



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

Office of Inspections

**Inspection of
Embassy Bandar Seri Begawan, Brunei**

Report Number ISP-I-12-35A, June 2012

Office of Inspector General

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PURPOSE, SCOPE, AND METHODOLOGY OF THE INSPECTION

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

PURPOSE AND SCOPE

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

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

METHODOLOGY

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



United States Department of State
and the Broadcasting Board of Governors

Office of Inspector General

PREFACE

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

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

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

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

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

Harold W. Geisel
Deputy Inspector General

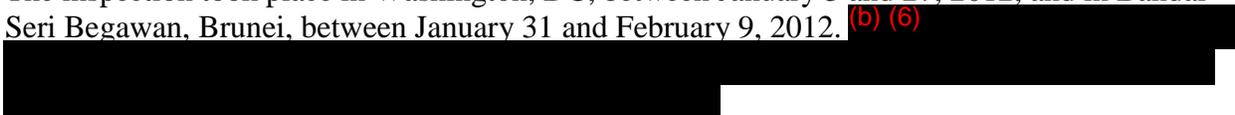
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Key Judgments

- Under the assured leadership of a strong Ambassador and deputy chief of mission (DCM), Embassy Bandar Seri Begawan's small and relatively inexperienced staff is a productive and cohesive team. In areas such as trade, military-to-military relationships, and educational exchanges, the embassy is materially advancing the bilateral relationship.
- The front office effectively manages interagency coordination and communication, bringing together resident and nonresident staff in common pursuit of mission goals.
- American employees do multiple jobs and necessarily serve as backups to other colleagues, often with little training. Any absences and gaps strain the remaining American staff. The information management staff may need an additional position, and the political/economic/consular officer position should be made permanent.
- Brunei will chair the Association of Southeast Asian Nations (ASEAN) in 2013, placing additional stress on the staff as the embassy supports several high-level visitors.
- The Bureau of Overseas Buildings Operations (OBO) completed construction of a new small embassy in Bandar Seri Begawan in 2010 and considers this a model for future small embassies. The Office of Inspector General (OIG) team identified issues (some of which are discussed in the classified annex) that should be considered in designing and building future standard secure mini-compounds.

The inspection took place in Washington, DC, between January 3 and 27, 2012, and in Bandar Seri Begawan, Brunei, between January 31 and February 9, 2012. (b) (6)



Context

The Sultanate of Brunei is small, approximately the size of Delaware, and is wedged into the northwest coast of the island of Borneo, bordering Malaysia. Ruled by the same royal family for 600 years, Brunei enjoyed a golden age from the 15th to the 17th centuries; it grew rich on services and tolls on trade between China and Southeast Asia, briefly controlling all of Borneo and parts of the Philippines. In 1850, Brunei accepted a U.S. proposal to conclude a treaty of peace, friendship, commerce, and navigation. The decline of the sultan's power in the 19th century, however, resulted in the establishment of a British protectorate in 1888, which lasted until Brunei gained full independence in 1984. Brunei remains one of the world's last countries in which the monarch rules as well as reigns. The current sultan has ruled since 1967; he and his family control all instruments of state power, pursuant to a state of emergency in effect since 1962. The royal family also wields enormous wealth from Brunei's oil and gas resources, which allow the country's 414,000 residents to enjoy the region's highest standard of living after Singapore. The largest ethnic groups are the Malay Muslims (66 percent of the population) and the Chinese (11 percent).

Brunei's strategic location on the South China Sea, its importance as Southeast Asia's fourth largest exporter of oil and the world's ninth largest exporter of liquefied natural gas, and its potential as a contributor to international peace and stability efforts make this small country of interest to the United States. Brunei plays a role in international organizations, including ASEAN and the Organization of Islamic Cooperation. As chair of ASEAN in 2013, Brunei will host the East Asia Summit (to which the President will be invited), the ASEAN Regional Forum (normally attended by the Secretary of State), and other high-level meetings. The United States seeks to support Brunei's sustainable development, to bolster commerce and trade, strengthen educational exchanges, and increase the participation of the Bruneian people in their government. After a period of limited progress, bilateral relations strengthened—markedly in late 2011—when Brunei agreed to purchase 12 Blackhawk helicopters, the Crown Prince visited the United States, and the Brunei Government signed several agreements on educational exchanges with U.S. universities. The increase in activity has generated hopes in the embassy of more personnel resources, not just for the 2013 ASEAN year but beyond.

Embassy Bandar Seri Begawan has 8 U.S. direct-hire Department employees and 64 locally employed (LE) staff. Representatives of the Department of Defense, the Foreign Commercial Service, and other U.S. agencies are nonresident and provide regional support. The total mission budget for FY 2011 was \$3.3 million. Actual costs for operations in FY 2010 totaled \$3.5 million. Brunei is not eligible to receive foreign assistance. OBO built a new embassy building in Brunei, which opened in November 2010 and is the first standard secure mini-compound built by OBO. The bureau plans to use this facility as a model for other small embassy projects.

Executive Direction

The Ambassador and DCM head a small, well-coordinated, and cohesive mission that is making measurable progress in expanding the U.S. bilateral relationship with this wealthy and strategically located Malay Islamic monarchy. The front office effectively connects the nonresident representatives of other agencies, who visit periodically, to the eight-person resident country team, composed entirely of Department personnel. Led by the Ambassador, excellent communication and collaboration among the embassy, regional centers, the Washington interagency community, and U.S. firms and universities produced notable advances in trade, security cooperation, and educational exchanges with Brunei. In the embassy's most outstanding success, Sikorsky representatives commented that the 2011 sale of 12 Blackhawk helicopters to the Bruneian military, a \$325 million deal that will support 1,100 U.S. jobs, would not have been possible without the embassy's leadership.

