



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

**Office of Inspections**

**Inspection of  
Embassy Prague, the Czech Republic**

**Report Number ISP-I-12-42A, August 2012**

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**Office of Inspector General**

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

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

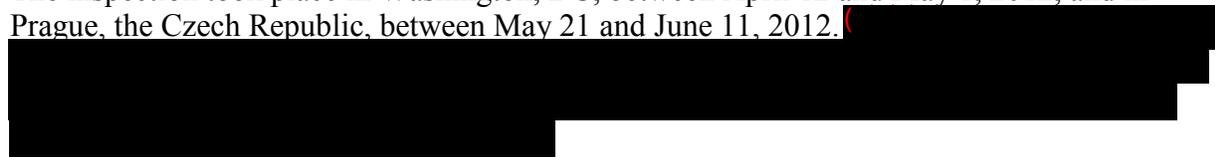
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## Key Judgments

- The Ambassador has laid out an ambitious and energetic agenda centered on defense cooperation, commercial advocacy, and shared democratic values. He has been taking promising steps to be equally successful in tapping the talents of the embassy's staff more effectively.
- The mission's core reporting, advocacy, and public diplomacy operations function well. At the country team level, strong internal coordination and communication reflect positively on the deputy chief of mission's leadership and the professionalism of embassy section chiefs.
- Staffing is top-heavy in some sections. Opportunities exist to save substantial funds by contracting out the local guard force, reducing American staffing levels, reclassifying positions to reflect changed workloads and responsibilities, and reducing the number of Czech language-designated positions.
- With the implementation of the Visa Waiver Program in 2008, demand for visa services has declined. Despite staffing reductions associated with implementation of this program, the consular section provides efficient service to the public.
- The mission operates in a historic 400-year-old chancery that is a symbolic landmark but also the source of security, functionality, and accessibility obstacles that hinder operations essential for a modern diplomatic facility. Absent the realistic prospect of a new embassy compound, a long-term approach to addressing these problems is essential.
- The embassy's management operations are efficient and well regarded by embassy customers.

The inspection took place in Washington, DC, between April 12 and May 1, 2012, and in Prague, the Czech Republic, between May 21 and June 11, 2012. (



## Context

Nearly a century after Woodrow Wilson made the independence of Czechoslovakia an objective of American foreign policy, the Czech Republic has emerged from its 1989 Velvet Revolution with strong democratic institutions, a vibrant, export-oriented free market economy, and full membership in the security and political institutions of the West.

The Czech Republic has moved to cement its status as an integral member of the North Atlantic Treaty Organization (NATO) and a united Europe. President Obama chose to deliver his first major overseas foreign policy address in Prague to highlight a mutual commitment to the NATO alliance and shared democratic values. The Czechs are staunch allies of the United States and unwavering defenders of fundamental human rights and democracy. The Czech economy suffered mildly during the recent European economic crisis but has maintained a healthy trade surplus. The breathtaking pace of change of the past 20 years has slowed; the Czech Republic is now a mature and prosperous democracy with substantial multilateral responsibilities. The Czech and American Governments are in an ongoing process to adjust to the Czech Republic's growing international role.

The mission's policy priorities are to enhance defense and strategic cooperation, increase commercial and economic ties, and promote shared democratic values. Czech contributions in the defense sphere include sending troops to Afghanistan and Iraq and providing expertise in specialties such as rotary-wing aviation and chemical and biological weapons defense. With respect to commercial advocacy, the embassy is actively supporting a bid by an American company to provide up to five reactors for the Temelin nuclear power plant expansion, a project that is currently one of the largest public tenders in Europe. Corruption scandals have undermined the confidence of the Czech people in their government and sullied its reputation in the European Union and beyond. The United States works with the Czech Government, society, and people to promote good governance and anticorruption programs and to introduce international transparency standards, notably in the areas of public procurement and defense contracting.

Embassy staffing consists of 74 U.S. direct hires and 163 locally employed (LE) staff members, including personnel from the Departments of Agriculture, State, Defense, Commerce, and Justice. Since the last inspection, the Czech Republic joined the Visa Waiver Program, which allowed for a reduction in consular staffing levels commensurate with a declining visa workload. Operating budgets for all agencies at the mission totaled \$20.2 million in FY 2011.

## Executive Direction

Embassy Prague is a medium-sized mission in the heart of Europe. The Ambassador arrived in January 2011 after the President made a recess appointment.<sup>1</sup> At that time, the Ambassador could not be certain of winning Senate confirmation upon renomination, and he organized his work based on the assumption that he might serve in Prague only until the end of the year. He was determined to make up for the previous 2 years without an Ambassador.

For the 2 years prior to the Ambassador's arrival, no confirmed chief of mission was in place, and relations between the United States and the Czech Republic suffered several bumps. An unanticipated and abruptly announced change in U.S. missile defense plans was a shock. The "reset" in U.S. relations with Russia surprised many governments in Central and Eastern Europe, and the Czechs took the lead to organize senior leaders in these countries to write the President and express feelings of neglect. Moreover, some Czechs perceived that the absence of a confirmed Ambassador signaled a lessening of U.S. interest in the relationship. Overall, the historically positive relationship had a downward trajectory.

On arrival, the Ambassador announced three pillars to give the mission a strategic policy focus and revitalize the relationship: defense and security issues; economic-commercial issues; and shared values, including human rights, good governance, and anticorruption. In the Ambassador's first months in Prague, the mission organized much of its work, and its most ambitious projects, within these three pillars. Through intense focus and energy, the mission notched significant achievements, including concurrence on Afghanistan policy and conclusion of a reciprocal defense procurement agreement under the first pillar; advocacy for a U.S. company's bid under the economic-commercial pillar; and the holding in Prague of a first-ever World Forum on Governance jointly sponsored by the American Enterprise Institute and Brookings Institution under the third pillar. The Ambassador also orchestrated a White House meeting between the Czech Prime Minister and the President in October 2011 where the prime minister himself cited the three pillars as organizing elements to advance the bilateral relationship.

The Ambassador takes great pride in being entrepreneurial. He continually generates new ideas and encourages mission staff, particularly in the political-economic and public affairs sections, to embrace his enthusiasm. In the first year, the results included many solid achievements but at a pace the Ambassador acknowledged to the inspectors was unsustainable for the long term.

It fell to the most senior career Department official in the embassy, the deputy chief of mission (DCM), to organize and encourage mission staff to implement the Ambassador's ideas while also ensuring that the Ambassador understood when ideas were either unrealistic or required tradeoffs given the size of the mission staff and other resource constraints. The DCM

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<sup>1</sup> A recess appointment is the appointment, by the President of the United States, of a senior federal official while the U.S. Senate is in recess. To remain in effect, a recess appointment must be approved by the end of the next session of Congress, or the position to which the recess appointment was made becomes vacant.

won the respect of the Ambassador and other mission staff for his balancing of ways and means in pursuit of objectives the Ambassador generated under the three pillars.

At the end of 2011, the Ambassador was confirmed by the Senate and started 2012 intending to steady the pace of activities and projects. He still, however, maintains an active agenda. He wants to sustain advances in the relationship and continue to give Czechs the benefit of his extensive network of distinguished Americans, many of whom came to Prague at their own expense and participated in embassy-organized programs at the Ambassador's urging. The Ambassador continues to be entrepreneurial.

Based on his professional expertise outside government and service in the White House as Special Counsel to the President for Ethics and Government Reform, the Ambassador accepted a number of invitations during 2011 to participate in conferences or speak to audiences outside the Czech Republic on ethics and governance issues. Several of these came from the Department itself. Given his own almost inexhaustible reservoir of energy and ideas, the Ambassador managed to balance his commitments inside and outside the Czech Republic. However, his absence for such events and his quest for confirmation at the end of 2011 reduced his presence in Prague. With encouragement from the Bureau of European and Eurasian Affairs, and because he was confirmed by the Senate, he has cut back on his outside speaking engagements and external travel in 2012.

