrorism, and the pull of the U.S. economy for economic migrants, combine to make fraud prevention work challenging and demanding. Since the last inspection, a full-time fraud prevention manager has been assigned, and one entry-level officer is assigned to the unit. At the time of this CFR, the capable and energetic LE staff is at a full complement of four; for the last year the unit operated with only two LE staff members most of the time. Marriage fraud remains a huge problem, and many cases involve petitioner fraud. Under a new procedure, the fraud prevention unit will send information on cases involving petitioner fraud to the Department's Office of Fraud Prevention Programs, which will in turn work with the Department of Homeland Security to determine whether any action can be taken on these cases.

Coordination and Training

The consul general in Islamabad, who is the consular coordinator for the mission, travels to the other posts and talks at least weekly, frequently daily, with consular managers in the other

posts. The lack of coordination among posts was a concern for the last inspection team, but coordination among posts is now robust. The previous inspectors also identified a lack of training among some of the LE staff. While the situation is now better, five LE staff members have not completed the basic online visa training. Accordingly, the previous informal recommendation regarding training is reissued as a formal recommendation.

Recommendation CFR 32: Embassy Islamabad should provide the basic online visa training to the five locally employed consular staff members who have not completed that course and require all new locally employed staff to complete the relevant online consular training courses before their first-year anniversary. (Action: Embassy Islamabad)

List of Formal CFR Recommendations

Recommendation CFR 1: Embassy Islamabad, in coordination with the Bureau of Human Resources and the Executive Office for the Bureaus of Near Eastern Affairs and South and Central Asian Affairs, should immediately initiate a comprehensive program-based review of all requests or proposals for increases in staffing at both the embassy and constituent posts and make recommendations to Washington for scaling back projected staffing increases. (Action: Embassy Islamabad, in coordination with DGHR and SCA)

Recommendation CFR 2: Embassy Islamabad should provide the Bureau of Overseas Buildings Operations with its recommendations on how current and proposed construction projects should be scaled back. (Action: Embassy Islamabad)

Recommendation CFR 3:

[REDACTED]

Recommendation CFR 4:

[REDACTED]

Recommendation CFR 5: The Office of the Special Representative for Afghanistan and Pakistan should streamline and rationalize the use of high-level video conference meetings between Washington and Islamabad. (Action: S/SRAP)

Recommendation CFR 6: The Office of the Special Representative for Afghanistan and Pakistan, in coordination with the Bureau of South and Central Asian Affairs, should implement procedures that provide appropriate oversight and support for Embassy Islamabad's policy, programmatic, and management activities. (Action: S/SRAP, in coordination with SCA)

Recommendation CFR 7: Embassy Islamabad, in coordination with the Office of the Special Representative for Afghanistan and Pakistan and the Office of the Under Secretary for Management should clarify the role of the Ambassador's spouse including the appropriate level of resources that should be dedicated to any outreach activities. (Action: Embassy Islamabad, in coordination with S/SRAP and M/PRI)

Recommendation CFR 8:

[REDACTED]

Recommendation CFR 9: Embassy Islamabad, in coordination with the Bureau of Diplomatic Security and the Bureau of Human Resources, should conduct a review of the security posture

for the embassy and each of its constituent posts, with a view toward determining if the current restriction prohibiting spouses from accompanying employees can be relaxed. (Action: Embassy Islamabad, in coordination with DS and DGHR)

Recommendation CFR 10: Embassy Islamabad, in coordination with the Office of the Special Representative for Afghanistan and Pakistan and the Bureau of Human Resources, should make a determination, based on the security review, on whether to change the current policy regarding accompanied tours. (Embassy Islamabad, in coordination with S/SRAP and DGHR)

Recommendation CFR 11: Embassy Islamabad, in coordination with the Bureau of Human Resources, should establish a more robust eligible family member program for the embassy and consulates general in Karachi and Lahore. (Action: Embassy Islamabad, in coordination with DGHR)

Recommendation CFR 12: Embassy Islamabad should update and reissue its policy on the use of fully armored vehicles. (Action: Embassy Islamabad)

Recommendation CFR 13: Embassy Islamabad should request from the Executive Office for the Bureaus of Near Eastern Affairs and South and Central Asian Affairs additional representational funding to allow for periodic events to be hosted at venues outside the embassy compound in Islamabad. (Action: Embassy Islamabad)

Recommendation CFR 14: The Bureau of Administration, in coordination with Embassy Islamabad, should identify and correct the shortcomings of the Integrated Logistics Management System at the embassy and its constituent posts. (Action: A, in coordination with Embassy Islamabad)

Recommendation CFR 15: Embassy Islamabad should document in writing the need to use the motor pool for home-to-office transportation. (Action: Embassy Islamabad)

Recommendation CFR 16: Embassy Islamabad, in coordination with the Bureau of Overseas Buildings Operations, the Office of Foreign Missions, and the Office of the Special Representative for Afghanistan and Pakistan, should resolve the clearance and visa issues related to the construction project or, if they cannot resolve these issues satisfactorily, ask the Office of Foreign Missions to ensure reciprocity. (Action: Embassy Islamabad, in coordination with OBO, DS, and S/SRAP)

Recommendation CFR 17: The Bureau of Overseas Buildings Operations, in coordination with Embassy Islamabad, should conduct a cost benefit analysis of retrofitting existing office space and the hotel in order to free enough space to allow planned expansion of the United States Agency for International Development and Department of Homeland Security programs in Karachi in the near term. (Action: OBO, in coordination with Embassy Islamabad)

Recommendation CFR 18: The Bureau of Overseas Buildings Operations should implement a plan to address immediate needs for additional housing in Karachi. (Action: OBO)

Recommendation CFR 19: Embassy Islamabad should implement a schedule of quarterly visits by representatives from the human resources, facilities maintenance, and other management units to Consulate General Karachi to facilitate understanding and to clarify outstanding issues. (Action: Embassy Islamabad)

Recommendation CFR 20: The Bureau of Human Resources should authorize benefits for all personnel assigned to Consulate General Peshawar that are comparable to those benefits authorized for service in Afghanistan and should authorize overtime to the fullest extent possible for the American security and information management personnel. (Action: DGHR)

Recommendation CFR 21: The Bureau of Resource Management, in coordination with Embassy Islamabad, should resolve all mission payroll issues in a timely manner, especially but not limited to those personnel assigned to Consulate General Peshawar. (RM, in coordination with Embassy Islamabad)

Recommendation CFR 22: Embassy Islamabad, in coordination with the Bureau of Overseas Buildings Operations, should amend the lease to reflect that the Khyber Club is Consulate General Peshawar's official guesthouse. (Embassy Islamabad, in coordination with OBO)

Recommendation CFR 23: Embassy Islamabad should seek a Foreign Service position for the remaining 3161 position in the community engagement office in the public affairs section. (Action: Embassy Islamabad)

Recommendation CFR 24: The Office of the Under Secretary for Public Diplomacy and Public Affairs, in coordination with Embassy Islamabad, should commission an evaluation by the end of 2012 to discern the effectiveness of Embassy Islamabad's public affairs operations throughout the mission. (Action: R/PPR, in coordination with Embassy Islamabad)

Recommendation CFR 25: Embassy Islamabad should establish a formal law enforcement working group that should meet at least monthly to discuss operational coordination. (Action: Embassy Islamabad)

Recommendation CFR 26: Embassy Islamabad should assign the processing of adoption cases to the immigrant visa unit rather than the American citizens services unit. (Action: Embassy Islamabad)

Recommendation CFR 27: (b) (5)

Recommendation CFR 28: (b) (5)

Recommendation CFR 29: Embassy Islamabad should require that the consul general cease serving as an adjudication reviewer and assign this responsibility to the nonimmigrant visa chief. (Action: Embassy Islamabad)

Recommendation CFR 30: Embassy Islamabad should issue a memorandum of understanding between the consular section and the Department of Homeland Security, U.S. Immigration and Customs Enforcement, governing the work of the fraud prevention manager and the visa security unit. (Action: Embassy Islamabad)

Recommendation CFR 31: [REDACTED]

Recommendation CFR 32: Embassy Islamabad should provide the basic online visa training to the five locally employed consular staff members who have not completed that course and require all new locally employed staff to complete the relevant online consular training courses before their first-year anniversary. (Action: Embassy Islamabad)

List of Informal CFR 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 CFR Recommendation 1: Embassy Islamabad should establish a tracking system for locally employed staff personnel actions on its Web site.

