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

**Office of Inspections**

**Inspection of Embassy Bucharest, Romania**

**Report Number ISP-I-12-45A, August 2012**

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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 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 provides dynamic leadership to a country team engaged in a wide range of activities to advance U.S. interests. The Ambassador has led the mission to notable political, political-military, public outreach, and economic-commercial successes.
- The Ambassador thinks strategically and has a clear set of goals that can be pursued more efficiently by establishing working groups among embassy sections and agencies.
- The embassy's preparedness for an emergency, such as an earthquake or natural disaster, needs improvement.
- Romania has graduated from its post-communist transition and is now a full member of the European Union and the North Atlantic Treaty Organization (NATO). With the closure of the U.S. Agency for International Development office in 2008 and the expected departure of the Peace Corps in 2013, the embassy has gradually recalibrated the diplomatic relationship to emphasize defense, commercial, and anticorruption issues.
- The embassy's public diplomacy engagement is appropriately focused on mission priorities. Opportunities exist to make better use of social media to amplify policy messages and to further integrate public diplomacy into mission operations.
- The consular section provides efficient and well-run visa and U.S. citizen services. Romania's interest in joining the Visa Waiver Program and international adoption issues attract high-level Washington attention.
- The move to a functional and secure new embassy compound (NEC) in 2011 allowed the embassy to consolidate seven buildings into a single facility. This move has enhanced internal communication and reduced security vulnerabilities.
- Locally employed (LE) staff members are notably well integrated into embassy operations. (b) (5)

The inspection took place in Washington, DC, between April 12 and May 1, 2012, and in Bucharest, Romania, between May 2 and 21, 2012. (b) (6)

## Context

Descended from the ancient Roman province of Dacia, modern Romania occupies a strategic position between the Balkans and the Black Sea that includes some of Europe's most fertile agricultural lands. Blessed with abundant hydropower, mineral resources, and an aging but substantial industrial base, Romania's economy has grown rapidly in the past decade as the country emerged from the shadow of decades of repressive communist autocracy. Nearly 24 years after a violent revolution, Romania has made steady progress in establishing rule of law, holding free and fair democratic elections, and instituting a market economy. President Traian Basescu, elected in 2004, has presided over the country's accession to the European Union and NATO. Romania is a close strategic partner of the United States and a solid ally.

The scars of decades of harsh communist rule remain: Romania's 21 million citizens are still among the poorest in Europe, and the country's weak civil and government institutions remain of concern. Widespread corruption and red tape hobble development. The country was hit hard by the international economic crisis in 2008. In response to large fiscal and trade deficits, Romania undertook a stringent austerity program in 2010 that sparked civil unrest, widespread demonstrations, and political instability.

U.S. policy objectives in Romania include strengthening defense cooperation, promoting economic growth and structural reform, supporting judicial reform and anticorruption efforts, and encouraging respect for the rights of Romania's Hungarian and Roma minority populations. The military alliance and NATO cooperation are pillars of Romanian-U.S. relations. In February 2010, President Basescu agreed to host U.S. missile defense assets and, in 2011, allowed the United States to use Romanian territory as a transportation hub for personnel and equipment going to and from Afghanistan and other conflict areas. Romania plays a constructive role in its relations with neighboring countries in the Balkans, and the United States seeks to encourage further engagement with other former Soviet republics with which Romania exercises influence. U.S.-Romanian cooperation is especially strong with respect to law enforcement and counterterrorism. Cooperation on cybercrime is improving and is a primary focus of the mission's law enforcement agencies. Romania's aspirations to join the Visa Waiver Program depend on meeting entrance criteria, which would include having a lower visa refusal rate than the current level of approximately 20 percent.

Embassy staffing consists of 105 U.S. direct hires and 287 LE staff members, which includes personnel from the Departments of Agriculture, Commerce, State, Defense, Homeland Security, and Justice, as well as the Peace Corps. In 2011, the embassy moved to an NEC and colocated personnel into a single secure facility. Operating budgets for all agencies at the mission totaled \$22.4 million. In addition, the embassy requested a foreign assistance portfolio totaling \$13.3 million in FY 2013, primarily for defense cooperation and assistance programs.