An active agenda, no matter how focused under the three pillars, has created challenges for mission staff and the Ambassador to manage his schedule. There were occasions when, for example, the Ambassador discovered he had several events, including ones he personally put on the calendar that overlapped or left him insufficient time for travel. The Ambassador, DCM, and other staff have tried several strategies intended to gain better control over his schedule and are making progress. These included a weekly meeting instituted shortly before the inspection that included the Ambassador, DCM, and staff from the political/economic and public affairs sections. During the inspection, the Ambassador supplemented the weekly meeting by also adding a short, daily stand-up event. Participants in this meeting see the latest iteration as promising. They have also now delegated sole responsibility to the Ambassador's office management specialist to put events on the calendar and started to include her in their daily gatherings. Managing the Ambassador's schedule is still a work in progress, however.

**Recommendation 1:** Embassy Prague should develop a calendar process for the chief of mission that captures, organizes, and provides limits on his schedule of events. (Action: Embassy Prague)

## Policy and Program Implementation

### Political/Economic Section

The political/economic section is adequately staffed. The section satisfies Washington reporting demands and respects reporting deadlines. The section also plays an active role in promoting U.S. exports to the Czech Republic, which reached \$2.3 billion in 2010. The embassy focuses its commercial advocacy efforts to support a bid by an American company to build nuclear reactors at the Temelin site, a project that is one of the largest public tenders in Europe.

Inefficiencies in the section are most frequently the result of how the section interacts with the Ambassador's office. The Ambassador leans heavily on the political/economic section to support his outreach efforts, staff his official calls, provide control officers for official visitors, and serve as a sounding board for ideas. As a result, the officers have paid less attention to creating new contacts and seeking new reporting opportunities. Responding to the Ambassador's priorities has also affected their ability to carry out routine reporting and program responsibilities.

The section drafts briefing memos and talking points to prepare the Ambassador for his scheduled meetings each day. Currently, the DCM's office management specialist is implementing a central system to track correspondence to ensure proper, timely clearance of key documents. The OIG team encouraged the political/economic section to use this system to track its documents through the clearance process.

### *Political/Economic Position Grades*

The current grade structure of the political/economic section is a relic of the early days of post-1989 Czech politics when internal political reporting from the new Eastern Europe was in high demand. The section is top-heavy and has more senior-graded American positions than current needs warrant. The United States and the Czech Republic now address many issues in multilateral venues such as NATO and the Organization for Security and Cooperation in Europe. The inspection team found no continued need for a third mid-level officer in the reporting section. An entry-level officer position is more appropriate.

**Recommendation 2:** The Bureau of European and Eurasian Affairs, in coordination with the Bureau of Human Resources, should reclassify political officer position 10463022 as an entry-level position. (Action: EUR, in coordination with DGHR)

### *Meeting Schedules*

The physical design of the chancery makes it difficult for the section's LE staff members to meet regularly with their American colleagues. LE staff members and American officers seldom come together except for formal staff meetings. Those meetings are little more than a rehashing of the week's country team meeting agenda. The exchange of essential operational information does not take place. This physical separation can be addressed through more wide-

ranging and frequent meetings. The section did successfully hold two offsite meetings meant to build closer relationships and share information. This effort could be strengthened.

***Informal Recommendation 1:*** Embassy Prague should restructure political/economic staff meetings to serve as tasking meetings and venues for exchange of action-oriented information.

### ***Travel and Representational Plans***

The embassy does not make full use of travel and representational funds to support strategic objectives. Embassy priorities often change rapidly. The Ambassador is always alert to opportunities to promote U.S. policies. Many of these opportunities arise on short notice and require a quick response. As a result, the Ambassador's schedule and the schedule of officers around him can change without warning. Allowing for that spontaneity has impeded the section from using representational events and travel to create relationships and report on issues inside and outside of Prague. This is a key function of a political/economic section.

***Informal Recommendation 2:*** Embassy Prague should develop and implement annual reporting, travel, and representation plans.

### **Public Affairs Section**

The public affairs section (PAS) earns high marks from the Ambassador and from section chiefs and agency heads. They describe PAS staff as professional, collaborative, and willing to work across institutional boundaries as well as across the physical ones posed by the structure of the embassy building. PAS itself operates out of three different offices. The public affairs officer, the press unit, and the assistant cultural affairs officer work on one wing of the chancery, while the cultural affairs officer and his staff work on a different floor in the same wing. The American Center, overseen by PAS, is in yet another location, a short distance away.

Informal meetings and discussions between press and cultural affairs unit chiefs and their staff are frequent. Meetings between members of both units and the public affairs officer, who arrived in September 2011, are rare, which may be one reason for an impression among LE staff that the public affairs officer is not as engaged as his predecessors. The OIG team counseled the public affairs officer on steps he could take to change that perception.

### ***Cultural and Educational Programs***

A talented cultural affairs officer leads the unit. Together, he and his staff run a speakers program that ably uses Washington funding and supplements these funds with "local" talent: embassy officers, American and Czech Fulbright scholars, and returned Czech participants in the International Visitor Leadership Program, all of whom speak at PAS-arranged programs at the American Center and other venues. PAS also regularly programs many of the high-profile friends of the Ambassador who visit Prague at their own expense, by arranging interviews or speaking engagements for those who can advance the mission's agenda.

Prague is a cultural capital that attracts a steady influx of American artists, so PAS rarely requests arts funding from the Bureau of Educational and Cultural Affairs. Instead, it provides small grants to local organizations to bring in American performers in return for the organizations making those artists available for master classes at schools, universities, or other performing arts institutions.

The cultural affairs unit also ably manages the mission's International Visitor Leadership Program. PAS sponsors approximately 25 participants annually and takes advantage of incentive and special programs to maximize the number of participants. Under the guidance of the cultural affairs officer, the LE staff member who oversees the program's day-to-day operations has done an extraordinary job of organizing Czech participants into a viable alumni association aimed at encouraging them to share with the broader Czech public lessons learned as a result of their visits to the United States. In FY 2011, the Bureau of Educational and Cultural Affairs' Alumni Affairs Division provided \$30,000 for an alumni project that produced three 20-minute documentaries on reversing stereotypes of minority groups and countering xenophobia. The documentaries were shown at two alumni-led conferences and on Czech public television.

### *The Fulbright Commission*

PAS has used some of its own funds to assist the commission and expand the number of scholarships available, particularly for the popular English Teaching Assistants Program for which the commission annually receives over 100 requests from Czech high schools and universities. The Fulbright budget allows for only four, but PAS provides supplementary funding for two to three additional scholarships every year. PAS and the commission are engaged in efforts to expand the program even further by encouraging greater cost-sharing by requesting institutions. PAS has also used its own fund to continue a unique scholarship that allows Czech leaders of nongovernmental organizations to intern for 3 months at an American nongovernmental organization with a similar focus, reinforcing the mission's efforts to promote greater civic activism.

### *The American Center*

The American Center is one of the embassy's greatest assets. The center's focus and forte is programming that attracts a broad spectrum of the Czech public and also engages contacts from universities, think tanks, nongovernmental organizations, and governmental institutions. Located close to the embassy, the American Center is an easily accessible public venue with a conference room, small auditorium, lending library, Information Resource Center, public access computer terminals, and hallway exhibition space. In 2011, the center hosted 134 PAS-sponsored events and more than 100 embassy speaker programs, which reach out to youth, especially high school students. The center's programs include film screening, live performances, student advising sessions, exhibits, presentations by Fulbright scholars and other exchange program participants, and, increasingly, seminars on policy issues. The center also makes its space and resources available to nongovernmental organizations and other institutional partners with which the mission has shared goals and interests, thereby expanding its universe of programs at no additional cost.