Informal CFR Recommendation 2: Embassy Islamabad should establish an informal briefing session conducted by the Equal Employment Opportunity and Federal Women's Program counselors to inform and raise awareness of the responsibilities of all employees to treat their American and Pakistani colleagues and subordinates with tolerance and proper behavior.

Informal CFR Recommendation 3: Embassy Islamabad should implement a system of spot checking draws on its bulk purchase agreements on a monthly basis.

Informal CFR Recommendation 4: Embassy Islamabad should determine whether the deputy in the assistance coordinator's office should be selected from an entity other than the Department of State and identify the position that will act in the absence of the assistance coordinator.

Informal CFR Recommendation 5: Embassy Islamabad should implement a plan to continue to make maximum efforts to recruit experienced officers in the consulates general.

Informal CFR Recommendation 6: Embassy Islamabad should arrange more exchange visits by officers between the embassy and consulates general and senior officers in Islamabad should mentor consulate officers as much as possible.

Informal CFR Recommendation 7: Embassy Islamabad should reduce the competing and parallel lines of authority and avoid senior-level positions with similar functions at equal rank in the political section while maintaining current functions within the section.

Principal Officials

	Name	Arrival Date
Ambassador	<i>Cameron P. Munter</i>	<i>10/10</i>
Deputy Chief of Mission	<i>Richard E. Hoagland</i>	<i>02/11</i>
Constituent Post(s)		
Consulate General Karachi- <i>Principal Officer</i>	<i>William Martin</i>	<i>07/10</i>
Consulate General Peshawar- <i>Principal Officer</i>	<i>Joan Marie Richards</i>	<i>06/11</i>
Consulate General Lahore- <i>Principal Officer</i>	<i>Nina Fite</i>	<i>09/11</i>
Chiefs of Sections:		
Management	<i>Sandra Muench</i>	<i>07/10</i>
Consular	<i>Steven Maloney</i>	<i>08/10</i>
Political	<i>Jonathan Pratt</i>	<i>09/10</i>
Economic	<i>Robert Ewing</i>	<i>06/11</i>
Public Affairs	<i>Thomas Miller</i>	<i>09/11</i>
Regional Security	<i>Carol Gallo</i>	<i>07/11</i>
Overseas Buildings Operations	<i>Ardeshir Kanga</i>	<i>10/27</i>
Office of Inspector General	<i>Magda Angulo</i>	<i>10/10</i>
Narcotics Affairs	<i>Jon Danilowicz</i>	<i>09/11</i>
Refugee Affairs	<i>Simone Jackson</i>	<i>08/11</i>
Regional Affairs	<i>Paul Kepp</i>	<i>09/11</i>
Other Agencies:		
Drug Enforcement Agency	<i>Warren Lowe</i>	<i>10/11</i>
Department of Energy	<i>Maegon Barlow</i>	<i>01/12</i>
Home land Security-ICE	<i>Salvador Briseno</i>	<i>07/10</i>
Marine Security Guard	<i>Everton Hart (Acting)</i>	<i>07/11</i>
Foreign Agricultural Service	<i>Richard Drennan</i>	<i>07/11</i>
Department of Treasury	<i>Mary Brennan</i>	<i>07/11</i>
Department of Defense	<i>General Ken Keen</i>	<i>07/11</i>
Foreign Commercial Service	<i>Brian McCleary</i>	<i>10/11</i>
U.S. Agency for International Development	<i>Andrew Sisson</i>	<i>10/10</i>
Broadcasting Board of Governors	<i>Vacant (no incoming staff identified)</i>	

Abbreviations

CFR	Compliance followup review
DCM	Deputy chief of mission
Department	Department of State
GSO	General services office
ICASS	International Cooperative Administrative Support Services
ILMS	Integrated Logistics Management System
ISI	Inter-Services Intelligence agency
LE	Locally employed
OIG	Office of Inspector General
SIAT	Strategic Interagency Assistance Team
USAID	United States Agency for International Development

APPENDIX I: Status of 2010 Inspection Formal Recommendations

Recommendation 1: Embassy Islamabad, in coordination with the Bureau of South and Central Asian Affairs and the Foreign Service Institute, should arrange in-country training of its political and economic locally employed staff by the end of FY 2010. (Action: Embassy Islamabad, in coordination with SCA and FSI)

Pre-CFR Status: Closed for acceptable alternate compliance. The Foreign Service Institute established distance learning and a training plan for locally employed staff.

CFR Findings: Embassy Islamabad has developed a locally employed staff training and professional development program. Various agencies are augmenting this program with their own funds, using regional assets.

Recommendation 2: Embassy Islamabad should suspend recruitment for four new locally employed staff positions in Karachi (two in the political section, two in the economic section) at least through FY 2011 in order to give management time to assess workloads and staff needs. (Action: Embassy Islamabad)

Pre-CFR Status: Closed on the basis of acceptable compliance.

CFR Findings: Embassy Islamabad and Consulate General Karachi considered appropriate staffing in the combined political and economic section and structured staffing appropriately.

Recommendation 3: Embassy Islamabad should establish a system for recovering from visiting delegations the costs of representational events held for their benefit.

Pre-CFR Status: Closed.

CFR Findings: Embassy Islamabad has implemented a tracking system to monitor and collect funds for these activities.

Recommendation 4: Embassy Islamabad should establish a written transition plan for shifting biographic reports from the embassy and the consulates general to Diplopedia. (Action: Embassy Islamabad)

Pre-CFR Status: Closed on the basis of acceptable compliance.

CFR Findings: The embassy political section hired an eligible family member who will complete this task with locally employed staff.

Recommendation 5: The Bureau of Democracy, Human Rights, and Labor, in coordination with the Bureau of Political-Military Affairs, the Office of the Legal Adviser, and the regional

bureaus, should revise and reissue the worldwide guidance on Leahy vetting. (Action: DRL, in coordination with PM, L, EUR, WHA, NEA, SCA, AF, EAP)

Pre-CFR Status: Closed on the basis of acceptable compliance.

CFR Findings: The Bureau of Democracy, Human Rights and Labor revised and updated the relevant guidance now being deployed in the new internal vetting and security system (INVEST). The mission is using this system.

Recommendation 6: Embassy Islamabad should reassign policy responsibility for Leahy vetting coordination to the embassy's political-military element. (Action: Embassy Islamabad)

Pre-CFR Status: Closed on the basis of acceptable compliance.

CFR Findings: The political section hired an eligible family member who is responsible for Leahy vetting coordination.

Recommendation 7: Embassy Islamabad should create a political-military section separate from the political section and work with the Bureau of Human Resources to accurately describe in bidding tools the positions assigned to political-military functions. (Action: Embassy Islamabad, in coordination with DGHR)

Pre-CFR Status: Closed on the basis of acceptable compliance.

CFR Findings: The political section made a rational alternative proposal to bring the border unit into the political-military unit, thus keeping the unit in the political section given the manageable size of the resultant section, the high degree of overlap in border and political-military portfolios, and the high turnover in staff; one section deputy will take the lead on political-military issues.