## Executive Direction

The Ambassador provides dynamic and strategic leadership to a country team engaged in a wide range of activities to advance U.S. interests. In Bucharest since August 2009, the Ambassador has led the mission to notable political, political-military, public outreach, and economic-commercial successes. These include visits of high-level Romanian leaders to the United States and Vice President Biden's visit to Romania, a missile defense agreement that won by 90 votes to none in the Romanian parliament, robust Romanian participation in the NATO-led International Security Force in Afghanistan, successful extradition and prosecution of cybercriminals, close counterterrorism cooperation, and groundbreaking support to youth-dominated social networks focused on corruption and mismanagement in government.

With extensive experience on Capitol Hill in Washington, the Ambassador has the instincts of a politician and uses this strength to work effectively with leaders from all elements of Romania's rough and tumble politics. With his legal background, the Ambassador has been an effective proponent of U.S. policies with Romania's government, as well as an untiring advocate for rule of law in a country that is perceived as very corrupt.<sup>1</sup> The Bureau of European and Eurasian Affairs has the highest regard for the Ambassador's leadership and effectiveness as a diplomat. Bureau leaders regard him as a role model for both career and noncareer chiefs of mission.

The deputy chief of mission (DCM) is an experienced career officer who served a lengthy period as chargé d'affaires in his previous posting, led a consulate general in Germany, and worked over a decade ago as management officer in Bucharest. With an activist Ambassador focused outside the mission and with very capable embassy sections and U.S. government agencies supporting the Ambassador, the DCM has dedicated the bulk of his time and attention, since arriving in late summer 2011, to build and strengthen the mission's management team. The DCM demonstrated extraordinary leadership as the embassy handled the first gender reassignment of a Foreign Service officer. Working closely with that officer, the DCM brought all necessary elements together to manage the mission's response to this transition tactfully and appropriately.

In September 2011, the mission moved from nine separate locations in central Bucharest to an NEC on the north side of the city near the main international airport. This consolidation of embassy operations on a single compound immediately enhanced communication opportunities across sections and agencies. After the move to the NEC, the Ambassador continued the practice of holding a weekly country team meeting that brings together section chiefs and agency heads. The DCM meets weekly with sections chiefs and on a monthly or twice-monthly schedule with most agency heads. Section chiefs and other agency heads have ready access to the Ambassador and DCM. With the Ambassador's strong focus on external policy issues, some sections with an operational focus, such as consular and management, regard him as somewhat distant despite their inclusion in embassy community events and his occasional visits to their sections. The

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<sup>1</sup> In its 2011 report, Transparency International's corruption perception index put Romania at number 74 (tied with China) out of 183 countries and territories assessed. Romania was assessed at 3.6 on a scale of 0-10, where 10 is a perception of no corruption.

inspectors discussed with the Ambassador how he might strengthen these inside elements' appreciation of his objectives and their roles in supporting them.

The Ambassador has organized three offsite strategy sessions during his tenure, and he found these useful in assessing progress on strategic objectives and assigning tasks. He has a weekly scheduling meeting that includes key members of the front office staff, protocol assistants, his spouse, and political and economic section representatives; these meetings are tactical, not strategic, in focus. Meetings required by regulation, such as the emergency action committee and Visas Vipers committee, happen as they should. However, with the exception of the Ambassador's occasional strategic offsite meetings, the mission does not bring together sections and agencies to do strategic planning. Many employees described the mission to the Office of Inspector General (OIG) team as "territorial" or stovepiped. A case in point was the preparation of a unified mission approach to an emerging economic/commercial issue. In this instance, the front office asked the economic section and the Foreign Commercial Service to develop a missionwide policy on this issue. The economic section prepared an initial draft which it then sent to the Foreign Commercial Service counselor for comment. Even though the draft plan recognized the need for public diplomacy to be a critical part of the plan, that section was not involved or initially asked for comment. In talking about this issue with the inspection team, mission leaders realized they needed a more inclusive approach for coordination and cooperation on this important issue.