The center has much to commend it, but PAS wants to be sure that it does not confuse the number of events or the size of the audience with a serious examination of which programs best advance mission goals and merit the most support. As part of that effort, the cultural affairs officer and his deputy have been examining whether current staffing fully meets the center's present and future needs for both programming and information outreach activities. PAS, in cooperation with the Vienna-based information resource officer whose regional portfolio includes Prague, is rewriting position descriptions for center staff with an eye to its future needs. The OIG team supports this effort.

### ***The American Corner in Brno***

In addition to the American Center in Prague, PAS supports an American Corner in Brno, the country's second-largest city. Established in 2005 and located in the Moravian National Library, the Corner provides an important program platform near one of the city's major universities and the National Military Academy. PAS supported the American Corner with an initial investment of about \$35,000 worth of books and equipment, and the American Corner subsequently received additional support from Washington and from PAS. In 2011, PAS closed its only other American Center in Pilsen, which was not living up to expectations.

### ***Press Unit and Information Outreach***

A capable information officer leads the four-person press unit. He and his team provide excellent support to the Ambassador, who excels in interviews and meetings with media. The information unit provides both oral and written press briefings and summaries to mission members. LE staff members arrive early to ensure that one of them and the information officer are ready for a morning oral briefing for the DCM and the political/economic officer. However, the written press summary, generally a concise one-page document, goes through a number of editors and often does not reach the desks of embassy officers until noon. Earlier delivery would make the summary more useful.

***Informal Recommendation 3:*** Embassy Prague should streamline its processes to allow the written press summary to be delivered to all embassy recipients no later than 10 a.m. local time.

An experienced LE staff member administers both the official embassy Web site and the one run by the American Center. She updates both sites regularly with new, interesting, and relevant postings. The sites adhere to *Foreign Affairs Manual* regulations on terms of use and are registered in the Information Technology Asset Baseline.

The embassy's social media sites include Facebook, YouTube, Twitter, and Flickr. Responsibility for managing them lies with a less experienced staff member in the embassy's cultural affairs unit, which generates much of the material for the sites. The social media site manager updates content frequently, but does not engage regularly in the online conversations that are a centerpiece of social media. Not all of the embassy's social media sites promote the other embassy sites, as is the norm elsewhere.

***Informal Recommendation 4:*** Embassy Prague should redesign its social media sites in a way that links relevant sites together.

The Ambassador's blog presents a special issue. Though it can be accessed via the embassy Web site, the blog is hosted on a Czech Web site regarded as the country's most popular for news and information. PAS placed the blog at this site in the expectation that it would generate more hits than on the embassy Web site. However, the private Czech site regularly contains advertising adjacent to the Ambassador's blog. Provisions of 5 FAM 794 a. prohibit advertising on official U.S. Government sites. There is no such prohibition on advertising on private sites. The embassy has not requested that a disclaimer be placed on the Ambassador's blog to prevent confusion that might arise if readers think that the Ambassador or the embassy endorses the products or services advertised near his blog.

***Informal Recommendation 5:*** Embassy Prague should post a disclaimer about advertising appearing near the Ambassador's blog on the private Czech Web site.

### ***Grants Management***

PAS has an active grants program. In FY 2011, PAS issued 119 grants with a total value of \$952,000. The larger-than-normal grants programs included a one-time allotment of \$252,000 as well as several smaller infusions for other special programs. The OIG team examined a representative grouping of grants files and found them in good order with required documentation.

The embassy has established an innovative grants review committee that provides effective and transparent reviews of grants applications from nongovernmental organizations. The OIG team believes that although the small grants committee is meeting its intended purposes, the required American connection for public diplomacy grants is not always spelled out as clearly as it needs to be. In some cases, the locus with American policy is not entirely clear. A revised grant application form could document the connection to U.S. policy goals more clearly.

***Informal Recommendation 6:*** Embassy Prague should revise the grants application to make clearer how the proposed activity accords with mission goals.

One LE staff member is the designated grants officer's representative for all public diplomacy grants. As the number of grants has grown, her workload has grown proportionally. For example, PAS processes about 50 percent more grants than it did 5 years ago, and the dollar volume of grants has increased more than 400 percent. Given the increased emphasis for onsite visits to grantee organizations, there is a need for other LE staff members to serve as grants officer's representatives, especially in areas where they have programmatic responsibilities.

***Informal Recommendation 7:*** Embassy Prague should provide appropriate training for additional locally employed staff members with grants management responsibilities.

### *Staffing*

Staffing in PAS is appropriate, but the section is somewhat top-heavy with three senior-level officers. The information officer, currently an FS-02 position, is a comparatively senior position. Embassy Prague is a good training ground for mid-level officers and this position would be a better match for a less senior officer.

**Recommendation 3:** The Bureau of European and Eurasian Affairs, in coordination with the Bureau of Human Resources, should reclassify the information officer position (position 60888065). (Action: EUR, in coordination with DGHR)

### **Consular Section**

The consular section provides professional, efficient services to American citizens and foreign nationals seeking consular and visa assistance. The consul general is an active member of the country team, and the two entry-level officers have opportunities to participate in activities outside the consular section. Morale is excellent. The visa workload declined when the Czech Republic joined the Visa Waiver Program in 2008. Since then, the section has downsized operations by two American and two LE positions. The section enjoys productive relations with other sections and agencies in the mission but operates relatively independently.

### *Consular Space*

The consular section is divided into separate work areas for the nonimmigrant visa unit and the American citizens services and immigrant visa units. This configuration creates (b) (5) limits access for physically disabled employees and consular clients. The *Consular Management Handbook* (7 FAH-I H-280) discusses physical space requirements for consular sections, which include providing adequate access for employees and members of the public with physical disabilities, (b) (5) and private space for sensitive discussions. The Bureau of Overseas Buildings Operations (OBO) has sent consultants at least twice in recent years to review the issue. Possible solutions discussed include a \$2 million embassy accessibility project, which would improve public access to the consular section, and a broader, \$7 million chancery upgrade project. The \$2 million embassy accessibility project is tentatively planned for FY 2015, subject to availability of funding. Providing access to consular services (b) (5) for American citizens and visa applicants is one of the core functions of an embassy. The chancery, as currently configured, is not well suited for carrying out some of these responsibilities.

### *Consular Office Space Consolidation*

The consular section was expanded in 2005 to provide additional office space for operations. What is now the nonimmigrant visa unit was the entire consular section until 2005. Given the reduction in workload and staff after implementation of the Visa Waiver Program, the nonimmigrant visa unit office space once again should be adequate for consular operations. The work space could be reconfigured to accommodate all staff in one area at low cost. With good planning, the section could reorganize furniture placement to ensure adequate work and processing space as well as line of sight. The section would need private interview space. Prague

is scheduled to be included in the Bureau of Consular Affairs Global Support Services contract in 2013, which will introduce additional operational efficiencies. Combining all consular operations into one space would (b) (5) enhance the section's ability to cover all functions with current staffing levels, enhance management controls, allow for a reduction in the number of subcashiers, and improve overall efficiency.

**Recommendation 4:** Embassy Prague, in coordination with the Bureau of Overseas Buildings Operations, should reconfigure the consular section to combine office space for nonimmigrant visa, immigrant visa, and American citizens services operations into a single location. (Action: Embassy Prague, in coordination with OBO)

### *Consular Staffing*

Since the Czech Republic joined the Visa Waiver Program, the consular chief position has been downgraded to an FS-02. The deputy position was eliminated in 2011, and in 2010 one entry-level officer position was converted from a consular-economic rotation to a 2-year economic position. Of the two entry-level positions, one is a 2-year consular assignment and the other is a rotational position (1 year in the consular section and a second year in the political/economic section). Although the rotational position creates challenges for the consular section in managing 1-year assignments for consular officers, it has the benefit of ensuring that an additional officer has a consular title and recent consular experience.