Recommendation 8: Embassy Islamabad should merge positions in the office of the border coordinator that have substantial political-military responsibilities into the newly formed political-military affairs section. (Action: Embassy Islamabad)

Pre-CFR Status: Closed on the basis of acceptable alternative compliance.

CFR Findings: The political section merged border coordinator positions with the political-military unit.

Recommendation 9: The Under Secretary for Public Diplomacy and Public Affairs, in coordination with the Bureau of Intelligence and Research, should revise the Pakistan Communications Plan so that all elements are clear, that baseline measurements are established, and that performance indicators are appropriate. (Action: R, in coordination with INR)

Pre-CFR Status: Resolved/open as of November 8, 2011.

CFR Findings: In December 2011, the Acting Under Secretary for Public Diplomacy and Public Affairs issued a memo certifying completion of a revised communications plan that meets the demands of the challenging local environment.

Recommendation 10: The Bureau of Human Resources, in coordination with the Bureau of South and Central Asian Affairs, should assign experienced public diplomacy officers (either active-duty Foreign Service officers on a temporary duty or when-actually-employed basis) to fill the authorized positions until the arrival of permanent incumbents. (Action: DGHR, in coordination with SCA)

Pre-CFR Status: Closed on the basis of acceptable compliance.

CFR Findings: Embassy Islamabad has been able to recruit experienced American staff in all of its positions in the embassy's public affairs section, but respective American staff in the three consulates general still lack experience in some cases. The OIG team made an informal CFR recommendation to continue strenuous recruiting efforts for experienced public affairs staff in the three consulates general.

Recommendation 11: The Bureau of International Information Programs should establish an Urdu language translation capability to include translating materials daily and in time for immediate dissemination upon the opening of business in Islamabad. (Action: IIP)

Pre-CFR Status: Closed on the basis of acceptable compliance.

CFR Findings: The Bureau of International Information Programs and the embassy decided that Urdu language resources could be more cost effectively provided in Islamabad. The embassy has created a locally employed translator position that should be filled in a few months.

Recommendation 12: Embassy Islamabad should issue a memorandum detailing the responsibilities and authorities of the strategic communications coordinator. (Action: Embassy Islamabad)

Pre-CFR Status: Closed on the basis of acceptable compliance.

CFR Findings: On October 12, 2011, the DCM sent a memo on behalf of the Ambassador outlining the respective roles of the mission director for communications and the public affairs officer, as well as the work requirements for both positions.

Recommendation 13: Embassy Islamabad should emphasize the consul general's responsibilities as the coordinator of consular operations countrywide in the standard work requirements statement and emphasize performance in that area in the annual performance evaluation. (Action: Embassy Islamabad)

Pre-CFR Status: Closed on the basis of acceptable compliance.

CFR Findings: The consul general's work requirements reflect his responsibilities as coordinator of countrywide consular operations, and he is active in the supervision of other sections. He has traveled two times to Karachi and two times to Lahore. Travel to Peshawar is problematic, and the consular officer assigned to Peshawar spends more time in Islamabad than in Peshawar, so the consul general meets with her regularly. In addition, the consul general speaks regularly with consular officers and consuls general in the other posts. At the time of this CFR, a performance evaluation had not been prepared, but given his active involvement with the constituent posts, the OIG team is confident that it will be noted in his performance evaluation. This recommendation is closed.

Recommendation 14: Embassy Islamabad should pre-approve and justify consular overtime countrywide in accordance with regulations. (Action: Embassy Islamabad)

Pre-CFR Status: Closed on the basis of acceptable compliance.

CFR Findings: Based on workload, the consul general has authorized each consular officer in the mission to work up to 20 hours of overtime per pay period. Any additional overtime requires specific preauthorization from the individual's supervisor. This recommendation is closed.

Recommendation 15: Embassy Islamabad should cease efforts to resume nonimmigrant visa processing in Lahore. (Action: Embassy Islamabad)

Pre-CFR Status: Closed on the basis of acceptable compliance.

CFR Findings: Embassy Islamabad is not seeking authorization for nonimmigrant visa processing in Lahore and has no plans to do so. Since the time of the last inspection, Karachi has opened for full nonimmigrant visa processing. The embassy does not believe other posts should assume nonimmigrant visa responsibilities. This recommendation is closed.

Recommendation 16: Embassy Islamabad, in coordination with the Bureau of Consular Affairs, should establish a schedule for conducting visa issuance validation studies using approved formats and calling on the Office of Fraud Prevention Programs for assistance. (Action: Embassy Islamabad, in coordination with CA)

Pre-CFR Status: Closed on the basis of acceptable compliance.

CFR Findings: Embassy Islamabad completed two validation studies in June 2011, one of B1/2 visas issued to applicants 65 years and older, and another of B1/2 visas issued to applicants under the age of 65. The embassy has proposed three new studies, which have been approved by the Office of Fraud Prevention Programs, to be completed by July 2012. The first is in process and is for A and B referrals from the last year. In April, the embassy plans a validation study on B1/2 applicants 45 years and older. In June, it plans to complete a validation study on B1/2 applicants between 20 and 35 years old. This recommendation is closed.

Recommendation 17: Embassy Islamabad should develop and implement clear guidance for fraud referrals by visa officers in both Islamabad and Karachi, to include a requirement that visa section chiefs review fraud referrals. (Action: Embassy Islamabad)

Pre-CFR Status: Closed on the basis of acceptable compliance.

CFR Findings: Embassy Islamabad has developed guidance for fraud referrals for consular sections. Although the guidelines do not include a requirement that visa section chiefs review fraud referrals, the fraud prevention unit is larger than it was during the last inspection and now includes a fraud prevention manager and an entry-level officer. Part of the entry-level officer's job is to screen all cases before the unit begins working on them. He returns them if he determines the referral is not appropriate. Furthermore, the fraud prevention unit works closely with other sections to make them aware of the type of case that should be referred. The inspectors believe this procedure complies with the intent of the recommendation. This recommendation is closed.

Recommendation 18: Embassy Islamabad should finalize a memorandum of understanding between the consular section and the regional security office governing the work of the fraud prevention manager and the assistant regional security officer for investigations. (Action: Embassy Islamabad)

Pre-CFR Status: Closed on the basis of acceptable compliance.

CFR Findings: This memorandum was finalized.

Recommendation 19: Embassy Islamabad should issue a memorandum of understanding between the consular section and the Department of Homeland Security, Bureau of Immigration and Custom Enforcement governing the work of the fraud prevention manager and the visa security unit. (Action: Embassy Islamabad)

Pre-CFR Status: Open.

CFR Findings: The mission has not complied with this recommendation, although it is working to complete the memorandum of understanding. This recommendation has been reissued.

Recommendation 20: The Bureau of Resource Management, in coordination with Embassy Islamabad and the Bureau of South and Central Asian Affairs, should review the feasibility of a pilot program to move offshore the tracking of new position startup costs, partial-year invoices, voucher processing, and temporary duty traveler invoices for Mission Pakistan. (Action: RM, in coordination with Embassy Islamabad and SCA)

Pre-CFR Status: Closed.

CFR Findings: After review, the bureaus and embassy determined that sending all travel vouchers to the post support unit in Charleston was appropriate, while studies continued regarding other voucher functions. The mission noted that the numbers of long-term TDY

travelers to the mission had decreased, and did not believe that shifting more voucher work at this time would produce any cost benefit. Additional vouchers will be sent offshore for processing when implementation of the new E2 system is complete.

Recommendation 21: Embassy Islamabad should include the costs of acquiring fully armored vehicles in the schedule of startup costs for National Security Decision Directive 38 cables approving new positions. (Action: Embassy Islamabad)

Pre-CFR Status: Closed.