In August, the Ambassador will have served in his position for 3 years. His expectation is that he will depart Bucharest before the end of 2012. Given the U.S. electoral cycle, it is therefore likely that the mission will be without a nominated and confirmed chief of mission for a number of months after his departure. The Ambassador is anxious that the strategic objectives he has set for the mission carry on during this hiatus and that the stage be set for his successor. He has confidence the DCM will provide strong leadership to the mission in that interim period, but both he and the DCM realize that as chargé d'affaires, the DCM will have an enormous burden of both inside and outside duties.

In some other U.S. missions, chiefs of mission have found that strategic working groups, composed of sections and agencies involved in achievement of mission objectives, are effective tools. At Embassy Bucharest, the Ambassador has laid out a clear set of goals. When talking to the inspection team, the Ambassador and DCM saw the potential value of initiating strategic working groups that include the economic, political, and public diplomacy sections and agencies such as the Foreign Commercial Service and Defense attaché office. These can build broader mission communication, coordination, and cooperation to pursue the Ambassador's goals now and after he leaves and to support the DCM's intent to provide continuity without loss of momentum between chiefs of mission.

**Recommendation 1:** Embassy Bucharest should establish strategic working groups composed of all appropriate and necessary sections and agencies to pursue the mission's policy objectives. (Action: Embassy Bucharest)

### *First- and Second-Tour Officers and Staff*

Embassy Bucharest has more than a dozen first- and second-tour Foreign Service officers and specialists. The DCM has embraced his responsibility to mentor and provide professional development opportunities for these new employees. He organizes weekly brown bag events with subject matter experts and makes himself available to respond to questions during these sessions. He works with newly arrived staff members as they prepare their work requirements statements and serves as reviewing officer for all entry-level American employees. The inspection team suggested including travel and public speaking responsibilities into the work requirements statements of new employees to provide additional professional development opportunities to mission employees.

### *Emergency Preparedness*

Bucharest is at high risk for a seismic event.<sup>2</sup> A major earthquake in March 1977 resulted in 1,500 deaths and caused great damage. Preparing the mission, its staff, and families for a potential natural disaster is a necessity. With the departure of an American employee who took the lead on this important responsibility, the mission's emphasis on emergency preparedness has flagged. The departed employee encouraged mission leaders to organize town hall meetings on the subject and conduct realistic disaster drills. The Ambassador and DCM acknowledged to the OIG team the need to reinvigorate mission efforts in this area. The inspection team identified several emergency preparedness areas that need further attention; these are discussed later in this report and its classified annex.

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<sup>2</sup> The Department maintains a "Level of Seismicity at Foreign Service Posts and Consular Agencies" listing with seismicity levels by zone ranging from zero, extremely low, to 4, very high. Bucharest is listed as zone 3. A U.S. Geological Survey map shows Romania as being second only to Turkey for seismic risk in Europe.

## **Policy and Program Implementation**

### **Political Section**

The embassy's political section is efficient and fully staffed. Washington consumers praised the embassy's reporting, particularly on the formation of a new government, attitudes toward NATO, and U.S. missile defense plans. The Ambassador relies on the political officer as a substantive deputy and regularly discusses political issues with section staff. LE staff members contribute to all substantive section reporting.

### **Economic Section**

The economic section provides well-sourced, clearly written economic analysis and good reporting on local economic and finance issues. U.S. exports of manufactured goods and services have steadily increased since 2009 and reached a 4-year high of approximately \$914 million in 2012. Economic reporting and advocacy priorities in Romania, such as anticorruption, access to emerging markets, and Romanian energy policy, have implications for U.S. economic and commercial advocacy efforts.

There has been a notable lack of regular collaboration among the Foreign Commercial Service, the economic section, and the public affairs section (PAS) with respect to commercial advocacy. The need for an integrated approach to communication and cooperation through strategic working groups is discussed more fully in the Executive Direction section of this report. Greater cooperation among these mission elements would increase the Ambassador's ability to support economic statecraft.

The economic section has good access to the host government, business community, and financial institutions in the capital. As a result, embassy reporting is detailed and presents a good picture of Romanian economic realities in a time of economic instability. Washington consumers cited embassy cables on energy policy, the banking system, and anticorruption efforts as examples of useful and timely reporting. The embassy's economic reporting tends to focus on the capital. Additional reporting on the impact of economic austerity on a largely rural society would give Washington a more complete view of developments in the broader Romanian economy.