### *Consular Systems*

The last replacement and upgrade of hardware systems was in 2008; the next one is scheduled for December 2012. This is timely as the system requires more maintenance and hardware upgrades to provide continuous, reliable consular services to the public. In 2013, the Global Support Strategy will be extended to Embassy Prague. This program provides an outsourced solution that will likely include visa information services, offsite fee collection, visa appointment scheduling, and passport deliveries. This program is expected to have a positive impact on the efficiency of consular operations.

### *American Citizens Services*

The American citizens services unit provides services efficiently and effectively, in part because of experienced LE staff members, good local resources, and a network of contacts. The Czech Republic, particularly Prague, is a tourist destination. The American citizens services workload is growing and the number of American residents, tourists, students, and retirees is steadily increasing. The large number of students and tourists has meant an increase in lost and stolen passports and arrest cases. Retired American citizens include tourists, dual nationals who have returned to the Czech Republic, and some 600 federal benefits recipients. Last year the section handled 45 deaths of American citizens abroad, six of which involved complex estate and property issues. A monthly newsletter for American citizens in the Czech Republic keeps the unit in contact with a warden network. The unit enjoys good support from the public diplomacy section in its public outreach activities.

### ***After-Hours Assistance and Emergency Planning***

The consular section has drafted comprehensive guidance for embassy duty officers so that they can provide after-hours assistance to American citizens in distress. However, the section has not planned as thoroughly for a mass casualty event. The supply of “Go Kits,” which could be used for out-of-office emergency assistance, has been depleted over time. The unit would also benefit from developing a checklist of additional materials that might be needed to respond to a mass casualty event.

***Informal Recommendation 8:*** Embassy Prague should prepare consular materials for a mass casualty emergency situation affecting American citizens in the Czech Republic.

### ***Nonimmigrant Visas***

In FY 2011, the nonimmigrant visa unit adjudicated more than 8,600 visa applications, which included applications from over 100 nationalities and 3,000 exchange visitor visas. The bulk of the workload occurs from April to August when applications for summer work travel and student visas peak. During the remaining 7 months of the year, the visa workload diminishes from 125 nonimmigrant visa applications per day to 100 nonimmigrant visa applications per week. Nonimmigrant visa waiting times have not exceeded nine days during past 2 years, which is well within the parameters set under a recent Executive Order on waiting times. This year will be the first peak season that the consular section has managed with only three officers, and the section is carefully monitoring visa waiting times. If wait times exceed 2 weeks, the section might need to request short-term assistance from other officers with consular titles.

### ***Embassy Referral Program***

The embassy is not using the worldwide referral system. During the past 3 years, there have been no cases adjudicated as embassy referrals. However, the OIG team observed several instances of visa inquiries being passed informally, either orally or by email, to the adjudicating officer. To their credit, the adjudicating officer and the consul general redirected the inquiries through normal visa channels. These incidents, while few, demonstrate the need to reinstitute a visa referral program consistent with the requirements in 9 FAM Appendix K. A well-run and judicious visa referral system is an important tool for advancing U.S. national interests. It facilitates the issuance of visas to foreign nationals who are key contacts and whose travel is deemed to be clearly in the interests of the United States. Equally important, it prevents attempts to apply inappropriate influence, or the appearance of such influence, on individual visa adjudications.

**Recommendation 5:** Embassy Prague should institute procedures consistent with the worldwide policy for a nonimmigrant visa embassy referral program. (Action: Embassy Prague)

### ***Visas Viper***

The embassy incorporates the Visas Viper committee into the country team meeting. The DCM or Ambassador chairs the meeting and the consular chief is the Visas Viper coordinator.

The consular section submitted all but one reporting cable on time during the past 12 months. The consular chief is aware of the importance of submitting these reports by the tenth day of each month and has committed to do so.

*Immigrant Visas*

The immigrant visa unit shares space with the American citizens services unit. The unit handles the small caseload professionally. The immigrant visa unit has not handled any adoption cases and has a very modest diversity visa workload. An unusual aspect of the immigrant visa caseload is the special immigrant visa category for Radio Free Europe/Radio Liberty employees, all of whom are third-country nationals who work in Prague.

*Fraud Prevention Unit*

Fraud is not a significant workload factor in Prague. Even so, one experienced LE staff member reviews all nonimmigrant visa applications for fraud indicators during the intake process. A validation study performed in January 2011 looked at 1,800 summer work travel applicants and found only three possible overstays. A second validation study performed in February 2012 of 1,500 third-country national applicants issued in Prague revealed one fraudulent case and a confirmed overstay rate of 0.13 percent. Given the low incidence of fraud, the section recently began using the Enterprise Case Assessment Service to track cases referred for fraud prevention review; they should continue to do so.

## Resource Management

Agency	U.S. Direct-Hire Staff	U.S. Local-Hire Staff	Foreign National Staff	Total Staff	Total Funding FY 2011
<b>Department of State</b>					
Diplomatic and Consular Programs	35	1	21	57	\$3,440,880
ICASS	5	7	78	90	\$5,277,900
Public Diplomacy	4	0	17	21	\$2,122,550
Diplomatic Security	2	2	28	32	\$1,088,594
Marine Security	8	0	2	10	\$180,750
Representation	0	0	0	0	\$51,300
OBO	2	0	0	2	\$5,752,949
<b>Broadcasting Board of Governors</b>	1	0	4	5	\$1,420,159
<b>Department of Agriculture</b>					
Foreign Agricultural Service	0		2	2	\$92,872
<b>Department of Defense</b>					
Defense Attaché Office	8	1	1	10	\$328,345
Office of Defense Cooperation	3		3	6	
Other	2	1	1	4	\$261,00
<b>Department of Justice</b>					
Federal Bureau of Investigation	3	0	0	3	
<b>Foreign Commercial Service</b>	1		6	7	\$468,853
<b>Totals</b>	74	12	163	249	\$20,225,152

### Management Operations

Management staffing is relatively lean, and the section has endured some long-term gaps in key positions during the past 2 years. Further, the section faces operational challenges inherent in working in a 400-year-old chancery. Despite these circumstances, the management section provides a full range of services that meet the needs and expectations of the mission community.

In the 2012 International Cooperative Administrative Support Services (ICASS) customer satisfaction survey, the embassy's average score for overall ICASS services was on par with both the Bureau of European and Eurasian Affairs and worldwide average scores, as were the scores for the individual management subunits. The scores on the OIG questionnaires

reflected a similar degree of satisfaction, with average customer scores for overall management section performance and customer service orientation slightly above that of other embassies that OIG has recently inspected. Scores for the health unit, human resources, and financial management offices were significantly higher than those of recently inspected embassies.

The section is directed by a seasoned management counselor, who is well regarded by the executive office and by his staff for maintaining strong communications and a positive work environment. With entry-level officers in key positions in financial management, general services, and human resources, the management counselor provides valuable leadership, mentoring, and an appropriate degree of oversight.

### ***Rightsizing***

The Department requires that a formal rightsizing study be conducted at least once every 5 years for all overseas missions to promote efficient personnel management practices. The Office of Management Policy, Rightsizing, and Innovation issued a rightsizing report in July 2011 that acknowledged the staffing reductions Embassy Prague had made in 2007 and noted that overall management staffing was in line with comparator embassies in the Bureau of European and Eurasian Affairs. Since that time, Embassy Prague has made additional cuts in management staffing, without adverse impact on the quality of support services.