CFR Findings: All National Security Decision Directive 38 approvals now include the cost of armored vehicles related to requested positions. The mission also has calculated the number of such vehicles related to agency position growth and reported this to the Department for action.

Recommendation 22: Embassy Islamabad, in coordination with the Bureau of South and Central Asian Affairs and the Bureau of Overseas Buildings Operations, should conduct urgently a comprehensive review of all options and costs for increasing office space on the new Karachi compound and initiate an appropriate plan of action. (Action: Embassy Islamabad, in coordination with SCA and OBO)

Pre-CFR Status: Closed.

CFR Findings: The embassy conducted the recommended review and submitted messages to the Department with both short- and long-term plans for consideration.

Recommendation 23: Embassy Islamabad should retain the two-acre housing compound currently owned by the U.S. Government in Karachi, including the consul general's residence. (Action: Embassy Islamabad)

Pre-CFR Status: Closed.

CFR Findings: The embassy submitted its plan to the Department to retain the compound and utilize the existing consul general's residence as an American Center.

Recommendation 24: Embassy Islamabad, in coordination with the Bureau of Overseas Buildings Operations and the Bureau of Diplomatic Security, should retain the existing consulate general compound in Lahore and implement the necessary upgrades. (Action: Embassy Islamabad, in coordination with OBO and DS)

Pre-CFR Status: Resolved/open as of November 8, 2011.

CFR Findings: The Bureau of Overseas Buildings Operations has decided to retain the current consulate general until they can identify a property either to supplement the consulate facilities or replace them. The bureau is initiating negotiations with the Pakistani Water and Power Department (WAPDA) for a site in Lahore that would be large enough to build a new consulate office building.

Recommendation 25: Embassy Islamabad, in coordination with the office of the Legal Adviser and the Bureau of Overseas Buildings Operations, should resolve any title issues for the U.S. government-owned properties in Islamabad. (Action: Embassy Islamabad, in coordination with L and OBO)

Pre CFR Status: Closed for acceptable alternate compliance. Resolution of title issues is to be undertaken as soon as the new embassy compound land purchase is completed.

CFR Findings: All title issues with regard to the 8-acre site have been resolved. Embassy Islamabad does not have any files related to the original compound and will seek assistance from the Government of Pakistan once the current construction project is completed. Now is not the time to raise the issue of ownership with regard to the current embassy site.

Recommendation 26: Embassy Islamabad, in coordination with the Bureau of Human Resources, should include 2 days of consultations in Islamabad in the post assignment travel orders for all personnel assigned to the consulates general. (Action: Embassy Islamabad, in coordination with SCA and DGHR)

Pre CFR Status: Closed for acceptable alternate compliance. The embassy has established a policy to allow consultation travel for new consulate personnel within the first 60 days after arrival at constituent posts.

CFR Findings: The embassy has an established policy of encouraging newly arrived personnel assigned to the consulates general to travel to Islamabad for 2 days of consultations. This policy is generally observed by those in the consulates general.

Recommendation 27: Embassy Islamabad, in coordination with the Bureau of South and Central Asian Affairs, should conduct a special position classification review of positions in Pakistan with particular emphasis on the consulates general in light of the Bureau of Human Resources' updated Foreign Service classification standards. (Action: Embassy Islamabad, in coordination with SCA)

Pre CFR Status: Closed for acceptable alternate compliance. The embassy is committed to work with SCA on critical positions in need of reclassification, and reported that some positions already have been reclassified.

CFR Findings: The Department has a schedule for reviewing classifications worldwide and cannot conduct a special review for Pakistan. However, Embassy Islamabad is doing a selective review as positions are vacated and as management and the consulates general feel necessary.

Recommendation 28: Embassy Islamabad should fully implement a system to track, complete, and submit work requirements and employee evaluation reports on time. (Action: Embassy Islamabad)

Pre CFR Status: Closed.

Recommendation 29: Embassy Islamabad should establish a missionwide comprehensive training policy and plan, including the preparation of individual development plans for locally employed staff, and should make that plan available to American supervisors. (Action: Embassy Islamabad)

Pre CFR Status: Closed.

CFR Findings: A training program was partially implemented. With constant turnover of the American staff, a consistent training program is almost unworkable. However, with the arrival of the new human resources team, a comprehensive training program is now in place.

Recommendation 30: Embassy should complete accurate and timely work requirements, counseling documentation, and evaluation for employees who are encumbering Peshawar positions but are actually working in Islamabad. (Action: Embassy Islamabad)

Pre CFR Status: Closed.

CFR Findings: This recommendation was accomplished as part of the system put into effect in response to Recommendation 28.

Recommendation 31: Embassy Islamabad should consolidate all mission drivers under the International Cooperative Administrative Support Services dispatch system. (Action: Embassy Islamabad)

Pre CFR Status: Closed for acceptable alternate compliance. Department regulations do not mandate the consolidation of existing vehicle pools and the embassy notified those agencies refusing to transfer their drivers to ICASS that they will not be allowed to use the transportation services pending transfer of their vehicles and drivers to ICASS.

CFR Findings: USAID and the narcotics affairs section have consolidated most of their motor pool and Embassy Islamabad has established rules that if an agency refuses to consolidate and run their own shuttles they cannot call upon the ICASS motor pool for like services.

Recommendation 32: Embassy Islamabad should conduct an audit of the program development and support vehicles of the narcotics affairs section that are included in the motor vehicle inventory. (Action: Embassy Islamabad)

Pre CFR Status: Closed.

CFR Findings: An audit was conducted and the management officer for the narcotics affairs section personally entered all of the narcotics affairs section vehicles into ILMS.

Recommendation 33: Embassy Islamabad should reorganize travel responsibilities so that the general services office is responsible for preparing and approving travel orders, issuing tickets, supervising the vendor, and verifying the correctness of bills submitted. (Action: Embassy Islamabad)

Pre CFR Status: Closed for acceptable alternate compliance. Embassy Islamabad concurred in part and added a travel management position in the GSO to supervise the travel vendor to verify that all regulations were followed. The travel supervisor and the general services officer review invoices before sending them to the financial management officer. Eligibility is verified by the human resources office and availability of funds by the financial management office.

CFR Findings: The embassy travel section uses E2 services and has created a special Web site called “Ask GSO Travel” to assist travelers.

Recommendation 34: Embassy Islamabad should advertise, compete, and select a travel contractor to provide travel services to the embassy and constituent posts. (Action: Embassy Islamabad)

Pre CFR Status: Closed.

CFR Findings: The embassy has a new travel contractor but the embassy is in the process of recompeting the service due to unsatisfactory performance.

Recommendation 35: Embassy Islamabad, in coordination with the Bureau of Overseas Buildings Operations, should develop construction plans that retain the existing embassy warehouse until a temporary or permanent replacement can be built on the embassy compound. (Action: Embassy Islamabad, in coordination with OBO)

Pre CFR Status: Closed for acceptable alternate compliance. Operations were moved to an off-compound warehouse except for the storage of expendable supplies. Expendable supplies were moved to a smaller on-compound temporary facility outside the construction zone.

CFR Finding: The embassy agreed with the bureau’s project manager that the project had priority need for the facility and leased space off compound to accommodate embassy needs. Embassy Islamabad will consolidate warehousing needs to a new temporary warehouse when it is complete on April 1.

Recommendation 36: Embassy Islamabad should require that the Consulate General Karachi property management officer adequately supervise the warehouse LE staff and provide adequate oversight of the physical inventory and reconciliation process. (Action: Embassy Islamabad)

Pre CFR Status: Closed.

CFR Findings: Consulate General Karachi has an additional GSO and the warehouse was incorporated in the new consulate compound. The OIG team felt that these actions adequately addressed the concerns outlined in the recommendation.