The Ambassador encourages frequent, lively, inclusive, and dissent-friendly debates on mission objectives and strategy. This approach ensures staff buy-in and keeps the mission's assessment of its objectives and tactics fresh and current. Embassy personnel understand the Ambassador's priorities: a more robust security relationship with Brunei; successful commercial and trade advocacy; increased educational exchanges; and a greater Bruneian contribution to regional and international stability. Members of the country team commented approvingly to the OIG team that mission goals are realistic, practical, and achievable. Employees understand and are comfortable with their particular roles in meeting overall objectives. A comprehensive series of cables in late 2011 updated the Department and the interagency community on progress toward each mission target.

Since his arrival in March 2011, the Ambassador has engaged Bruneian authorities across a broad agenda, calibrating his approach and messages to the peculiar operating environment of a hierarchical, protocol-bound, and largely opaque royal government. The Ambassador is an East Asia expert whose personal experience in several of Brunei's closest partners and neighbors—Singapore, China, Japan, and the Philippines—add to his credibility with the Bruneians. His skill in multiple Asian languages opens doors with the local diplomatic community as well as Brunei's Chinese minority. As inspectors observed in internal and external meetings, the Ambassador's background also gives him a regional point of view useful in keeping Brunei's importance and potential in perspective.

The DCM, who spent 5 of his first 6 months at the embassy as chargé d'affaires between ambassadors, served in two previous assignments in East Asia. As chargé, he supervised the embassy's November 2010 move from a downtown commercial site to the Department's first standard secure mini-compound, located on the outskirts of the capital.

Mission employees see the Ambassador and DCM as excellent leaders unified in outlook and practice and complementary in their skills. American staff members particularly appreciate the Ambassador's accessibility and affability, his well-defined vision and lucid instructions, and his obvious interest in their professional and personal welfare. Embassy personnel described the front office team as experts on substance, fair, open-minded, good listeners, responsive, and generous with accolades. The willingness of the Ambassador and DCM to give section heads

considerable freedom to manage their portfolios and staffs is welcomed as an empowering vote of trust and confidence. The Ambassador's weekly one-on-one meetings with each American staff member, combined with the weekly encounter as the country team, provide regular opportunities for give-and-take and emphasize to employees the Ambassador's interest and availability. The DCM's parallel series of meetings serves the same purpose.

The embassy maintains tight connections to other players in Bruneian affairs. The Defense attaché, who is resident in Singapore, spends several days each month in Brunei. The front office sees to it that other agency representatives who are responsible for Brunei meet the Ambassador's expectation of periodic visits at reasonable intervals. The embassy engages in an active dialogue with the Bureau of East Asian and Pacific Affairs (EAP). The EAP Assistant Secretary, the country office director, and the desk officer for Brunei all visited Bandar Seri Begawan in the latter half of 2011. The front office has actively reached out to other agencies to generate productive visits by high-level officials in such areas as energy and trade policy. The Ambassador's participation in trade missions has helped to pique U.S. commercial interest in business opportunities in Brunei. The public affairs officer, who is in a new position in the embassy, is starting to engage with the Bruneian Government and others to implement the U.S. Partnership with ASEAN on English Language Education, a \$25 million Brunei-funded program to teach English to teachers and government officials in ASEAN countries.

The front office has a good relationship with the LE staff, though the chancery relocation and adaptation to a very different physical layout have generated (b) (5) [REDACTED]. The Ambassador underlined his commitment to Equal Employment Opportunity principles by sending an American officer to Equal Employment Opportunity training and subsequently chairing a town hall meeting to promise zero tolerance for bullying. The DCM has taken steps to ensure compliance with embassy working hours and norms.

The initiative and activity of the embassy produces significant achievements but at a cost of wear and tear on its limited staff. The OIG team heard several versions of the question: "How many hats can one person wear?" The requirement to do multiple jobs and to serve as backup to one or more colleagues—whether trained for that particular task or not—is a given for American staff. The OIG team found officers and specialists genuinely enthusiastic about their work and wanting to do their best, but stress is common. The prospect of the additional demands in 2013, when Brunei will host the annual ASEAN summit and ancillary high-level international meetings, is creating anxiety among some staff.

The Ambassador is aware of the danger of burnout and understands that under present budgetary conditions the mission is unlikely to receive more manpower, other than temporary duty support for specific events in 2013. He discussed with the OIG team the need to keep activities and goals within the scope of limited personnel resources. The OIG team does not agree with the Ambassador that the embassy should include a resident Defense attaché, particularly as all evidence indicates that the support from the Defense attaché office of Embassy Singapore meets current needs. The team does support the Ambassador's request, however, to make the temporary entry-level political/economic/consular position permanent. A discussion of this issue is in the Resource Management section of this report.

The front office's training program for its sole entry-level officer is exemplary, both in terms of the individualized attention given by the Ambassador and the DCM as well as the breadth of the professional program. Despite the hardship of her absences, the front office has encouraged the entry-level officer to take advantage of multiple opportunities for training and to acquire experience in visits management. The result is an exceptionally well-rounded entry-level officer prepared for a wide range of future responsibilities.

The move to the new chancery solved security and other deficiencies of the old building. (b) (5) The chancery is already filled to capacity, leaving the embassy with few options for supporting temporary duty or other help. The space issue will become an acute problem at several points during 2013, when the embassy must support high-level visitors. In addition, moving the LE staff away from the traditional offices they had enjoyed in the previous chancery to a large modular open space with cubicles (b) (5)

Policy and Program Implementation

Political and Economic Affairs

Most of the political and economic reporting and advocacy in Embassy Bandar Seri Begawan is done by the Ambassador, the DCM, and the entry-level political/economic/consular officer. Washington end-users routinely comment to the Department on the high quality and the commendable volume of reporting from the embassy. In particular, they praise the embassy's reporting on Brunei's domestic policies and its regional and global interests.