### **Financial Management**

The financial management section is directed by an entry-level officer in her first overseas assignment. She also serves as the human resources officer. Despite her limited tenure with the Department, solid management skills have enabled her to provide excellent oversight of these vital ICASS functions. She directs seven LE staff members; all have the experience and training to perform their duties with efficiency and competence. Feedback from colleagues and customers indicated high satisfaction with their performance.

### ***Cashier Services***

Embassy Prague has a Class B cashier and 12 subcashiers. The financial management officer conducted a cash count during the inspection, and no irregularities were noted. Cash counts for the subcashiers are conducted by the respective supervisors, as required. The Class B cashier maintains a (b) (5) advance, an amount sufficient to cover normal operating requirements and accommodation exchange services. Department policy requires overseas missions to employ commercial banks or automatic teller machines to provide accommodation exchange when possible. However, the Department recently reauthorized the (b) (5) advance, based partly on the embassy's request to maintain in-house accommodation exchange services and the lack of a commercially viable alternative for a low-volume location.

### ***International Cooperative Administrative Support Services***

ICASS operates effectively at Embassy Prague, with positive dynamics between the service provider and the serviced agencies. The ICASS council is properly constituted and the chair rotates among the respective council members. The embassy holds ICASS meetings at

regular intervals and prepares advance agendas and minutes for these meetings, which are shared on an internal SharePoint site. The only variance from established ICASS policies is the lack of a separate interagency budget committee, which normally consists of working-level representatives of the service provider and serviced agencies. The purpose of this subcommittee is to review financial targets and invoices in advance of meetings of the ICASS council.

***Informal Recommendation 9:*** Embassy Prague should establish an International Cooperative Administrative Support Services budget subcommittee that consists of working-level representatives from both the service provider and the serviced agencies.

## **Human Resources**

As noted, the officer in charge of the financial management office also supervises the human resources office. Her staff includes two LE staff members, both with considerable experience and training. Mission customers expressed general satisfaction with all human resources office functions. Embassy management has doubled the number of family member employment opportunities by converting many full-time administrative positions to part-time positions that allow two family members to share jobs. This is a commendable practice. LE staff members generally expressed satisfaction with human resources services, but the lack of a salary increase since 2003 is a concern.

### ***Language-Designated Positions***

The embassy has 19 language-designated positions. Seven are designated at the 2/2 speaking/reading proficiency level, and 12 are designated at 3/3. The Czech education system provides nearly universal English-language instruction at most public schools, and English is far more widely understood than in the years prior to the fall of communism. As a result, the need for Czech language to conduct diplomatic operations has diminished. According to 13 FAM 221 b., foreign language proficiency should be essential to performing job duties rather than merely useful in order for a position to be language designated. In interviews with American employees, the OIG team found that language training for the following positions did not serve an essential purpose: the management officer (position number 50007001), political/economic officer (position number 14004002), and deputy chief of mission (position number 00001038). Removing the language designations from these positions would result in substantial cost savings to the U.S. Government.

**Recommendation 6:** The Bureau of Human Resources, in coordination with Embassy Prague, should update its list of language-designated positions to eliminate language designations from position numbers 50007001, 140004002, and 00001038. (Action: DGHR, in coordination with Embassy Prague)

The political/economic section has five language-designated positions. Three officers have received Department training to the 3/3 level. Although the section has two strong linguists with prior regional experience, most officers said that they did not feel competent to use their Czech in meetings with local officials and civil society. Entry-level officers assigned to the consular section receive language training up to the 2/2 level. Immediately upon their arrival, they are expected to interview applicants in Czech, which is challenging. The rotational

consular/political position now arrives in April, so if more language training were required it could have an impact on embassy operations due to extended training and later arrival of the rotational officer.

### ***Embassy Duty Program***

The embassy duty book does not contain comprehensive information on all types of after-hours emergencies, including information about official visitors, emergency flight clearance procedures, and extradition or provisional arrest warrant procedures. The duty officer roster is comprehensive and includes most officers at post, including section chiefs and heads of other agencies. However, there is no information in the duty book concerning other offices or agencies, such as the Department of Defense.

***Informal Recommendation 10:*** Embassy Prague should update its duty book to incorporate guidance from other mission agencies and sections.

### ***Equal Employment Opportunity***

Embassy Prague has a comprehensive program to promote the Equal Employment Opportunity (EEO) Program and Federal Women's Program. Respondents to OIG's questionnaires gave high scores to the executive office for sensitivity to EEO issues. The appropriate framework for an effective EEO program is in place, and the embassy has three trained EEO counselors, an EEO liaison for the LE staff, and a Federal Women's Program coordinator. The embassy SharePoint site features information, policies, and links regarding EEO issues. American and LE staff members have received sexual harassment and diversity training.

### ***Allowances***

Embassy Prague is delinquent in submitting the biennial survey of retail prices and hotel rates. The embassy last submitted this survey in 2008, and the survey is 2 years overdue. The retail price survey is essential to maintain accurate hotel per diem and post allowance rates. In the absence of current information on retail and hotel prices, the U.S. Government may be paying hotel costs and the post allowance at a rate higher than warranted by actual circumstances.

**Recommendation 7:** Embassy Prague should prepare and submit the biennial retail price survey to the Office of Allowances. (Action: Embassy Prague)

The embassy is also delinquent in submitting its living pattern survey, a detailed survey that indicates where embassy personnel shop for goods and services. The embassy last submitted this survey in 2005, and this survey also is several years overdue. Embassy management attempted to complete the required living pattern analysis in January 2012, but it obtained responses from only 33 of the 65 U.S. direct-hire staff, a percentage lower than required by regulations. In the absence of complete information about the shopping patterns for embassy personnel, including such factors as the availability of military commissary options, the post allowance rate may not accurately reflect actual living costs.

**Recommendation 8:** Embassy Prague should complete its living pattern survey and submit results to the Office of Allowances. (Action: Embassy Prague)

### **General Services**

The general services officer is an entry-level officer serving in his first management assignment. The embassy community is pleased with the quality of services provided by the general services office. Scores on the OIG workplace and quality of life questionnaires were at or above average, with the travel and motor pool sections receiving high scores. These scores are notable in light of the office's heavy workload over the past year. Among other projects, the general services office prepared for the renovation of the chief of mission residence, coordinated with the OBO cultural heritage office and contracted out for storage and repair of numerous cultural heritage objects, leased temporary residences for the DCM and political/economic section chief, and moved the Ambassador and his family into the temporary chief of mission residence—all within the first few months of the general services officer's arrival. The OIG team reviewed housing, shipping, motor pool, and property management operations and found them to be in good order.

### ***Procurement and Contracting***

Now that the chief of mission residence renovation has moved into the construction phase, the general services officer can focus his attention on internal procedures and controls, including those in the procurement unit. Embassy Prague uses contractors to supplement the maintenance workforce, and the procurement section thus manages a large number of facilities contracts and purchase orders. The embassy has had difficulty overseeing contracts because of a staffing gap in the senior facilities LE staff member position. The inspectors noted deficiencies in purchase order documentation. Lapses included a lack of documented competition and key contract clauses. The unit also had to ratify an unauthorized commitment to perform work that was not included in the original contract scope of work. In addition, although staff members have received training as contracting officer's representatives and a followup presentation on contract administration, they have not consistently provided contract oversight, to include required trafficking-in-persons monitoring provisions.

***Informal Recommendation 11:*** Embassy Prague should develop individual training and development plans for locally employed staff members with construction contracting responsibilities, to include trafficking-in-persons monitoring requirements.