Recommendation 37: Embassy Islamabad should remove all excess and spare equipment from the telephone room in Consulate General Peshawar. (Action: Embassy Islamabad)

Pre CFR Status: Closed.

CFR Findings: This action has been taken.

Recommendation 38: Embassy Islamabad should direct the U.S. Employee Association to hire a manager to oversee association operations in Lahore. (Action: Embassy Islamabad)

Pre CFR Status: Closed for acceptable nonimplementation. Consulate General Lahore abandoned plans to maintain guesthouses under U.S. Employee Association management, as commercial lodging became available. A Department team from the Office of Commissary and Recreation Affairs visited the consulate general and approved the association's internal controls. The reduced burden on the association and the Department review justified closure.

CFR Findings: The team visited Lahore and sees no justification for an onsite manager for the minimal U.S. Employee Association operation now being conducted.

Recommendation 39: Embassy Islamabad should request, and the Bureau of Administration should perform, annual site visits scheduled soon after board elections to review management and internal controls and to provide specific guidance and training to board members during the period of expansion. (Action: Embassy Islamabad, in coordination with A)

Pre CFR Status: Closed.

CFR Findings: The Board of the U.S. Employee Association changes every 6 months due to 1-year tours for personnel assigned to the embassy. Embassy Islamabad has taken steps to improve oversight, assigning two eligible family members (one as the manager and the other as the financial auditor) to provide ongoing oversight of the U.S. Employee Association operation.

Recommendation 40: Embassy Islamabad should designate the community liaison coordinator as a member of the interagency housing board and the emergency action committee. (Action: Embassy Islamabad)

Pre CFR Status: Closed.

CFR Findings: The community liaison office coordinator is now a member of the housing board. However, the embassy has yet to appoint the community liaison office coordinator to the emergency action committee. This recommendation has been reissued.

Recommendation 41: Embassy Islamabad should issue a revised travel policy that requires the use of form DS-4087 or other appropriate documentation for all business class travel, whether authorized by the embassy on travel orders, conducted on a cost-constructive basis, or upgraded by the traveler. (Action: Embassy Islamabad)

Pre CFR Status: Closed.

CFR Findings: Employees are no longer authorized for an official paid business class ticket unless it is authorized on a DS-4087 form. Travelers can choose to travel in business class by

paying upgrade charges to the travel management center out of pocket or through the use of airline miles.

Recommendation 42: Embassy Islamabad, in coordination with the Bureau of South and Central Asian Affairs, should identify and approve cost-constructive routes for rest and recuperation travel and document all cost-constructive travel with the associated costs. (Action: Embassy Islamabad, in coordination with SCA)

Pre CFR Status: Closed.

CFR Findings: The embassy travel policy makes it clear which cost construct travel is approved. The GSO has created an “Ask GSO Travel” site, which provides travelers with more details on different types of travel including cost construct travel.

Recommendation 43: Embassy Islamabad should conduct a review of electricity utility invoices in Consulate General Karachi for the past 6 months and determine the reasons for discrepancies in cash payments to the utility company. (Action: Embassy Islamabad)

Pre CFR Status: Closed.

CFR Findings: The financial management officer reviews the electric bills monthly and makes prompt payments.

Recommendation 44: Embassy Islamabad should implement internal controls on blanket purchase agreements to include spot checking of prices on the local market, rotating orders among qualified vendors, and obtaining fiscal data in advance of procurement. (Action: Embassy Islamabad)

Pre CFR Status: Closed.

CFR Findings: Embassy Islamabad has implemented the ILMS program for its procurement and receiving activities. This program provides added visibility of the requisition and vendors that are providing service. However, there continues to be a need for both quality control of the vendors providing service under the blanket purchase agreements and to spot check draws under the various blanket purchase agreements. There is also a problem of interfacing between the ILMS and receiving activities.

Recommendation 45: Embassy Islamabad, in coordination with the Bureau of Resource Management, should send vouchers for foreign assistance payments to the Global Financial Services Charleston's post support unit for certification. (Action: Embassy Islamabad, in coordination with RM)

Pre CFR Status: Closed for acceptable alternate compliance. The embassy, supported by the Bureau of Resource Management, argued that the function should be retained at post, given its complexity, the extent of documentation and the expertise developed by its staff.

CFR Findings: The foreign assistance programs are extremely complex. Embassy Islamabad continues to feel that the most effective oversight can only be provided in the field. The OIG team concurs with the embassy's view.

Recommendation 46: Embassy Islamabad should issue standard operating procedures concerning receiving procedures for accountable property for the embassy and constituent posts. (Action: Embassy Islamabad)

Pre CFR Status: Closed.

CFR Findings: Embassy Islamabad has standard operating procedures for receiving procedures for accountable property and it is currently functioning acceptably. Embassy Islamabad and all of the consulates general, with the exception of Peshawar, are using ILMS for this purpose.

Recommendation 47: Embassy Islamabad should implement procedures using ILMS for the proper approval and tracking of expendable supplies. (Action: Embassy Islamabad)

Pre CFR Status: Closed.

CFR Findings: The embassy GSO has established standard operating procedures for tracking and approving expendable supplies.

Recommendation 48: Embassy Islamabad should issue and enforce standard operating procedures governing the completion of accurate and timely maintenance records. (Action: Embassy Islamabad)

Pre CFR Status: Closed.

CFR Findings: The embassy facilities management officer has recently developed standard operating procedures to ensure that maintenance is properly done and records are maintained. Since the system has only recently been established it is not possible at this time to determine how well it will be implemented.

Recommendation 49: Embassy Islamabad should begin using the standard Bureau of Consular Affairs-designed spreadsheet to reconcile machine-readable fees collected with the number of nonimmigrant visa cases processed. (Action: Embassy Islamabad)

Pre CFR Status: Closed.

CFR Findings: The financial management officer, in coordination with the supervisor of the consular section, has implemented the appropriate procedure to ensure that the machine readable fees collected are reconciled.

APPENDIX II: Status of 2010 Inspection Informal Recommendations

Informal Recommendation 1: Embassy Islamabad should review and revise standard distributions for incoming and outgoing cables to ensure distribution to all relevant Department sections.

CFR Findings: Embassy Islamabad upgraded to the SMART cable system and all officers, including consular officers, have access to unclassified political reporting in nonclassified spaces. Additionally, the economic section sends outgoing cables to relevant sections within the embassy.

Informal Recommendation 2: Embassy Islamabad should require that the political counselor meets more regularly with his officers and provide readouts of country team and section heads' meetings.

CFR Findings: The political counselor holds regular staff meetings without the locally employed staff. The two deputies rotate attendance at country team meetings and email their notes to the rest of the section.

Informal Recommendation 3: Embassy Islamabad should restructure the political section to reflect policy priorities and good management practice.

CFR Findings: Embassy Islamabad restructured the political section into two parts under two deputies: political-military (with border coordination) and internal/external relations. Each deputy reports directly to the political counselor. The office management specialist now organizes the section's leave calendar and collects, edits, and distributes regular products such as welcome home notes for the political counselor. The OIG team made a new informal recommendation that the political section further streamline and restructure.

Informal Recommendation 4: Embassy Islamabad should require that all reporting officers travel between the embassy and the constituent posts to enhance coordination and consultation.

CFR Findings: Embassy Islamabad implemented a mission policy for consultations. All U.S. direct-hire Department personnel newly arrived at Consulates General Karachi, Lahore, and Peshawar are strongly encouraged to arrange up to 2 days of consultations at Embassy Islamabad within 60 days of arrival. The embassy's finance office will fund lodging and per diem costs for a maximum of 2 days of consultations. The economic counselor has traveled several times to Lahore and Karachi; the deputy counselor is preparing for a 10-day visit to Karachi and has traveled in-country before. All other economic section reporting officers have traveled at least once to a constituent post, and all but one have traveled for extended periods on more than one occasion. Temporary duty trips to Peshawar are difficult due to the challenging security environment, but since the OIG inspection, one reporting officer conducted a week-long visit there, and the deputy counselor traveled to Peshawar during a congressional visit. Consulate General Karachi economic unit staff are coming to Islamabad in late February for an exchange.