The bilateral relationship continued to strengthen in 2011, especially in trade and security cooperation. The visit of the Crown Prince to the United States in 2011, which included meetings with the Secretary of State and other officials, helped to bolster the relationship. Visits by senior U.S. military officers in 2011 improved personal ties to the Bruneian Armed Forces and produced useful discussions on the expansion of joint exercises. When Brunei chairs ASEAN in 2013, high-level U.S. Government visitors, including possibly the President, should further solidify the bilateral relationship.

As discussed in the Management Resources section of this report, the OIG team believes that the entry-level political/economic/consular position, which was established to help the embassy through the year when Brunei chairs ASEAN, should be made a permanent component of embassy staffing beyond 2015.

The section includes two LE staff members. The political-military assistant has a variety of tasks, including drafting reports based on open sources, helping to write mandatory reports such as those on human rights and trafficking in persons, and coordinating logistics for a bilateral military exercise. The LE commercial/economic assistant focuses primarily on promoting trade. She works closely with the Foreign Commercial Service office in Embassy Singapore on trade issues. She also is the protocol assistant and coordinates the embassy's biographic reporting program. In the latter capacity, she has made biographies of Bruneian Government officials readily available to Washington end-users by placing them on the embassy intranet page.

These two LE staff members report directly to the DCM, which was logical when the DCM had direct responsibility for political/economic affairs. The political/economic/consular officer is now responsible for those issues. She and the two LE staff members work closely together on all aspects of the political-military and commercial/economic portfolios. For example, she and the political-military assistant share in drafting required reports, such as international religious freedom. The LE consular assistant, who works for the political/economic/consular officer, coordinates with the political-military assistant on flight clearances for U.S. military aircraft.

The DCM and the political/economic/consular officer hold weekly meetings with the political-military, commercial/economic, and consular assistants to coordinate work. This coordination could work more seamlessly if the two LE staff members reported on a daily basis to the political/economic/consular officer as their supervisor.

Recommendation 1: Embassy Bandar Seri Begawan should change the supervisory relationships for the locally employed political-military assistant and the locally employed commercial/economic assistant so that they are supervised directly by the political/economic/consular officer. The embassy should also revise the position descriptions for the two locally employed staff members and then reevaluate the grade levels of those positions. (Action: Embassy Bandar Seri Begawan)

Public Diplomacy

Embassy Bandar Seri Begawan has a small but effective public diplomacy program. In the past, DCMs in Bandar Seri Begawan have acted as the public affairs officer, relying on a talented LE staff member for the day-to-day running of public diplomacy operations. The OIG's 2005 inspection report commended Brunei on its "robust" public diplomacy efforts. Department interlocutors interviewed prior to this inspection similarly praised the public affairs section for its skill in making the most of limited resources. The Bureau of Educational and Cultural Affairs, for example, lauded Brunei's management of the International Visitor Leadership Program for maximizing its limited allocation by nominating candidates for programs that are centrally funded (and thus not charged against the embassy's allocation), submitting applications that were always complete and on time, providing candidates with excellent predeparture briefings, and participating in program design. The bureau also called Brunei a "cooperative and capable partner" in the Southeast Asia Youth Leadership Program, which brings promising students leaders to the United States for a 25-day program focusing on civic responsibility and civic activism.

In July 2011, the embassy welcomed the first incumbent of a new full-time public affairs officer position, an FS-03 officer on her first overseas public diplomacy assignment. In her first 6 months on the job, this officer has faced start-up challenges: setting up a full-fledged public affairs operation, including a foray into social media; establishing a productive supervisory relationship with an LE staff member accustomed to running public diplomacy operations with a high degree of independence; preparing an operating budget for the next fiscal year; meeting the heightened expectations of an Ambassador and DCM eager to increase the mission's outreach efforts; acting as backup for political, economic, and consular operations; and assuming responsibility for the embassy's role in the Brunei-funded project to improve English teaching in the ASEAN region.

The new public affairs officer is struggling to meet this demanding agenda. Although she has succeeded in some respects, a number of issues require attention. The most important relate to section management, (b)(5)(b)(6)



Prior to the arrival of the public affairs officer, the LE staff member was the embassy's "public diplomacy coordinator." She reported directly to the DCM and her job, according to her position description, involved "day-to-day running of the embassy's public affairs section" and "acting as the post's public affairs representative." The public affairs officer now has those responsibilities and is the supervisor of the LE staff member. The latter's position description is

now outdated and Embassy Singapore (which provides human resources support for Embassy Bandar Seri Begawan) will need to decide whether the grade level of the position needs to be reevaluated once the position description has been updated.

Recommendation 2: Embassy Bandar Seri Begawan, in coordination with Embassy Singapore, should make necessary changes to the position description of the locally employed public diplomacy coordinator position and determine whether a reevaluation of the appropriate grade level for the position is warranted. (Action: Embassy Bandar Seri Begawan, in coordination with Embassy Singapore)

Grants Management

The embassy did not have a warranted grants officer prior to the arrival of the public affairs officer. Public affairs staff at Embassy Singapore signed all public diplomacy grants for Brunei. These grants can now be signed in Brunei, although the financial management officer in Singapore must still certify the availability of funds.

Grants files are maintained both in Embassy Bandar Seri Begawan and in Embassy Singapore. The OIG team examined a random selection of the files in Embassy Bandar Seri Begawan and found that many did not meet closeout requirements. Some lacked necessary receipts or were otherwise incomplete. The major reason for this oversight appears to be that individuals in Brunei acting as grants officer representatives never had the proper training and did not clearly understand all documentation requirements. Under the guidance of the public affairs officer, the section has begun to address these deficiencies and slow but steady progress is being made. To ensure the process continues, it makes sense for the section's LE staff member to take grants training, which is available online. Responsibility for acting as the grants officer representative should then be reflected in her revised position description.