### ***Official Visitor Support***

Embassy Prague supported more than 1,100 official visitors in FY 2011. The embassy has several policies regarding official visitors, but does not have a consolidated official visitor handbook. The responsibility for providing control officers has defaulted to the political/economic section and is not shared with other sections. Although embassy policy requires reimbursement of official visit support costs to ICASS, the embassy does not always collect information on visit costs. Compiling a visitor handbook, as described in 2 FAM 116,

would enable the mission to improve cost recovery procedures and create a control officer roster to include officers from other embassy sections.

***Informal Recommendation 12:*** Embassy Prague should create a visitor support handbook that includes all policies and procedures.

### ***Charges for Use of Transient Apartments***

Embassy Prague maintains apartments for temporary duty visitors, including one on the upper floor of the chief of mission residence, and another in a leased building. Both are operated with OBO approval, but the embassy policy exempts most occupants, for example, interns and U.S. Government employees on language immersion trips, from any charges. Per 15 FAM 249.2, the embassy should charge for all use of transient apartments and credit OBO's account with net proceeds.

**Recommendation 9:** Embassy Prague should amend the temporary duty housing policy to include an appropriate fee schedule for occupants of transient apartments. (Action: Embassy Prague)

### ***Property Management***

The property management unit recently implemented the Integrated Logistics Management System application to track personal property. The staff received training during the implementation phase but have yet to gain the required degree of proficiency to make full use of the system. As a result, the unit had difficulty completing the required annual property reconciliation. In addition, the local staff was not able to prepare property asset reports to facilitate spot checks of accountable property.

***Informal Recommendation 13:*** Embassy Prague should provide additional training for staff using the Integrated Logistics Management System asset management software.

The shipping and customs section effectively manages the processes for shipments and registration of vehicles. The office maintains files going back 10 years, including correspondence from potential vendors with whom they have never contracted. The standard disposition schedule for management operations files calls for destruction after 5 years. Many of the files could be scanned and saved electronically, reducing the space needed for storage.

***Informal Recommendation 14:*** Embassy Prague should reduce its holdings of shipping files to include only those required for current needs.

The motor pool staff does not differentiate between other authorized use and official business travel in its official vehicle travel records. It has thus been unable to charge for other authorized use as required under 14 FAM 433.4 and in the embassy's motor vehicle policy.

**Recommendation 10:** Embassy Prague should collect applicable fees for other authorized use of U.S. Government vehicles. (Action: Embassy Prague)

Motor pool chauffeurs prepare daily vehicle condition checks and turn them into the motor pool supervisor with trip records, but the drivers of vehicles outside the motor pool do not complete these records, as required by 14 FAM 436.1. The lack of daily inspection records for all vehicles could allow damage to vehicles to go undetected.

***Informal Recommendation 15:*** Embassy Prague should require all drivers of U.S. Government-owned vehicles to prepare daily vehicle condition checks.

## **Facilities Management**

The facilities manager and staff have one of the most demanding and important responsibilities in the mission—the care and maintenance of the 16th century buildings that make up the embassy chancery, the large chief of mission residence compound, and 19 U.S. Government-owned staff residences. Even with such demands, recent customer feedback indicates that the mission community is relatively satisfied with the quality of maintenance operations. Scores for maintenance services were higher than the average scores for embassies that OIG has recently inspected.

The facilities manager supervises a cadre of skilled laborers. The facilities manager is attempting to enhance the skills of his staff by recruiting a new LE staff facilities supervisor and contracting the services of a local architect to assist with construction projects.

### ***Barrier-Free Accessibility Issues***

The embassy is not accessible to employees and members of the public with disabilities, in part because of the age of the building and its physical layout. The facilities staff recently completed a project to make the health unit fully accessible for an employee with physical disabilities, but the majority of offices throughout the embassy, including the human resources office, do not comply with accessibility standards. The inspection team witnessed employees carrying a disabled colleague up two flights of stairs to reach a site that is frequently used for embassy events. Public visitors face significant accessibility barriers, particularly in the consular section, which can only be reached by stairs. The consular staff must therefore provide services to disabled individuals in the embassy's entrance.

An independent firm conducted a barrier-free accessibility study in August 2010 and identified a number of deficiencies. The proposal to bring the embassy up to the standards of the Americans with Disabilities Act would cost an estimated \$7 million. The mission has broken out some smaller projects to improve the conditions, including the renovation of the health unit and a \$2 million project for accessibility to the consular section that is tentatively scheduled for 2015. The current facilities manager does not have a copy of the accessibility study results to use to identify other manageable projects to improve accessibility in the chancery.

**Recommendation 11:** Embassy Prague, in coordination with the Bureau of Overseas Buildings Operations, should develop a feasible action plan based upon the results of the 2010 accessibility study. (Action: Embassy Prague, in coordination with OBO)

### *Heritage Property*

The embassy maintains a large collection of cultural heritage furniture and artwork. A number of these pieces are used in public spaces within the chancery. In some cases, high-value heritage furniture in the public areas of the chancery may be exposed to damage or heavy wear. Embassy Prague has sought the specific guidance of the Department's curatorial services program staff concerning the placement, routine care, activities to monitor the environment, and moving and storage of antiques, works of art, and other cultural heritage objects. Proper storage and conservation of these valuable pieces of furniture requires assistance from the Department's regional conservation expert.

***Informal Recommendation 16:*** Embassy Prague should consult with Embassy London's cultural heritage manager to develop a plan to conserve heritage property in the public areas of the chancery.

### *Historic Preservation*

The chief of mission residence is undergoing a major rehabilitation project to replace and upgrade the plumbing, electrical, and heating systems at a cost of approximately \$5.8 million. The embassy is using the project as an opportunity to rehabilitate and protect heritage furniture within the residence as well as the decorative wood paneling in a number of rooms. With the furniture and all appliances removed, the contractor has uncovered significant damage to walls and windows caused by water penetration and deterioration. None of the current construction plans include any measures to address such damage. OBO noted that it is aware of the need to undertake repairs and is willing to assist, depending on availability of funds. Failure to address these problems while the residence is vacant and open to construction will only make the necessary repairs more expensive and difficult to resolve in the future.

**Recommendation 12:** Embassy Prague should inspect the chief of mission residence and prepare a summary report that includes all necessary repairs, and include this report in the annual inspection survey results for the Bureau of Overseas Buildings Operations. (Action: Embassy Prague)

### *Safety, Health, and Environmental Management*

The facilities manager, in his role as post occupational safety and health officer, is revitalizing the safety, health, and environmental management program. The post occupational safety, health, and environmental management committee includes required members, but none from non-Department agencies. Guidance in 15 FAM 933.2 c. encourages embassies to include representatives from other agencies on the committee. In light of the number of other agencies hosted by the embassy and the particular occupational safety issues of the chancery, Embassy Prague would benefit from more diverse committee membership.

**Recommendation 13:** Embassy Prague should include representatives from non-Department of State agencies on the post occupational safety, health, and environmental management committee. (Action: Embassy Prague)

The inspection team noted a number of safety issues that require remediation by the facilities staff, as noted in the following recommendations. The embassy has also experienced two recent fires. An OBO fire inspector recently reviewed safety procedures in the chancery and embassy residences during the OIG inspection and identified several issues that require corrective actions. OBO had scheduled a safety assessment during early 2012 but canceled the visit. A safety assessment would significantly assist the post occupational safety and health officer in prioritizing corrective actions for safety and health problems.

**Recommendation 14:** The Bureau of Overseas Buildings Operations should reschedule a visit from safety, health, and environmental management program personnel to Embassy Prague. (Action: OBO)

The carpentry shop, located in a converted carriage house on the first floor of the chancery, does not meet Department safety standards. The most significant deficiency, and most difficult to remedy, is the lack of ventilation to disperse sawdust particulates. The shop also lacks sufficient space. The facilities manager identified a prospective new location for the carpentry shop that would accommodate the appropriate safety equipment and provide sufficient space to carry out larger projects.