### ***Embassy Daily Report***

Under the direction of the DCM, the political and economic sections oversee the drafting and editing of a daily wrap-up report, which is a review of notable events in Romania that may or may not be worthy of more complete reporting. Drafting the daily report is a time-consuming task that requires several hours a day from reporting officers, section chiefs, and the DCM. The embassy began preparing this product in response to a desire from Washington for more frequent reporting. However, in the past year, the embassy has steadily increased the frequency and timeliness of its front-channel reporting, which makes the daily report somewhat redundant. Though still useful to the Bureau of European and Eurasian Affairs for spot reporting, the report could be shortened to address only issues of interest to Washington.

**Recommendation 2:** Embassy Bucharest, in coordination with the Bureau of European and Eurasian Affairs, should streamline the daily report production process. (Action: Embassy Bucharest, in coordination with EUR)

### *Travel Plans*

The political and economic sections do not have travel plans for in-country travel. In addition, travel and internal regional responsibilities are not included in officers' work requirements statements. The political and economic sections have successfully cultivated contacts in Bucharest. However, neither section has engaged in much travel outside the capital, where most Romanians live. Each section has entry-level officers who speak Romanian. Because many of the embassy's official contacts in Bucharest speak English, in-country travel provides valuable opportunities to use language skills, develop an understanding of perceptions in the hinterlands, and meet potential future leaders.

*Informal Recommendation 1:* Embassy Bucharest should develop travel plans for the political and economic sections and include travel within Romania in the work requirements statements of entry-level reporting officers.

### *Representational Plans*

The political and economic sections sponsor a relatively limited number of representational events, generally one-on-one meetings with key contacts or events planned to support official visitors from the United States. The sections do not have formal plans for representational outreach activities. Representation is an important skill for all political and economic officers to develop as they progress in their careers. Representational responsibilities also do not feature in the work requirements statements of political and economic section officers.

*Informal Recommendation 2:* Embassy Bucharest should develop representational plans for the political and economic sections and include responsibility for representational activities in the work requirements statements of entry-level officers.

### **Public Affairs Section**

Overall, PAS serves the embassy well. PAS employs a wide range of public diplomacy tools to inform and engage Romanian audiences, an effort aided by its operating in an environment where the United States and its policies are generally well received. The section could provide even greater value to the embassy, however, were the mission as a whole to take a more integrated approach to achieving its goals and to include public diplomacy considerations early and often in a revitalized strategic planning process. This issue is discussed more fully in the Executive Direction section of this report.

PAS has experienced, talented, and dedicated American and local staff. The section boasts an active speakers program, a thriving network of American Corners, regular artistic and cultural offerings, and a well-run International Visitor Leadership Program. The half-century old Fulbright Program, run by a binational board since 1993, enjoys extraordinary popularity and

prestige. The section's contacts with Romanian media, both print and electronic, are wide and deep. Mission-sponsored events and initiatives usually receive extensive coverage.

Despite its many external successes, PAS has experienced internal problems. (b) (5) [REDACTED] misunderstandings about how the public diplomacy budget could be used, and the physical separation of PAS from the rest of the mission hampered collaboration. The situation has improved with the section's move into the NEC and changes in the section's American staff. (b) (5) [REDACTED]

[REDACTED] During one 7-day period while the OIG team was in country, PAS sponsored programs in Bucharest and other Romanian cities for an editorial cartoonist, an expert on NATO, an army band, a jazz quartet, the deputy assistant secretary for public diplomacy in the Bureau of European and Eurasian Affairs, and a screening at the embassy of a documentary on the President. Creating and sharing a PAS activities calendar with the wider mission community will enable PAS to communicate its activities and identify avenues for possible collaboration with other embassy elements.

***Informal Recommendation 3:*** Embassy Bucharest should create, publish, and maintain a public diplomacy activities calendar on the mission's intranet site that includes all press, cultural, and Information Resource Center events.

### ***Cultural and Exchange Programs***

Programming U.S. experts is important to the mission and a core public diplomacy function. Reduced financial support from the Bureau of International Information Programs, however, has made it difficult for PAS to invite more than two or three experts a year to visit Romania. The section has responded by using its own funds to support speaker programs, expanding its use of digital videoconferences, promoting Web chats, and using in-house experts whenever possible.