Informal Recommendation 1: Embassy Bandar Seri Begawan should arrange for the locally employed staff member in the public affairs section to receive online grants training.

Public Affairs Section Staffing

Some in the Department questioned whether an embassy as small as Embassy Bandar Seri Begawan requires a full-time American public affairs officer. The Ambassador and the DCM argue that having an American public affairs officer enables the embassy to take advantage of multiple new opportunities. They are especially eager to have a knowledgeable American presence speak for U.S. Government interests in implementation of the \$25 million ASEAN English-language initiative funded by the Bruneian Government, and to capitalize on the host government's interest in dramatically expanding the number of Bruneian students studying in the United States.

The OIG team believes the public affairs officer position is providing value and should be retained. The team does not agree, however, with the embassy's desire to increase the number of LE staff in the public affairs section from one to four. The Bureau of Educational and Cultural

Affairs is considering temporary funding for a locally hired educational advisor in Brunei, with the understanding that the future cost for the position would be part of the embassy's base budget. If the creation of the position results in doubling or tripling the number of Bruneians studying in the United States and the adviser can be based at a location outside the chancery that is more convenient for the clientele, the position may well be justified and may even pay for itself. If not, the public affairs section would be better off relying on more frequent visits by the regional educational advising coordinator based in Kuala Lumpur.

The size of the public affairs section doubled with the arrival of an American officer. Additional expansion may be possible in the future, but given current budget constraints and the physical limits on office space in the chancery building such expansion is not currently justified. Brunei is too small, its media and educational universe too limited, and the competing need for positions in other sections of the embassy are too great.

Language Designated Public Affairs Position

The public affairs officer position is the only language designated position in the embassy. The position is designated as 3/3 in Malay. Prior to coming to Brunei, the public affairs officer received 9 months of Malay language training but rarely uses Malay in her interactions with media or educational contacts. Most Bruneians speak excellent English. According to the *Foreign Affairs Manual* (13 FAM 221 b.), only those positions where language proficiency is essential, rather than merely helpful or convenient, should be designated. This position (number 60333402) does not meet that criterion.

Recommendation 3: The Bureau of East Asian and Pacific Affairs, in coordination with the Bureau of Human Resources, should remove the Malay language designation from the position of public affairs officer at Embassy Bandar Seri Begawan. (Action: EAP, in coordination with DGHR)

Consular Affairs

The small consular section, with one part-time consular officer and one LE consular assistant, is doing an excellent job. The nonimmigrant visa workload is light, with approximately 1,000 applications in FY 2011. Brunei was admitted to the visa waiver program in 1993 as the third Asian participant. The majority of applicants are Bruneian Government officials, Bruneians who are travelling under the sponsorship of the Bruneian Government (such as students), or third country nationals who live and work in Brunei. The refusal rate is low. Embassy Singapore performs immigrant visa services for applicants living in Brunei.

The American citizens services workload is also low. The 210 American citizens estimated to be living in Brunei are primarily involved in the oil and gas industries and generally do not need embassy assistance except for passport and citizenship services and notarial services. In 2011, the embassy assisted an elderly American woman who had become sick on a cruise ship and was hospitalized in Bandar Seri Begawan. Apart from that case, there have been no significant problems in special consular services recently. No American citizens have been arrested in Brunei in the last several years.

Regional Consular Support

As a small consular section, the embassy is dependent on the advice and expertise of more senior consular officers located elsewhere. The embassy is pleased with the support from the regional consular officer in Embassy Bangkok and the consular section in Embassy Singapore.

The regional consular officer in Embassy Bangkok visits Brunei twice a year to review operations and management controls and provides to embassy leaders and the Department a written report that includes recommendations to correct problems. The new regional consular officer in Bangkok visited Brunei in January 2012 and provided a detailed written report. He noted as a problem the issue of the Class B cashier serving as the consular cashier. This issue, which had also been identified by the OIG team, is discussed in the Management Controls section of this report.

In addition, Embassy Bandar Seri Begawan has a memorandum of agreement with Embassy Singapore for consular support. Embassy Singapore provides advice on individual American citizens services and nonimmigrant visa cases and the consular section chief in Singapore visits Bandar Seri Begawan twice a year for consultations.

Embassy Manila has been screening Embassy Bandar Seri Begawan's nonimmigrant visa applications for fraud indicators because Embassy Bandar Seri Begawan lacks the necessary expertise. This service is being transferred to Embassy Singapore, which should allow for greater efficiencies as the consular section in Bandar Seri Begawan already works so closely with Singapore on other consular issues. Once this transfer has been made, Embassy Singapore will be providing all support to Embassy Bandar Seri Begawan on consular issues except for the advice and guidance provided by the regional consular officer in Embassy Bangkok.

Staffing Issues

The Resource Management section of this report addresses a major issue for the embassy—the lack of a permanent officer position to provide unified oversight of the consular section.

Visas Viper

The embassy is fulfilling its obligations under the Visas Viper program. (b) (5)

Resource Management

Staffing

U.S. Direct-Hire	Local Staff	Local Guards	Total
8	22	42	72

Funding FY 2012

Program	Public Affairs	Diplomatic Security	OBO	Total
\$1,692,725	\$141,750	\$407,318	\$423,981	\$2,665,774

New Embassy Compound

In November 2010, Embassy Bandar Seri Begawan moved from a long-term leased space in a commercial building downtown to the new embassy compound on the outskirts of the city. The new small embassy is the first of its kind that OBO has built. It has deficiencies and anomalies that may need attention in future iterations (these are more fully detailed in the classified annex to this report).