Informal Recommendation 5: Embassy Islamabad should revise and reissue Management Notice 09N/026 regarding in-country travel, including Government of Pakistan requirements and the reasons for obtaining or withholding e-country clearance.

CFR Findings: In the volatile political environment, the Government of Pakistan has occasionally changed travel policies and requirements. Apparently it often fails to communicate its procedures to its street-level employees or does not or cannot control their activities. Management reissues travel policies when it receives guidance from the government; the latest is from August 2011. Electronic country clearance requests are required for travel between posts in Pakistan.

Informal Recommendation 6: Embassy Islamabad should realign the portfolios of the locally employed staff members in the political section to better mesh with a restructured section and then train them to prepare reporting cables.

CFR Findings: Embassy Islamabad realigned portfolios of the LE staff in the political section. A new LE staff member recently received his security clearance and joined the internal reporting team, and Embassy Islamabad is in the hiring process for a new political-military LE staff member. Once fully staffed, all LE staff will be trained to prepare reporting cables.

Informal Recommendation 7: Embassy Islamabad should keep the locally employed staff members in the political section informed of developments on issues to which they are contributing and involved in planning reporting as appropriate.

CFR Findings: LE staff direct supervisors, along with any other interested members of the political section, hold a separate weekly meeting to discuss LE staff priorities and projects.

Informal Recommendation 8: Embassy Islamabad should review its allocation and use of representation funds to maximize benefits and opportunities for all embassy sections and officers.

CFR Findings: All sections and consulates general have access to representational funds.

Informal Recommendation 9: Embassy Islamabad should include representation in the work requirements statements and evaluations of its reporting officers.

CFR Findings: The embassy has not been 100 percent consistent in including representational responsibilities in reporting officers' work requirements statements but will rectify the practice for the current rating cycle. Embassy Islamabad hosted several large events for political and economic section contacts, and each reporting officer was required to submit their contacts for invitations. Most officers have held small representational events at their homes. Representational plans are discussed at times during the sections' weekly meetings.

Informal Recommendation 10: Embassy Islamabad should create a countrywide contact management system.

CFR Findings: The embassy has not implemented this recommendation; it plans to acquire contact reporting software and populate a new database in FY 2012.

Informal Recommendation 11: Embassy Islamabad should require that spot reporting in email traffic to the Department is retransmitted by front channel means, perhaps in weekly or fortnightly roundups.

CFR Findings: Embassy Islamabad's front office collects daily spot reports and sends them out in a daily email titled, "Embassy Islamabad Official-Informal." These daily emails are then compiled into a weekly front channel cable for wider consumption.

Informal Recommendation 12: Embassy Islamabad should develop and implement an integrated countrywide political and economic reporting plan.

CFR Findings: Each reporting officer submits a reporting plan to the political counselor quarterly.

Informal Recommendation 13: Embassy Islamabad should require that the personnel who draft and clear cables adhere to Department norms regarding cable summaries, overall length, and timeliness.

CFR Findings: Embassy Islamabad regularly updates and distributes a Mission Pakistan staff notice on standard cable formatting and drafting tips. The DCM also distributes a list of best practices.

Informal Recommendation 14: Embassy Islamabad should review its visit reporting with a view toward making it less labor intensive.

CFR Findings: Embassy Islamabad assigns one officer to draft necessary visit reporting within 24 to 48 hours of a visit. When possible, visit reporting is included in the less labor intensive daily official-informal cable.

Informal Recommendation 15: Embassy Islamabad should analyze its biographic holdings, consult with Washington users to determine gaps in coverage, and adopt a measurable annual goal for expanding the number of biographies it posts to Diplopedia.

CFR Findings: With its new eligible family member employee now in place, the political section will implement this recommendation.

Informal Recommendation 16: Embassy Islamabad should review whether a single officer should manage the human rights, trafficking in persons, and religious freedom portfolios, given overall U.S. Government priorities and current gaps in reporting coverage.

CFR Findings: Embassy Islamabad split the human rights portfolio between two officers; one officer covers trafficking in persons, and one officer covers religious freedom.

Informal Recommendation 17: Embassy Islamabad should require that a political-military officer attends the daily commander's update briefing.

CFR Findings: Embassy Islamabad political-military officers, sometimes more than one, attend this briefing daily.

Informal Recommendation 18: Embassy Islamabad should establish a mechanism to keep all elements providing humanitarian and early recovery assistance informed on a timely basis of each others' activities.

CFR Findings: The humanitarian working group, including representatives of the refugees' office, USAID's Office of Foreign Disaster Assistance and USAID's Food for Progress office, meets both formally and informally on a regular basis to share information on humanitarian and early recovery activities and provide input for humanitarian-related reporting to Washington. During acute humanitarian crises, like the 2011 monsoon floods, e-mail distribution lists are created to share information among working group members and with the broader mission.

Informal Recommendation 19: Embassy Islamabad should decide whether or not humanitarian assistance should or can make more use of local implementers consistent with the broader civilian assistance strategy, and then forward its decision to the Department.

CFR Findings: Embassy Islamabad has investigated whether humanitarian assistance can use local implementers and has determined that the varying needs necessitate differing approaches to the use of local implementers. The office of the defense representative, the office of foreign disaster assistance, the refugees' coordinator and the office of food for progress have conveyed this approach to Department and USAID offices. The defense representative engaged a broad variety of grantees as part of the 2010 flood response, more than 20 in total, including both UN agencies and direct partnerships with national non-governmental organizations, in addition to the funding of new and existing international non-governmental organizations. From this experience, it is evident that international organizations are best-poised to respond to the time-sensitive relief phase of the response. Most national domestic organizations do not have the capacity to quickly scale up without support and guidance from an international organization, but are growing in capacity – particularly in the south, due to successive floods in 2010 and 2011. The most effective office of foreign disaster assistance mechanism is a small-grants program, managed by an international organization, which offers funding (up to 3 months and up to \$300,000) for both relief and recovery initiatives for both flood and conflict-affected populations.

Informal Recommendation 20: Embassy Islamabad should shift the work of the law enforcement working group towards a more operational focus.

CFR Findings: In lieu of the law enforcement working group meetings, the DCM chairs a bi-weekly meeting of the strategic interagency assistance team which coordinates rule of law activities. The narcotics affairs section chairs periodic, counter-narcotics working group that involved law enforcement agencies involved in counter narcotics activities. Embassy efforts to counter improvised explosive devices are coordinated through a working group chaired by the

political section's border unit. Nonetheless, the OIG team believes that an operational working group on law enforcement is necessary and made a formal recommendation in that regard.

Informal Recommendation 21: Embassy Islamabad should establish clear procedures for requesting and using the embassy's air assets.

CFR Findings: Requests for the use of the narcotics affairs section's air wing assets are routed to the section's senior aviation advisor and approved by him, by the section's director, or by the chief of mission depending on the type of mission. Mission requests are submitted to the Ministry of Interior for concurrence. Missions flown in support of the embassy are captured in the section's weekly reports to the Bureau of International Narcotics and Law Enforcement. Use of the Embassy C-12 aircraft is governed by the office of the defense representative's procedures.

Informal Recommendation 22: Embassy Islamabad should review future in-country air transportation requirements and determine whether or not additional capabilities are required.

CFR Findings: The embassy is uncertain whether a review was conducted by previous mission staff. Mission believes that current assets are not sufficient and accordingly it will carry out an evaluation in FY12.