The mission's well-run International Visitor Leadership Program focuses on themes important to the mission, including international security, rule of law, transparency and accountability, environmental protection, and nongovernmental organization management. Most embassy nominees were in the target age range (30-45), but more than 80 percent of nominees were based in Bucharest, indicating that embassy officers are not active enough in searching for good candidates outside the capital.

### ***Fulbright Commission***

The Romanian-U.S. Fulbright Commission directs the Fulbright Scholarship Program in country. The public affairs officer and the cultural affairs officer are ex officio members of the binational board that oversees the commission. Romanian alumni of the program form part of the country's cultural, intellectual, and political elite, and many American alumni of the program retain strong ties to Romania.

Despite its many successes over the years, the commission and its newly installed director—a former Fulbright scholar—face big challenges. The U.S. contribution to the commission’s budget, \$1.5 million in FY 2011, is being reduced by 5 percent. The United States currently pays two-thirds of the budget but is seeking parity in contributions from European countries with binational commissions. The agreement governing the commission’s operations is due for renewal. The public affairs officer’s successor will face the challenge of renegotiating the agreement while also dealing with increased program costs, lower U.S. contributions, and Romanian dismay over the suspension of the Fulbright Senior Specialist Program.

### ***Alumni Programming***

PAS has devoted minimal attention to working with alumni. Only 13 percent are registered on the Department of State’s (Department) alumni Web site. Washington funded a temporary alumni coordinator position in Romania in FY 2010, but the coordinator—an employee of the Fulbright Commission—focused her efforts on Fulbright alumni. Though her work resulted in a significant increase in Fulbright alumni registration rates, she left untapped Romanian alumni of other U.S. Government-sponsored exchanges, including those by entities other than the Department and the U.S. Agency for International Development. Such alumni represent a natural asset for the mission’s efforts in Romania, but finding and engaging them requires a sustained effort. Budget constraints preclude hiring a full-time alumni coordinator, and PAS cannot easily add alumni outreach responsibilities to anyone in the cultural unit. The OIG team suggested that PAS hire someone to conduct alumni outreach until the return of a staff member currently on long-term leave.

***Informal Recommendation 4:*** Embassy Bucharest should reprogram the encumbered public affairs section local staff position, currently vacant, to focus on alumni programming and other critical needs of the section.

### ***Information Outreach***

An American information officer and four LE information assistants ably navigate a complex media environment that consists of a large and diverse number of outlets prone to sensationalized reporting and promotion of their owners’ political and financial interests. The Freedom House 2012 Freedom of the Press report rated the Romanian press as “partly free,” ranking it 86th of 197 countries and last among European Union member countries. Despite the challenges, PAS makes the mission’s voice heard and has shepherded the Ambassador through an active schedule of media engagements. The press unit earns high marks from embassy colleagues and Washington audiences for its daily news summary, media support, and spirit of collaboration.

The press unit prepares a written daily media summary, a task that it normally completes by midday. Though this production schedule meets the needs of Washington consumers, it poses a challenge for embassy officers who need to know what the press is reporting before heading out to meetings with Romanian officials. In discussions with inspectors, however, the unit noted that it monitors the Ambassador’s calendar and provides an oral press briefing earlier in the day, if needed.

Press unit employees rely heavily on the Internet to access media resources, but say that slow connections and an inability to access specific media Web sites hamper efficiency. Several employees identified Internet performance and access as their most significant challenges. The embassy has a dedicated Internet terminal for PAS to use, but it is located in the cultural unit. Moving one of the embassy's underutilized dedicated Internet network workstations to a location where it can be more fully employed is a better use of mission resources.

***Informal Recommendation 5:*** Embassy Bucharest should move the public affairs section's dedicated Internet network workstation in the cultural unit to the press unit.

Embassy engagement with the local and international press is governed by the mission media policy. The policy was last issued in November 2010 and is outdated. Though the OIG team did not observe any adverse impact related to the outdated policy, common practice is to review, update, and reissue the policy at least annually to ensure all mission members are aware of rules governing media interaction.