OBO has not paid attention to significant water problems in the new embassy compound. The puddles that form after Brunei’s frequent rainstorms do not drain away from the walkway that provides access to the chancery building. The pavers become very slippery and cracks in the bonding material are forming. Worse is the pooling of water in the manholes. In one manhole, it is clear that electrical conduit runs are submerged constantly under water. OBO did not install sump pumps. The OIG team observed a manhole filled with at least 4 feet of water covering several electrical conduits, creating a potentially hazardous condition.

Recommendation 4: The Bureau of Overseas Buildings Operations should provide water mitigation improvements at Embassy Bandar Seri Begawan. (Action: OBO)

Staffing Issues

Staffing in the management section is minimal but sufficient to complete work requirements. Each employee provides backup to at least one other employee. For example, the receiving and inventory clerk also supervises the motor pool, provides expeditor services, and frequently serves as an incidental driver. The LE staff member hired to fill a facilities management role was in training during the inspection. He will have three maintenance assistants.

Until this inspection, the Class B cashier was also the consular cashier. The Management Controls section of this report addresses this issue. Separating those two responsibilities will provide better internal controls and free the employee to become a backup for another vital service.

The eligible family member serving as the general services assistant believes that the position needs continuity and an adequately trained employee. If no qualified eligible family member applies for the position of general services assistant when the incumbent leaves, the embassy should fill the position with a locally employed staff member.

Political/Economic/Consular Officer Position

The Department created the entry-level political/economic/consular officer position (position number 10-010101) in 2010 to help the embassy meet its added responsibilities during Brunei's chairmanship of ASEAN, which was expected to occur in 2011. Subsequently, Brunei and Indonesia traded calendar years for chairing ASEAN. As a result, Brunei will chair ASEAN in 2013, and the Department has extended the political/economic/consular officer position for another assignment cycle. EAP has not yet decided to keep the position in Bandar Seri Begawan beyond 2015.

Before 2011, consular work was split between the DCM, who performed American citizens services, and the management officer, who performed nonimmigrant visa services. Both officers did what they could to carry out their consular duties conscientiously, but the arrangement was unsatisfactory. They found it difficult to divide their attention between their other full-time duties and the consular section. Splitting American citizens services and nonimmigrant visa duties meant that neither officer had oversight of the entire consular operation.

Consular management regulations in the *Foreign Affairs Handbook* (7 FAH-1 H-642) state: "The most important consular management control is active supervision by consular managers at each level over the areas under their responsibility. Supervision requires presence and awareness of operations and cannot be exercised effectively from a distance. Oversight often should be literal as when a supervisor's office overlooks the work area." (b) (5)



The political/economic/consular officer and the regional consular officer from Embassy Bangkok have tightened consular management controls (b) (5)



Such attention to detail is much more feasible when one officer can pay full attention to managing the consular section.

The OIG team found that the political and economic dimension of this position provides a vital addition to the reporting output and the outreach of the embassy. Without this part-time service, there is no surge reporting capacity in an embassy where the only other reporting officers are in the front office. The entry-level officer's supervision of mandatory reporting on issues such as trafficking in persons allows the Ambassador and the DCM to concentrate on

other matters. While it is not possible to draw a direct connection to the arrival of the incumbent political/economic/consular officer, it is noteworthy that Washington end-users have praised the quality and volume of recent embassy reporting. The embassy would benefit from retaining the political/economic/consular officer position as a permanent addition to the staffing of the embassy.

Recommendation 5: The Bureau of East Asian and Pacific Affairs, in coordination with the Bureau of Human Resources, should make a determination on whether to permanently retain the political/economic/consular officer position in Embassy Bandar Seri Begawan beyond 2015. (Action: EAP, in coordination with DGHR)

Motor Pool Operations

The embassy has two vehicle drivers—the Ambassador’s driver and a driver for general purposes. The OIG team reviewed motor pool records and determined that these drivers are frequently on duty in excess of 10 hours daily and often work 7 days a week. These long hours are hazardous not only for driver safety but also for vehicle occupants. Guidance in 14 FAM 432.4 c.(3) requires posts to ensure that overtime duty hours for chauffeurs and incidental operators do not exceed limits prescribed in the motor vehicle safety management program. Item 7 of the motor vehicle safety management program’s summary states that “...overtime must be limited to allow drivers 8 hours of sleep prior to each day of duty. Generally, this means that duty time (total work shift duration, not driving time) must be limited to 10 hours/day.”

The embassy is especially dependent on motor pool drivers for official business because alternatives are limited in Bandar Seri Begawan. The embassy is located on the outskirts of the small capital. Public taxis are unreliable and often unavailable. The city does not have an effective mass transit system.

Embassy Bandar Seri Begawan needs two additional drivers in order to implement a shift work scheme and have more than one driver provide services for the Ambassador. With additional drivers, one could serve as dispatcher, thus relieving the receiving clerk from dispatching duties and the work order clerk from scheduling motor pool activities. Those employees are distracted from their primary duties by these work requirements. Finally, the use of untrained incidental drivers would be reduced.

Recommendation 6: The Bureau of East Asian and Pacific Affairs, in coordination with Embassy Bandar Seri Begawan, should approve the addition of two locally employed driver positions in the embassy. (Action: EAP, in coordination with Embassy Bandar Seri Begawan)

Information Management

The information management officer provides vital information management services. The Ambassador’s office management specialist is the designated backup to the information management officer. Given the complexities of running an information management section, even in a small embassy, the office management specialist is challenged to manage the tasks associated with those responsibilities. The information management officer has one LE staff

member supporting him. The OIG team believes that a good case can be made to justify hiring an American citizen locally who could receive a security clearance and serve as an information management assistant. Embassy managers believe there is a sufficient pool of qualified applicants for such a position among American citizens living in Brunei. The embassy has not formally requested an information management assistant position or documented its need for the position.