**Recommendation 15:** Embassy Prague should develop a proposal to construct a new carpentry shop for the chancery and submit it to the Bureau of Overseas Buildings Operations for review and approval. (Action: Embassy Prague)

The outdoor swimming pool at the chief of mission residence compound is open to the mission community. The pool features the necessary safety equipment, but the chain link fence has handholds and footholds that allow children to climb the fence and gain entry to the pool. In addition, the two access gates swing inward to the pool, which is a safety hazard. The pool is located next to the playground and employee association preschool, which increases the risk.

**Recommendation 16:** Embassy Prague should correct the deficiencies with the fence and gates that allow unauthorized access to the chief of mission residence swimming pool. (Action: Embassy Prague)

The embassy has not inspected the employee association preschool playground to determine whether the playground meets safety standards. The most obvious deficiency is the lack of sufficient ground covering to prevent serious injury if children fall from the equipment. The Bureau of Overseas Buildings Operations strongly encourages embassies to follow safety standards contained in the Consumer Products Safety Commission's *Public Playground Safety Handbook*. In the absence of such standards, children at the center may be at risk for accidental injury.

**Recommendation 17:** Embassy Prague should inspect the playground and implement a corrective action plan to meet the Department's standards for public playground safety. (Action: Embassy Prague)

## **Information Management**

The information management office is an efficient, well-managed operation that meets customer needs and expectations. The section received high marks on OIG questionnaires, and the local staff recently received an honor award from the Department for outstanding ICASS customer survey ratings over the past 5 years. Morale among LE staff members is quite high, and most have remained with the embassy for several years. The staff has received regular formal training as well as internal crosstraining, and all employees are capable of filling in for absent colleagues.

The OIG team interviewed all information management employees, inspected their facilities, reviewed classified and unclassified computer systems as well as mail and pouch operations, and examined the inventories and operations of the telephone, radio, and BlackBerry programs. Internal controls are solid, and the section complies with all standard operating practices. All recommendations from a 2012 Bureau of Information Resource Management team assessment of computer security have been closed. The OIG team noted one minor deficiency—missing labels on the power-off switch and computers—but this deficiency was corrected during the inspection. The classified annex to this report contains recommendations concerning physical security and pouch operations, which represent the greatest challenge for the information management team.

The information management section has implemented a state-of-the-art, collaborative SharePoint site that provides a forum where mission staff can obtain useful information concerning embassy events, reference materials, links to other sites, and a range of management instructions, notices, and forms for obtaining services. Given the physical separation of offices in the chancery, this site has greatly enhanced the communication and interaction within the mission.

The SharePoint site's content must be regularly reviewed and updated to maximize its usefulness. Every section or office has a designated SharePoint content editor responsible for updating the site, but some sites do not work while others contain outdated or duplicative information. The OIG team discussed this issue with several embassy sections.

## Quality of Life

Morale among the American staff and family members is excellent. Services such as medical care and schools are highly regarded by most respondents, who also cite the culture and amenities of Prague as a major factor in their high morale. As noted earlier, however, morale among the LE staff has suffered from a long-term salary stagnation that predates the recent freeze in wages for all U.S. Government employees.

### Community Liaison Office

Embassy Prague has two half-time community liaison office coordinators, both of whom have training and prior experience as coordinators at other embassies. They face some challenges in creating a sense of community, such as the lack of a common gathering space in the chancery and competing alternatives to embassy-sponsored community events. Despite these factors, the coordinators function well. Average scores on the OIG survey were higher than those from other recently inspected embassies.

### Medical Unit

Embassy Prague's medical unit provides primary medical care to American employees and family members and limited emergency services to local staff members. There are no serious health hazards in the Czech Republic, and the local medical infrastructure is adequate, although embassy staff often require medical unit assistance to communicate with local medical providers. The mission community gave very high marks on the OIG questionnaires for overall quality of medical services. The average score on the 2012 ICASS customer satisfaction survey indicates a similar degree of satisfaction with the health unit.

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

(b)(5)(b)(6) offers a full program of educational instruction that meets U.S. educational accreditation standards (b)(5)(b)(6). The school received high scores on OIG's customer service questionnaires and from the Office of Overseas Schools in its most recent evaluation. Approximately (b)(5)(b)(6) dependents of official Americans attend the school.

Until 2008, the school operated as a nonprofit entity sponsored by the U.S. Government. The school incorporated in 2008 as a nonprofit entity under Czech law. As part of the change in the school's status, it instituted a number of administrative changes, such as reporting income tax for school employees to the local tax authorities. Nevertheless, three motor vehicles are still registered in the name of the embassy even though they are used by the school and were procured solely using school funds.

**Informal Recommendation 17:** Embassy Prague should transfer registration of the three vehicles that are used by the school from the U.S. Government to (b)(5)(b)(6)

### **American Embassy Prague Community Association**

Embassy Prague's recreation association operates a commissary, day care center, and temporary duty hotel apartments. In the past year, the association has experienced considerable personnel turmoil. The recently hired manager is the association's third manager in a year. Partly as a result, the association is in a state of transition as the board and new manager review operations and make necessary adjustments. The association closed its cafeteria to stem operating losses and instituted a policy to prohibit nondiplomatic personnel from purchasing packaged duty-free items, an essential internal controls practice. The association's financial stability is still in question, as the 2011 financial statements and required audit have not yet been completed. In view of the personnel turnover and internal controls vulnerabilities, a visit from the Office of Commissary and Recreation Affairs could stabilize operations.

**Recommendation 18:** The Bureau of Administration should send staff from the Office of Commissary and Recreation Affairs to provide an assistance visit to the American Embassy Prague Community Association. (Action: A)

## Management Controls

The OIG team reviewed the effectiveness of management controls, including recent internal and external assessments, and concluded that the structure and processes for an effective set of management controls are present. The management officer is the management controls officer, and he consults regularly with the DCM and other management staff regarding internal controls. The designation of responsibilities roster is current. Embassy Prague submitted the required 2011 chief of mission statement of management controls assurance to the Department, citing two significant deficiencies: (b) (5) and a lack of access for disabled employees and members of the public.

### Consular Management Controls

Only one of the three consular officers is a tenured officer, which means that some accountable consular officer duties fall to untenured officers. Appropriate designations and transfers of authority are in place. Inventories are updated, storage of controlled items is appropriate, and spoiled visa foils are destroyed weekly and accounted for electronically. As referred to earlier in this report, the consular section has two cashiering operations and two locking cashier booths, one in the American citizens services unit and the other in the nonimmigrant visa unit. Four of the seven full-time LE staff members in the consular section serve either as consular subcashier or as backup subcashier, which is unusual.

### American Embassy Prague Community Association

#### *Financial Reporting Requirements*

Embassy Prague's recreation association is not in compliance with several essential financial management internal controls responsibilities. The association is 7 months behind schedule in submitting monthly financial statements to the board of directors, has not submitted semiannual financial statements to the Office of Commissary and Recreation Affairs, and has not conducted the 2011 financial statement audit required by 6 FAM 557 b. Turnover in association management contributed to delays in preparing and submitting required financial reports. In the absence of proper financial internal controls and audited financial statements, the association does not have assurances that its operations are financially stable and that its financial statements are free of material misstatements.

**Recommendation 19:** Embassy Prague should bring the American Embassy Prague Community Association into compliance with required commissary and recreation financial reporting and audit requirements. (Action: Embassy Prague)

#### *Child Care Center*

Embassy Prague's recreation association operates a child care center (b)(5)(b)(6). Under the association's charter, services and facilities may be provided to employees of all agencies and their eligible family members who are stationed and supported at the embassy. However, only 2 of 13 children who are clients of the child care center

are affiliated with the American embassy. The other clients are children of Czech citizens and third-country nationals who do not have official ties to the embassy. For summer camp programs, only 6 of 22 students are affiliated with the embassy. The provision of services to nondiplomatic personnel under the auspices of the embassy under these circumstances is likely contrary to the association's charter, which limits services only to the embassy community.