***Informal Recommendation 6:*** Embassy Bucharest should update and reissue the mission media policy.

### ***Social Media***

In 2010 PAS launched several social media platforms to reach and engage Romanian audiences. The embassy's primary Facebook page has nearly 3,000 fans and includes a link to the Ambassador's blog and informational posts from the embassy. It also contains a limited number of posts from individuals who visit the page. Social media in Romania is growing rapidly as well, and Romania now has more than 4 million Facebook users, up from 1.3 million in 2010. The embassy's YouTube channel and Flickr site serve as repositories for embassy photo and video content. The consular section has a separate Facebook page with approximately 450 fans; it is targeted to individuals interested in consular information. The embassy has enjoyed several significant social media successes, including using Facebook to live-stream the Ballistic Missile Defense Agreement signing and to register participants for the Information Resource Center's (IRC) Night of the Libraries program.

However, the embassy's social media sites are not as effective as they could be. Part of the problem is limited staffing resources; a larger issue is that the embassy as a whole has not incorporated the use of social media into its strategic planning and daily operations. The embassy does not update its social media sites, particularly its Facebook page, often enough to keep content fresh and interesting; whatever updates occur usually originate with PAS. The lack of an overarching embassy strategy for using social media is ironic, given its support for the Restart Romania project, which engages Internet users to discuss and develop ideas for Web-based solutions to social justice issues.

**Recommendation 3:** Embassy Bucharest should implement a strategy for social media engagement, including the integration of social media into the activities of the strategic working groups. (Action: Embassy Bucharest)

The embassy's social media sites are not fully compliant with requirements outlined in 5 FAM 790, which govern the use of social media. Specifically, the sites are not registered in the Department's Information Technology Asset Baseline, as required in 5 FAM 793.1 d. Further, both the embassy's primary Facebook page and the consular Facebook page feature third-party advertising, which is prohibited in 5 FAM 794 a.(6)(a). The OIG team discussed the relevant regulations with embassy staff members, who immediately took steps to bring the embassy's Web sites into compliance with regulations.

**Recommendation 4:** Embassy Bucharest should implement a plan to bring its social media sites into compliance with Department of State regulations on social media. (Action: Embassy Bucharest)

### ***Information Resource Center***

The IRC provides a range of information services to the Romanian public and embassy personnel. It is responsible for maintaining the embassy's Web site and social media platforms and also provides direction to a network of nine American Corners, extending the reach of the mission well beyond the capital.

The IRC's move to the NEC had a significant impact on its operations. No longer in the city center and located far from public transportation, the IRC is not easily accessible to contacts. Visits to the IRC are by appointment only, and hosting large groups of visitors is hampered by space constraints and security screening procedures. By contrast, during the IRC's mid-1990s heyday as the American Library, it was conveniently located in downtown Bucharest, had ample programming space, and hosted an average of 1,000 visitors each day.

To meet the post-move challenge of remaining engaged with the public, IRC staff began an aggressive campaign of outreach and programming. The IRC also ramped up two key programs that target youth audiences: "Meet America," which arranges presentations by diplomats, Peace Corps volunteers, Fulbright scholars, and other Americans at local schools, and "America in the Movies," which provides screenings at the embassy or local schools of documentaries and other American films. The two programs combined have reached an audience of more than 1,600 young people in the 6 months since the move.

The IRC's staff also produce publications directed at internal and external audiences. A daily digest, called *Today's Press*, provides embassy staff with articles on Romania published in American and international media. The OIG team believes this publication is not needed. Embassy employees can easily access the same articles through the Internet. Eliminating the digest would enable IRC staff to focus more time and effort on publications targeted to Romanian audiences and aligned with the mission's strategic goals.

***Informal Recommendation 7:*** Embassy Bucharest should discontinue the internal *Today's Press* publication.

### *American Corners*

The IRC director oversees the mission's American Corner Program. The OIG team initially questioned whether a country the size of Romania warranted having nine American Corners. The answer is yes. The Corners extend the mission's reach in a cost-effective way. In 2011, the Corners held 288 programs that reached a total audience of nearly 25,000 people. Eight of the nine Corners are active and well managed. PAS is in the process of transforming an underperforming Corner in Bucharest into an English teaching center and establishing a new American Corner at the National Library of Romania.