Recommendation 7: Embassy Bandar Seri Begawan should develop quantitative evidence documenting the need for an information management assistant position and use that documentation to request the position in the next Mission Resource Request. (Action: Embassy Bandar Seri Begawan)

Regional Support

In November 2005, Embassy Bandar Seri Begawan and Embassy Singapore signed a memorandum of agreement specifying what level of level of support Embassy Singapore would provide. Included in the memorandum were financial management, facilities management, and general services, along with information management and consular services. These services were intended to supplement Embassy Bandar Seri Begawan's limited resources. The exact levels would be determined depending on circumstances and resources at each mission.

The memorandum has not been reviewed or updated in the last 7 years and does not reflect the move to the new chancery, which has changed service requirements. Embassy Singapore staff members informed the OIG team that they are updating the memorandum to reflect new responsibilities.

Financial Management

The memorandum states that Embassy Singapore will assume all responsibility for accounting, vouchering, certifying funds, and obligations. Data would be held in Singapore, and Singapore staff would visit Brunei semiannually at Embassy Bandar Seri Begawan's expense. Embassy Bandar Seri Begawan would perform cashiering and time and attendance duties.

Since then, Embassy Bandar Seri Begawan has begun to use the Department's financial management systems, including the Consolidated Overseas Accountability Toolbox System and the requisitions and obligations elements of the Integrated Logistics Management System. Embassy Bandar Seri Begawan's budget and fiscal local employee is adept at using these systems. She manages the embassy's budget, including the ability to check for, but not certify, funds availability. Vouchers are sent to Embassy Bangkok's post support unit for processing. The receiving clerk, however, cannot see the purchases and does not yet have access to the asset management function that assists with receiving and inventory control.

General Services Operations

In accordance with the 2005 memorandum, Embassy Singapore would provide leasing services for Embassy Bandar Seri Begawan; it does not. Embassy Bandar Seri Begawan does its

own leasing and lease waiver requests and maintains its real property application. Additionally, Embassy Singapore does not maintain Embassy Bandar Seri Begawan's furniture pool. Embassy Bandar Seri Begawan also provides its own nonexpendable property management. The staff at Embassy Bandar Seri Begawan was preparing purchase orders but not entering them into the Integrated Logistics Management System.

Embassy Singapore's financial management and senior general services officers visited the embassy during the OIG inspection. They are training the staff to fully implement the Integrated Logistics Management System. These actions will ensure proper receiving and asset management data is available in the system and allow the embassy to follow procurements from request to distribution, as intended. This change will eliminate the present use of paper forms and repeated data entry processes in Brunei and Singapore.

Recommendation 8: Embassy Bandar Seri Begawan should request that Embassy Singapore change its status as a procurement requestor and fully implement the Integrated Logistics Management System. (Action: Embassy Bandar Seri Begawan)

Embassy Singapore provides contracting support for purchases over \$3,000. As warranties on the new embassy expire, many expensive contracts and blanket purchase agreements are needed. These contracts are awarded appropriately by Embassy Singapore, which has experienced local staff.

At the time of the inspection, the management officer in Bandar Seri Begawan did not have a contracting officer's warrant. This deficiency could have created problems if and when emergencies, such as plumbing failures, occurred during after-hours and it was impractical for the management officer to get purchasing authorization in a timely manner from Embassy Singapore. The potential for an embassy emergency, an unauthorized commitment, or an Antideficiency Act of 1982¹ violation demonstrates a need for the management officer to be granted a \$25,000 contracting officer's warrant. The Office of the Procurement Executive of the Bureau of Administration granted the management officer a \$25,000 contracting warrant in March 2012.

Human Resources

Although human resources support is not specified in the 2005 memorandum of agreement, a separate memorandum detailing such support is in draft and is being cleared by the parties involved. Embassy Singapore provides American human resources services and Computer-Aided Job Evaluation services for LE staff, who are concerned that decisions regarding job classifications are made sometimes without consulting them. Some LE staff members told the OIG team they would welcome more face-to-face relationships with Singapore's human resources officer. The draft agreement addresses the issue of the frequency of visits to Brunei by the human resources officer.

¹ 31 USC 1301 - An expenditure of funds in violation of a condition or internal cap in an appropriations act would generally constitute a violation of the Antideficiency Act of 1982.

Housing

American staff occupies stand-alone housing that is attractive and meets space standards. There are two apartments that are equally spacious and adequate.

The U.S. Government has leased the chief of mission residence for the last 17 years. The current cost is \$141,620 annually. With the new embassy compound situated on the opposite side of town, the 12-mile commute often takes over an hour, both morning and evening. Rush hours are hectic because roads are essentially single lanes in each direction. The Ambassador's invited guests often decline invitations, given the distance from their homes. Luncheons are out of the question. The few closets and cabinets in the chief of mission residence mean that groceries are kept outside of closed doors, inviting insect infestation. Given these problems, the OIG team endorses the embassy's search for an alternate chief of mission residence.

Support for Military Visits

A large number of U.S. military ships and aircraft frequently visit Brunei. Ground support needs for these visits include refueling, cargo loading equipment, hotel reservations, local transportation, and customs clearances. The most significant burden these visits place on Embassy Bandar Seri Begawan is the need for refueling and for ground services for these ships and aircraft.

The workload to support the refueling and ground services falls on embassy staff because there is no contract in place to provide this assistance. Formerly, Embassy Singapore's Defense attaché office had a contract with a local Bruneian company to provide the ground services and the Defense attaché office dealt appropriately with fuel bills. That contract has expired and military visitors currently believe that they can use a credit card to purchase fuel; however, fuel stations in Brunei are not equipped to handle credit cards of any type. Therefore, Royal Brunei Shell, the fuel supplier, bills Embassy Bandar Seri Begawan approximately \$250,000 annually. Embassy Bandar Seri Begawan forwards the fuel bills to the Defense Logistics Agency in Washington but has no way of knowing if or when the bills have been paid or if they are accurate. Its only assurance that the bills are being paid is that it does not receive repeat billing. The embassy does not have a resident Department of Defense representative, so costs associated with this support comes out of the embassy's program funds. Supporting these services creates unnecessary work for the embassy.