Informal Recommendation 23: Embassy Islamabad should organize a countrywide public affairs section conference for all public diplomacy Foreign Service officers and senior locally employed staff.

CFR Findings: A missionwide public affairs officers' conference was most recently held in October 2011.

Informal Recommendation 24: Embassy Islamabad should require that the public affairs officer in Islamabad approve all future public diplomacy grants.

CFR Findings: Embassy has instituted a grants committee that makes recommendations to the country public affairs officer on which grants to fund that are over \$10,000 in value. The officer must approve any grant above that amount. The consulate general public affairs officers and program management officer have authority to approve grants smaller than \$10,000. Beyond this process, the mission director of communications has authority to approve large grants as well on a sole source basis, but has not done so yet. All grants above \$10,000 must be approved in Washington as well.

Informal Recommendation 25: Embassy Islamabad should cull and destroy the program materials in the public affairs section's warehouse space that is no longer current.

CFR Findings: During a recent check of the storage facility, the embassy found some dated materials and will dispose of them immediately.

(b) (5)



Informal Recommendation 27: Embassy Islamabad should request authorization from the Bureau of Consular Affairs to accept credit card payments, follow the required procedures if given permission, and procure the necessary equipment.

CFR Findings: Embassy Islamabad and Consulate Generals Karachi and Lahore now all accept credit card payments. This informal recommendation is closed.

Informal Recommendation 28: Embassy Islamabad should prepare work requirements statements and performance evaluations for the consular section's consular associates.

CFR Findings: Embassy Islamabad prepared work requirement statements for the consular section's two consular associates. This informal recommendation is closed.

Informal Recommendation 29: Embassy Islamabad should develop a mini-rotational program within the consular section that exposes all officers to at least two consular skills during their tours of duty.

CFR Findings: Some entry-level officers rotate to the American Citizens Services Unit. All have portfolios that deal with some aspect of consular work, and many officers are able to travel to Lahore or Karachi for temporary duty when those posts are short-staffed. Another entry-level officer serves in the fraud prevention unit. Given the constraints of the short tours in Pakistan (officers are typically in country only 46 weeks); the inspectors believe post has taken the correct approach in assigning work to its consular employees. This informal recommendation is closed.

Informal Recommendation 30: Embassy Islamabad should bypass the cashier review of immigrant visa files and collect the passports and review fees at the document checker windows except when the section is processing finance, special immigrant visa, and returning resident applicants.

CFR Findings: The cashier does not review immigrant visa files, although she continues to route applicants to the appropriate document checker. Post believes this promotes better work flow and creates a random assignment of cases to the document checkers. This recommendation is closed.

Informal Recommendation 31: Embassy Islamabad should create a consular classified consular group email collective and disseminate the address to its regular Department interlocutors.

CFR Findings: Embassy Islamabad has created a collective email and shared the address with its regular Department interlocutors.

Informal Recommendation 32: Embassy Islamabad should set up a rotating schedule so that all consular officers share the work of accessing the consular email collective mail box and read relevant classified cables.

CFR Findings: The consul general and his deputy access the classified system several times per week. They have instructed unit chiefs to check the classified system at least weekly and entry-level officers to check as often as they can. Given the section's workload, and the time required to walk to the classified terminals, the compliance review team believes this is acceptable compliance. This recommendation is closed.

Informal Recommendation 33: Embassy Islamabad should require new locally employed staff to take the relevant online consular training courses before their first year anniversary under the mentoring of a consular officer.

CFR Findings: Most employees have completed relevant online training courses, but there are five who have not. This recommendation has been reissued as a formal recommendation.

Informal Recommendation 34: Embassy Islamabad should develop and implement an officer and locally employed staff training continuum for the periodic administrative days.

CFR Findings: The consular section designated two ELO training coordinators who schedule training sessions for officers on administrative days. The consular section also designated an ELO to be the training coordinator for locally employed staff. The ELO works closely with locally employed staff supervisors to identify training courses and organizes training for locally employed staff on most administrative days. Locally employed staff supervisors also emphasize training with their staff and in their evaluations. This informal recommendation is closed.

Informal Recommendation 35: Embassy Islamabad should fund the two underused locally employed visa staff in Karachi for temporary duty in Islamabad to prepare the old Karachi immigrant visa case files for shipment to the National Visa Center as soon as possible.

CFR Findings: This work was completed and old immigrant visa files were shipped to the National Visa Center. This informal recommendation is closed.

Informal Recommendation 36: Embassy Islamabad should update the position description for the locally employed staff member providing cashier and American citizen services in Karachi to reflect his passport, consular report of birth, and backup emergency services responsibilities and then resubmit his position description through the Computer-Aided Job Evaluation process.

CFR Findings: The work requirements were updated in May 2010, and the position was upgrade to an FSN-6. This informal recommendation is closed.

Informal Recommendation 37: Embassy Islamabad should identify either the political or economic officers in Lahore as the backup consular officer.

CFR Findings: At the time of the last inspection, the general services officer was the part time consular officer, and the back-up was the management officer. The inspectors believed it was inappropriate to have the back-up officer in the same section. There is now a full-time consular officer, and the economic officer serves as the back-up consular officer. This informal recommendation is closed.

Informal Recommendation 38: Embassy Islamabad should compile all documentation about the genesis of the full-time fraud prevention manager and make it readily available in the fraud prevention unit archives.

CFR Findings: At the time of the last inspection, the FPM was repeatedly assigned a second unit chief job. This is no longer the case. There is now a full-time FPM and full time chiefs in the other units. Furthermore, there is an ELO assigned to the FPU to assist the FPM. There is no longer a need to document the genesis of the full time fraud prevention manager. This informal recommendation is closed.

Informal Recommendation 39: Embassy Islamabad should expand and institutionalize the assistant regional security officer for investigation training program to all new consular officers.

CFR Findings: The assistant regional security officer for investigation left post last summer and the government of Pakistan did not issue a visa to his replacement. This position is now vacant. However, the consul general is aware of this recommendation and wants to utilize the assistant regional security officer for investigation, when one arrives, to train officers. This informal recommendation is closed.

Informal Recommendation 40: Embassy Islamabad should review internal and interagency communication channels with the Ministry of Foreign Affairs.

CFR Findings: The OIG team confirmed that the management counselor is the mission's single point of contact for all administrative issues with the Ministry of Foreign Affairs.

Informal Recommendation 41: Embassy Islamabad should in future construction plans accommodate the growth of mission personnel and colocation of all offices.

CFR Finding: Embassy Islamabad has established a project management liaison office. This office coordinates all space planning, staffing projections, and moves. They work closely with the Bureau of Overseas Buildings Operations in Washington and with the various project managers at the embassy and the consulates general.

Informal Recommendation 42: Embassy Islamabad should work with Consulate General Karachi to make the necessary plans for moving into the new consulate compound.

CFR Finding: The consulate general in Karachi moved into the new consulate compound in 2011. Embassy Islamabad sent in a request on January 23, 2012 (12 Islamabad 198), to add the Karachi new office annex to the top 80 list in order to expedite the future construction of the facility. Even after eliminating the current cubicles and replacing each of them with smaller

cubicles is accomplished with the assistance of the embassy space planner, there is a need for 57 additional desks.

Embassy management is closely monitoring projects in Consulates General Lahore and Peshawar to ensure that these projects take into account current staffing projections.

Informal Recommendation 43: Embassy Islamabad should review and improve the preventive maintenance program.

CFR Finding: The facilities management team has established a solid preventative maintenance program. In addition, the current facilities management has drafted new standard operating procedures. Since the 2010 inspection new vehicles have been purchased. As the new buildings are being completed, Office of Defense Representative Pakistan and USAID office spaces, equipment, and systems are recorded into the Real Property Application and WebPass for program implementation.