### *Grants Management*

PAS has a midsize grants program that aligns well with the mission's strategic objectives. In FY 2011, the section awarded \$720,442 in grants, including nearly \$178,000 from the Support for East European Democracy fund, which the U.S. Agency for International Development transferred to PAS following that agency's departure from Romania in 2008. As of May 2012, PAS had awarded \$466,322 in grants, including nearly \$381,000 in Support for East European Democracy funds. This residual funding has enabled PAS to continue to focus significant resources on key mission objectives such as anticorruption and civic engagement. With the depletion of these funds nearing, the mission will need to craft innovative ways to continue engagement in these key areas.

The OIG team examined a selection of grants files and found them to be well organized and, for the most part, to conform to Department requirements. A small number of files reviewed did not contain appropriate justifications for awarding grants noncompetitively. In at least one instance, a competitive grant opportunity was not listed in Grants.gov, as required by Department and Office of Management and Budget policy. The OIG team counseled PAS staff on complying with grants policy directives and requirements pertaining to publicizing grants opportunities.

### *Consular Section*

The consular section is well run and provides efficient, professional service to U.S. citizens and foreign nationals seeking consular services and assistance. Romania currently does not meet technical criteria to join the Visa Waiver Program but is interested in joining this program at the earliest opportunity. The consul general provides guidance on this policy concern, but his expertise could be more fully incorporated into decisionmaking within the mission. Romanian adoption issues attract considerable attention from the international adoption community. The Summer Work Travel Program is popular with young Romanians and constitutes a significant workload component for the nonimmigrant visa unit.

### *Consular Section Space and Public Areas*

When the NEC opened in 2011, the consular section's office space improved significantly, but the new configuration also created operational challenges. For example, the open floor plan is spacious and allows for good line of sight. However, the cashier booth has two windows when only one is needed, and none of the 14 interview windows are fully accessible to disabled visa applicants.

The public entrance to the consular section is physically separate from the main entrance to the embassy to facilitate applicant security screening. Applicants stand in a covered, narrow walkway on a public sidewalk on the opposite side of the street from the embassy compound prior to security screening. The U.S. Government does not control this neighboring property, and there is no designated pedestrian walkway. The Consular Management Handbook (7 FAH-1 H-280) requires that overseas missions provide secure and appropriate public waiting areas. Applicants have to dodge cars and trucks when approaching the consular entrance, creating a safety hazard for consular clientele.

**Recommendation 5:** Embassy Bucharest should construct a covered area adjacent to the embassy compound for consular applicants waiting to process through the consular controlled access entrance. (Action: Embassy Bucharest)

The consular waiting room has a long, narrow configuration. During the past winter, the temperature in the waiting room approached freezing, and ice formed between the panes of glass in the windows. The waiting room also creates traffic flow issues, as the area between the consular interview windows and the waiting area also serves as the main passageway through the waiting room. (b) (5)

There is no easy remedy to these problems as they are inherent in the building's design.

### *American Citizens Services*

The American citizens services unit provides timely, professional assistance and services. The unit does a good job maintaining a warden network, conducting outreach to Americans throughout the country, and keeping the consular part of the embassy's duty book current. The unit also has devoted attention to emergency preparedness. The newsletter for Americans in Romania includes tips on emergency preparedness. The consular section inventories and regularly updates the contents of "go-kits" that allow consular officers to provide offsite services in the event of a natural disaster. The OIG team commended the consular section for attention to the duty materials and emergency preparedness.

Seven Americans are in prison in Romania, and consular officers visit them regularly. The unit averages 45-60 Americans citizen death cases each year, the majority being ethnic Romanian-American retirees. In 2009, Romania and the United States negotiated a bilateral extradition treaty, and in the past 12 months, the American citizens services unit participated in extraditing 11 people; the unit is currently processing another 12 cases.

### *Visa Services*

The immigrant visa unit and the nonimmigrant visa unit function efficiently. Wait times for appointments are within global service standards and did not exceed 18 days at any time during the last year for nonimmigrant visa applicants. An estimated 5,000 young Romanians were expected to apply for the Summer Work Travel program, and the entire consular section worked as a team to expedite those cases on special interview days. The consular section held a

reception for returned participants to gain more information about their experiences with the program. The embassy enlisted all consular officers to process these applications and also sought help from an economic officer who had a consular title. Including officers from other sections in this manner is a commendable practice that is a good use of available resources to meet surge needs.