Recommendation 9: Embassy Bandar Seri Begawan, in coordination with Embassy Singapore, should request that Embassy Singapore's Defense attaché office make contracting arrangements with local vendors for ground services and refueling to support U.S. military visits to Brunei. (Action: Embassy Bandar Seri Begawan, in coordination with Embassy Singapore)

Information Management

An experienced, energetic information management officer effectively runs a computer network that supports 70 users. Embassy employees reported a high level of satisfaction with information management services and support. The information management unit is up-to-date

on all systems and standard operating procedures. One LE staff member, soon to retire, provides unclassified system support. Pouch, system, and physical security issues are covered in the classified annex of this report. However, the new telephone system, which is the first installation of its type in an embassy, is not meeting customers' needs. The embassy is losing calls and does not have a telephone operator or an operator console. The embassy has notified the Regional Information Management Center in Bangkok, which is working on this issue.

Recommendation 10: The Bureau of Information Resource Management, in coordination with the Regional Information Management Center in Bangkok, should implement a technical solution that will resolve the problem of dropped calls with the telephone system of Embassy Bandar Seri Begawan. (Action: IRM, in coordination with RIMC Bangkok)

The Staffing Issues section of this report addresses a need to provide improved backup support for the information management officer.

Quality of Life

Morale among the eight U.S. direct-hire staff is high; they are collegial and support each other well. Given the small staffing and backup requirements, the degree of cooperation is worth noting. There is no recreation association and no need for one. Food in the local markets is plentiful and internationally sourced. The general services assistant is conducting a retail price survey and a differential report has just been completed. The embassy does not anticipate a change to the 15 percent differential. The embassy recently selected and trained an Equal Employment Opportunity counselor and all Equal Employment Opportunity information is properly displayed on an accessible bulletin board.

Some LE staff members did not welcome the move to the new chancery because its location on the outskirts of the capital is inconvenient and isolated. (b) (5)

Other LE staff members believe the new building is a better working environment.

Efforts to establish a local staff committee were not successful and presently there is no will to establish one. The Ambassador's new well-being committee, which includes American and LE staff, has yet to define its role.

Health Unit

The embassy does not have a health unit. Hospitals and medical care in Bandar Seri Begawan are considered adequate, and American employees do not complain about local medical treatment or facilities. Embassy Jakarta provides regional medical support, Embassy Bangkok provides regional medical psychiatric support, and Embassy Singapore provides medical evacuation support. The regional medical officer has visited Bandar Seri Begawan three times since 2010. When more than routine support has been needed, Embassy Jakarta's regional medical officer has kept in close touch with local health officials and worked with the embassy to approve medical evacuation to Singapore. First aid kits are available outside of the safe haven.

There is designated space for a health unit in the new chancery. However, the embassy plans to designate the space for other use, given the overall lack of space in the chancery and infrequent medical visits. Other locations for the use of visiting medical personnel will be designated as necessary.

Schools

(b)(5)(b)(6)

The OIG team did not hear any complaints about the local schools. The Office of Overseas Schools last visited Brunei schools in 2008.

Community Liaison Office

The embassy has no overriding need for a community liaison office. Few eligible family members wish to work at the embassy either full-time or part-time. The duties of a community liaison office coordinator fall to the management officer who handles them well. The chancery does not have a private space required for a community liaison office. Given these factors, the OIG team understands why there is no community liaison office in the embassy. The OIG team discussed with embassy managers the possibility of employing a locally resident American for this function, but the funding would have to come out of a shrinking post budget. The OIG recommendations in other sections of this report for personnel increases are higher priorities.

Management Controls

Management Section Controls

The Ambassador's 2011 Statement of Assurance of Management Controls provided reasonable assurance that management controls met requirements, assets were properly safeguarded, obligations and costs complied with applicable law, revenues and expenditures were recorded properly, and programs were efficiently and effectively carried out in accordance with law and management policy. No weaknesses were noted.

Warehousing and Inventory Controls

The lack of storage facilities on the new embassy compound creates the potential for inventory control problems. Plans for Embassy Singapore to provide regional procurement support were predicated on supplies and nonexpendable items being purchased and shipped on a just-in-time basis. As there is no warehouse, there is no simple method to inventory goods that are not in use.

OBO never planned to construct a warehouse on the new compound. Embassy Bandar Seri Begawan uses the storage facilities at the transshipper's warehouse, paying a demurrage charge of approximately \$12,000 annually. Goods stored there have not been formally received and the inventory information has not been recorded. It is not possible to conduct an inventory on these items. Further, the few goods that are kept in utility buildings at the rear of the new embassy compound are subject to wet and moldy conditions. The OIG team supports the embassy's current plans to request a functional lease waiver for a warehouse, estimated to cost \$27,600 annually.