Informal Recommendation 44: Embassy Islamabad should use the upcoming fire inspection to invigorate its fire protection program and develop and implement a system of tracking compliance with the fire inspection report.

CFR Finding: Embassy Islamabad has taken steps to improve fire safety and the facility maintenance section is now tracking compliance of outstanding fire inspection recommendations. With the completion of the new office building and the new office annex, many of these issues will be addressed with the new fire suppression system.

Informal Recommendation 45: Embassy Islamabad should direct Consulate General Karachi to clean out the old office building.

CFR Finding: The inspectors visited the old office building and all of the furniture has been removed and discarded.

Informal Recommendation 46: Embassy Islamabad should consolidate cell phone, electricity, and employee taxi voucher payments into monthly payments, preferably by electronic funds transfer.

CFR Finding: Embassy Islamabad's class B cashier pays most utility bills. Utility companies in Pakistan do not accept electronic funds transfer payments. The class B cashier pays these payments by check. Taxi claims are done mostly by subcashier payments.

Informal Recommendation 47: Embassy Islamabad should conduct regular reviews of unliquidated obligations with the procurement unit and other embassy elements to verify the validity of obligations before the close of each fiscal year.

CFR Finding: The financial management officer has established a quarterly review of all unliquidated obligations. The Global Financial Service center in Bangkok reviews and grades Embassy Islamabad's submission. Embassy Islamabad has received the highest grade for the past

4 quarters. The number of unliquidated obligations has dropped from 2,244 on May 1, 2011, to 321 on February 1, 2012.

Informal Recommendation 48: Embassy Islamabad should prepare work requirements for eligible family members.

CFR Finding: Embassy Islamabad now has an extensive tracking system for eligible family member performance evaluations and tracks the process from work statements to completion of the evaluation process.

Informal Recommendation 49: Embassy Islamabad should activate the post employment committee and brief members on their responsibilities before the committee needs to convene to interview and select candidates.

CFR Finding: The embassy employment committee has not met to review responsibilities or procedures. Due to increased interest in eligible family member positions, the human resource officer has a draft of a mission employment committee policy explaining responsibilities and procedures. It also identifies the membership of the committee.

Informal Recommendation 50: Embassy Islamabad should designate a new chair for the special immigrant visa committee, shifting the consul general to an advisory role.

CFR Finding: The designation of specific post responsibilities staff notice issued December 16, 2011, indicates that the consul general serves as an ex officio member of the special immigrant visa committee, while the political counselor serves as the chairperson.

Informal Recommendation 51: Embassy Islamabad should schedule at least one special immigrant visa committee in-person meeting per year to discuss the regulations and how the committee wishes to place service in Pakistan in the context of the regulations governing this program.

CFR Finding: At the last special immigrant visa committee meeting the chairperson reviewed the regulations, how they impact applicants, and what specific requirements the committee would use to identify exceptional circumstances in Pakistan that would warrant favorable consideration of less than 20 years of U.S. Government employment.

Informal Recommendation 52: Embassy Islamabad should review the policies in the consulates general to provide adequate guidance for maintaining consolidated motor pool services in the future.

CFR Finding: The motor vehicle policy is outdated and there is no current chief of mission certification in the file. Embassy Islamabad is drafting a new policy and has been advised to update the chief of mission certification.

Informal Recommendation 53: Embassy Islamabad should request a waiver from the Assistant Secretary for Administration.

CFR Finding: There is no documentation on file showing that Embassy Islamabad has requested a waiver for payment by employees for the shuttle service. The embassy is considering charging for some of the motor pool usage. Embassy Islamabad will request a waiver once the new motor vehicle policy has been approved.

Informal Recommendation 54: Embassy Islamabad should include language in its motor vehicle use policy informing incidental drivers of their potential personal liability and the extent of liability coverage post has for such drivers.

CFR Finding: The embassy has agreed to include language on personal liability in the new policy.

Informal Recommendation 55: Embassy Islamabad should issue a policy on the maintenance of official vehicles in local auto repair shops.

CFR Finding: Embassy Islamabad has indicated that this issue is being addressed in the new motor vehicle policy.

Informal Recommendation 56: Embassy Islamabad should assist Consulate General Karachi in holding a surplus sale and cleaning out the Karachi warehouse as soon as possible.

CFR Finding: Consulate General Karachi held several auctions since the 2010 inspection. The old warehouse property is scheduled to be turned over to the landlord February 2012. The furniture currently stored there is to be sold by the end of the month.

Informal Recommendation 57: Embassy Islamabad should update the post housing handbook to include criteria used to assign employees to group housing.

CFR Finding: The embassy no longer assigns employees assigned to this mission to group housing. There are some long-term TDY employees occupying group housing, but that assignment is done on a voluntary basis.

Informal Recommendation 58: Embassy Islamabad should provide copies of the countrywide shipping and packing contracts to all of the consulates general for their use in processing payments for services.

CFR Finding: The embassy has distributed copies of the countrywide shipping and packing contracts to all consulates general. Due to performance issues, Embassy Islamabad is working with the Office of the Procurement Executive to resolicit this contract (to be awarded May 1).

Informal Recommendation 59: Embassy Islamabad should help Consulate General Lahore to develop and implement a tracking system for incoming and outgoing shipments.

CFR Finding: Consulate General Lahore now uses "Transportation Light" in ILMS to track their shipments.

Informal Recommendation 60: Embassy Islamabad should assist Consulate General Karachi with training and requesting a purchase card for Karachi's procurement staff.

CFR Finding: Consulate General Karachi has its own purchase cards and a well trained procurement staff. They function independently of Embassy Islamabad.

Informal Recommendation 61: Embassy Islamabad should implement an automated system, such as RxIS, in WebPASS to maintain accurate medical supply inventories.

CFR Finding: Medications are tracked but expendable supplies are not. Embassy Islamabad has alternate guidance from the Office of Medical Services on this issue.

Informal Recommendation 62: Embassy Islamabad should recommend to the Director General that the high-stress outbriefing program be made mandatory for employees following completion of an assignment in Pakistan.

CFR Finding: The acting director general assured the inspectors that anyone having served 2 years in any of the Afghanistan, Iraq, Pakistan embassies is required to have an outbriefing in the Office of Medical Services.

Informal Recommendation 63: Embassy Islamabad should establish a community liaison office advisory board.

CFR Finding: The community liaison office, after reviewing materials provided by the Family Liaison Office in the community liaison office training program, decided not to pursue this suggested course of action.

Informal Recommendation 64: Embassy Islamabad should post Equal Employment Opportunity information in English and Urdu in high-traffic areas throughout the compound in Islamabad.

CFR Finding: The embassy has not yet translated the Equal Employment Opportunity information into Urdu but is in the process of preparing these translations to be posted next to the English version throughout the embassy.

Informal Recommendation 65: Embassy Islamabad should purchase and install temperature sensors with remote notification capability in all computer server rooms.

CFR Finding: Temperature sensors have been installed in the computer server rooms in Islamabad and Consulates General Peshawar and Lahore.

Informal Recommendation 66: Embassy Islamabad should provide technical assistance so that Consulate General Peshawar can install power strips correctly. There are no information management guidelines at Consulate General Lahore.

CFR Finding: Action has been taken to remove the ganged power strips.

Informal Recommendation 67: Embassy Islamabad should create written standard operating procedures for all information management areas of responsibility at Consulate General Lahore.

CFR Finding: Standard operating procedures have been established and are now being updated by the information management office in Lahore.

Informal Recommendation 68: Embassy Islamabad should change the combination of the server room door at Consulate General Peshawar.

CFR Finding: The OIG team was assured that combinations on the server room door are changed periodically.

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