**Recommendation 20:** The Bureau of Administration should examine the operating practices of Embassy Prague's community association's child care center and advise the embassy whether these activities can be carried out under the association's charter. (Action: A)

## List of Recommendations

**Recommendation 1:** Embassy Prague should develop a calendar process for the chief of mission that captures, organizes, and provides limits on his schedule of events. (Action: Embassy Prague)

**Recommendation 2:** The Bureau of European and Eurasian Affairs, in coordination with the Bureau of Human Resources, should reclassify political officer position 10463022 as an entry-level position. (Action: EUR, in coordination with DGHR)

**Recommendation 3:** The Bureau of European and Eurasian Affairs, in coordination with the Bureau of Human Resources, should reclassify the information officer position (position 60888065). (Action: EUR, in coordination with DGHR)

**Recommendation 4:** Embassy Prague, in coordination with the Bureau of Overseas Buildings Operations, should reconfigure the consular section to combine office space for nonimmigrant visa, immigrant visa, and American citizens services operations into a single location. (Action: Embassy Prague, in coordination with OBO)

**Recommendation 5:** Embassy Prague should institute procedures consistent with the worldwide policy for a nonimmigrant visa embassy referral program. (Action: Embassy Prague)

**Recommendation 6:** The Bureau of Human Resources, in coordination with Embassy Prague, should update its list of language-designated positions to eliminate language designations from position numbers 50007001, 140004002, and 00001038. (Action: DGHR, in coordination with Embassy Prague)

**Recommendation 7:** Embassy Prague should prepare and submit the biennial retail price survey to the Office of Allowances. (Action: Embassy Prague)

**Recommendation 8:** Embassy Prague should complete its living pattern survey and submit results to the Office of Allowances. (Action: Embassy Prague)

**Recommendation 9:** Embassy Prague should amend the temporary duty housing policy to include an appropriate fee schedule for occupants of transient apartments. (Action: Embassy Prague)

**Recommendation 10:** Embassy Prague should collect applicable fees for other authorized use of U.S. Government vehicles. (Action: Embassy Prague)

**Recommendation 11:** Embassy Prague, in coordination with the Bureau of Overseas Buildings Operations, should develop a feasible action plan based upon the results of the 2010 accessibility study. (Action: Embassy Prague, in coordination with OBO)

**Recommendation 12:** Embassy Prague should inspect the chief of mission residence and prepare a summary report that includes all necessary repairs, and include this report in the annual

inspection survey results for the Bureau of Overseas Buildings Operations. (Action: Embassy Prague)

**Recommendation 13:** Embassy Prague should include representatives from non-Department of State agencies on the post occupational safety, health, and environmental management committee. (Action: Embassy Prague)

**Recommendation 14:** The Bureau of Overseas Buildings Operations should reschedule a visit from safety, health, and environmental management program personnel to Embassy Prague. (Action: OBO)

**Recommendation 15:** Embassy Prague should develop a proposal to construct a new carpentry shop for the chancery and submit it to the Bureau of Overseas Buildings Operations for review and approval. (Action: Embassy Prague)

**Recommendation 16:** Embassy Prague should correct the deficiencies with the fence and gates that allow unauthorized access to the chief of mission residence swimming pool. (Action: Embassy Prague)

**Recommendation 17:** Embassy Prague should inspect the playground and implement a corrective action plan to meet the Department's standards for public playground safety. (Action: Embassy Prague)

**Recommendation 18:** The Bureau of Administration should send staff from the Office of Commissary and Recreation Affairs to provide an assistance visit to the American Embassy Prague Community Association. (Action: A)

**Recommendation 19:** Embassy Prague should bring the American Embassy Prague Community Association into compliance with required commissary and recreation financial reporting and audit requirements. (Action: Embassy Prague)

**Recommendation 20:** The Bureau of Administration should examine the operating practices of Embassy Prague's community association's child care center and advise the embassy whether these activities can be carried out under the association's charter. (Action: A)

## List of Informal Recommendations

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

***Informal Recommendation 1:*** Embassy Prague should restructure political/economic staff meetings to serve as tasking meetings and venues for exchange of action-oriented information.

***Informal Recommendation 2:*** Embassy Prague should develop and implement annual reporting, travel, and representation plans.

***Informal Recommendation 3:*** Embassy Prague should streamline its processes to allow the written press summary to be delivered to all embassy recipients no later than 10 a.m. local time.

***Informal Recommendation 4:*** Embassy Prague should redesign its social media sites in a way that links relevant sites together.

***Informal Recommendation 5:*** Embassy Prague should post a disclaimer about advertising appearing near the Ambassador's blog on the private Czech Web site.

***Informal Recommendation 6:*** Embassy Prague should revise the grants application to make clearer how the proposed activity accords with mission goals.

***Informal Recommendation 7:*** Embassy Prague should provide appropriate training for additional locally employed staff members with grants management responsibilities.

***Informal Recommendation 8:*** Embassy Prague should prepare consular materials for a mass casualty emergency situation affecting American citizens in the Czech Republic.

***Informal Recommendation 9:*** Embassy Prague should establish an International Cooperative Administrative Support Services budget subcommittee that consists of working-level representatives from both the service provider and the serviced agencies.

***Informal Recommendation 10:*** Embassy Prague should update its duty book to incorporate guidance from other mission agencies and sections.

***Informal Recommendation 11:*** Embassy Prague should develop individual training and development plans for locally employed staff members with construction contracting responsibilities, to include trafficking-in-persons monitoring requirements.

***Informal Recommendation 12:*** Embassy Prague should create a visitor support handbook that includes all policies and procedures.

***Informal Recommendation 13:*** Embassy Prague should provide additional training for staff using the Integrated Logistics Management System asset management software.

***Informal Recommendation 14:*** Embassy Prague should reduce its holdings of shipping files to include only those required for current needs.

***Informal Recommendation 15:*** Embassy Prague should require all drivers of U.S. Government-owned vehicles to prepare daily vehicle condition checks.

***Informal Recommendation 16:*** Embassy Prague should consult with Embassy London's cultural heritage manager to develop a plan to conserve heritage property in the public areas of the chancery.

***Informal Recommendation 17:*** Embassy Prague should transfer registration of the three vehicles that are used by the school from the U.S. Government to (b)(5)(b)(6)

## Principal Officials

	<b>Name</b>	<b>Arrival Date</b>
Ambassador	Norman Eisen	1/11
Deputy Chief of Mission	Joseph Pennington	8/10
Chiefs of Sections:		
Management	Benjamin Dille	8/08
Consular	David Beam	8/09
Political-Economic	William Silkworth	8/11
Public Affairs	Robert Zimmerman	9/11
Regional Security	Hartaje Thiara	9/11
Other Agencies:		
Department of Defense		
Defense Attaché Office	Col. Patrick Sullivan	12/11
Office of Defense		
Cooperation	Lt. Col. Marek Stobbe	2/10
Office of Naval Research	Michael Morgan	7/10
Foreign Commercial Service	Stuart Schaag	8/10
International Broadcasting		9/04
Bureau	Adam Gartner	
Federal Bureau of		
Investigation	Paul Haertel	8/11

## Abbreviations

DCM	Deputy chief of mission
Department	U.S. Department of State
EEO	Equal Employment Opportunity
ICASS	International Cooperative Administrative Support Services
LE	Locally employed
NATO	North Atlantic Treaty Organization
OBO	Bureau of Overseas Buildings Operations
OIG	Office of Inspector General
PAS	Public affairs section

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