Consular Management Controls

Consular Cashier Duties

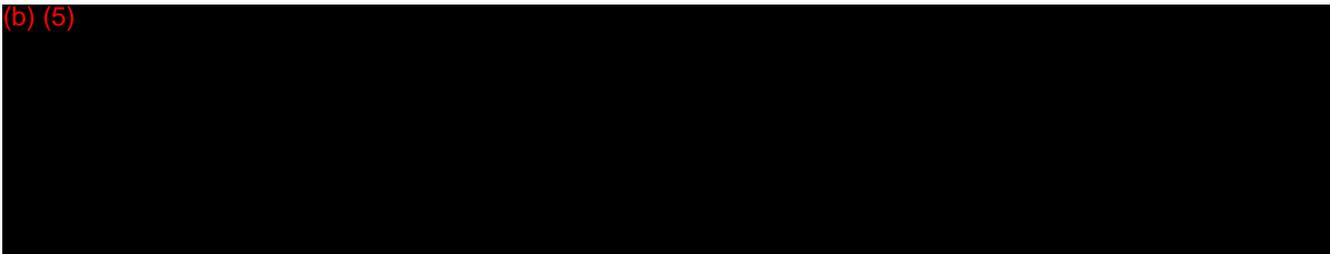
The Class B cashier, a management section employee, is also the consular cashier. In the latter capacity, the employee is responsible for the collection and accounting of consular fees. In FY 2011, the embassy collected (b) (5) in consular fees. Consular management regulations in 7 FAH-1 H-734.1 state that the accountable consular officer must designate in writing, with approval of the financial management officer, a consular section employee as a subcashier for collection of consular fees. While this provision does not explicitly state that the consular cashier and the Class B cashier should be different people, the wording is clear that the consular cashier should be a consular section employee. The Class B cashier works for the management officer, not the consular officer.

The current arrangement means that the consular officer does not have supervisory authority over an employee who is performing an important consular function. This was less of an issue in the past when the management officer was responsible for nonimmigrant visa services and the DCM was responsible for American citizens services.

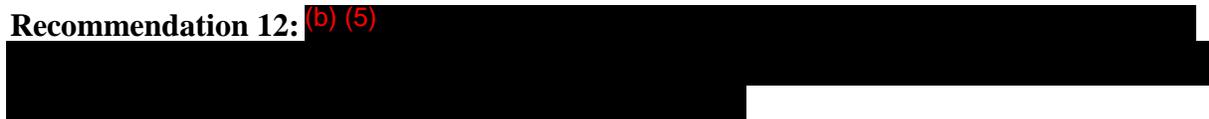
The accountable consular officer, who is the DCM, and the financial management officer in Embassy Singapore have not designated the LE consular assistant as the consular cashier. As noted above, a consular section employee should be designated as consular cashier. The consular assistant is the sole LE staff member in the consular section. The information management LE staff member is the backup consular cashier.

Recommendation 11: Embassy Bandar Seri Begawan, in coordination with Embassy Singapore, should provide appropriate training in consular cashiering to the locally employed consular assistant and designate that employee as consular cashier. (Action: Embassy Bandar Seri Begawan, in coordination with Embassy Singapore)

(b) (5)



Recommendation 12: (b) (5)



Visa Referrals

Embassy officers have made no visa referrals in the past year. Visa referrals are made for visa applicants of interest to the U.S. Government, most commonly to assist them to obtain expedited visa appointments. The lack of referrals in Bandar Seri Begawan is appropriate given that the embassy does not have a backlog in visa appointments.

Other Consular Management Controls

The political/economic/consular officer, the LE consular assistant, and the DCM (who is the accountable consular officer) carefully adhere to all consular management controls. The political/economic/consular officer is working closely with the more experienced officers who provide regional consular support to dispose of outdated accountable consular items.

List of Formal Recommendations

Recommendation 1: Embassy Bandar Seri Begawan should change the supervisory relationships for the locally employed political-military assistant and the locally employed commercial/economic assistant so that they are supervised directly by the political/economic/consular officer. The embassy should also revise the position descriptions for the two locally employed staff members and then reevaluate the grade levels of those positions. (Action: Embassy Bandar Seri Begawan)

Recommendation 2: Embassy Bandar Seri Begawan, in coordination with Embassy Singapore, should make necessary changes to the position description of the locally employed public diplomacy coordinator position and determine whether a reevaluation of the appropriate grade level for the position is warranted. (Action: Embassy Bandar Seri Begawan, in coordination with Embassy Singapore)

Recommendation 3: The Bureau of East Asian and Pacific Affairs, in coordination with the Bureau of Human Resources, should remove the Malay language designation from the position of public affairs officer at Embassy Bandar Seri Begawan. (Action: EAP, in coordination with DGHR)

Recommendation 4: The Bureau of Overseas Buildings Operations should provide water mitigation improvements at Embassy Bandar Seri Begawan. (Action: OBO)

Recommendation 5: The Bureau of East Asian and Pacific Affairs, in coordination with the Bureau of Human Resources, should make a determination on whether to permanently retain the political/economic/consular officer position in Embassy Bandar Seri Begawan beyond 2015. (Action: EAP, in coordination with DGHR)

Recommendation 6: The Bureau of East Asian and Pacific Affairs, in coordination with Embassy Bandar Seri Begawan, should approve the addition of two locally employed driver positions in the embassy. (Action: EAP, in coordination with Embassy Bandar Seri Begawan)

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Recommendation 12: (b) (5)



Informal Recommendation

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

Informal Recommendation 1: Embassy Bandar Seri Begawan should arrange for the locally employed staff member in the public affairs section to receive online grants training.

Principal Officials

	Name	Arrival Date
Ambassador	Daniel L. Shields III	03/11
Deputy Chief of Mission	Alexander L. Barrasso	09/10
Chiefs of Sections		
Administrative	Paul E. Brand	08/11
Political/Economic/Consular	Christin Ho	01/11
Public Affairs	Deidra D. Avendasora	07/11
Regional Security	Francis (Buddy) Carroll	08/10

Abbreviations

ASEAN	Association of Southeast Asian Nations
DCM	Deputy chief of mission
Department	Department of State
EAP	Bureau of East Asian and Pacific Affairs
FAH	<i>Foreign Affairs Handbook</i>
FAM	<i>Foreign Affairs Manual</i>
LE	Locally employed
OBO	Bureau of Overseas Buildings Operations
OIG	Office of Inspector General

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