The Bureau of Consular Affairs plans to implement the Global Support Strategy program in Romania in August 2012. This program will outsource to a contractor certain consular business functions, such as collecting consular fees, providing information to the public, setting up visa appointments, and returning passports to applicants by courier. At present, six LE staff members work in the nonimmigrant visa unit, rotating through different tasks. When the program is activated, the workload for nonimmigrant visa LE staff is likely to change.

### *Embassy Referral Program*

The embassy referral program is not fully compliant with consular regulations in 9 FAM Appendix K, Exhibit 1. A review of referrals from the past 12 months found that entry-level officers had adjudicated 21 embassy referral visa cases, of which 19 did not have associated documents scanned into the system in accordance with guidance. Both these practices are inconsistent with worldwide consular referral policy procedures.

**Recommendation 6:** Embassy Bucharest should comply with all requirements of the worldwide referral policy. (Action: Embassy Bucharest)

### *Visas Viper*

The Visas Viper program is an interagency initiative to make information available to consular visa sections about known and suspected terrorists. The embassy holds regular monthly Visas Viper committee meetings but has submitted reports after their due dates on five occasions. Guidance in 9 FAM 40.37 N5.2 requires that reports be submitted by the 10th day of each month. The embassy prepared one submission in the past year that included six names; this submission was in the correct format. Timely reporting of Visas Viper information is important to keep Washington agencies informed of visa applicants with potential ties to terrorist organizations.

**Recommendation 7:** Embassy Bucharest should institute procedures to ensure that cable reports of Visas Viper committee meetings are submitted on time. (Action: Embassy Bucharest)

### *Immigrant Visa Unit*

The immigrant visa chief oversees the immigrant visa unit. Appointments are scheduled for afternoon hours after nonimmigrant visa interviews, which is an efficient practice. In 2010, the embassy transferred responsibility for processing most Moldovan immigrant visa cases to Embassy Chisinau and completed the transfer of remaining immigrant visa functions in 2011. Embassy Bucharest's LE staff levels were reduced accordingly. As noted earlier in this report, the Government of Romania plans to allow limited international adoptions of Romanian children by foreign nationals of Romanian heritage. Consequently, a few Romanian-American families

have made inquiries indicating interest in adopting orphans. Although the workload is currently negligible, the issue is an emotional, high-profile one for the adoption communities in the United States and in Romania.

### *Consular Computer Equipment*

The consular section's computer servers were installed in 2006 and 2008 and are at the end of their lifespan. The embassy has made initial inquiries about replacing the servers, but has not yet completed steps needed to order the servers. An Office of Consular Systems and Technology cable (08 State 082229) states that consular servers and work stations would be moving to a 4-year replacement cycle rather than a 3-year cycle. Responsibility for replacing consular computer equipment is shared by the embassy and the Bureau of Consular Affairs. The Bureau of Consular Affairs provided 55 new computer work stations and other consular equipment in 2010 and 2011, but it did not replace aging network servers at that time. Consular services require reliable information technology and Internet connectivity. The absence of proper lifecycle management increases the risk of a server failure and corresponding interruption of consular services to the public.

**Recommendation 8:** Embassy Bucharest should complete an updated inventory of consular information management equipment, including the date of receipt, and request replacement and backup equipment from the Bureau of Consular Affairs. (Action: Embassy Bucharest)

Guidance from the Bureau of Consular Affairs pertaining to the replacement of consular computer equipment is confusing and outdated. The consular section of the Foreign Affairs Manual does not describe the ordering process in detail, and guidance available on the Consular Systems Division Web site is also outdated. In the absence of clear procedures for ordering and replacing computer equipment, embassies may experience difficulty in efficiently managing consular information management needs.

**Recommendation 9:** The Bureau of Consular Affairs should provide updated cable and intranet guidance to Embassy Bucharest regarding the supply and replacement cycles for consular equipment, including servers, what equipment is the responsibility of the Bureau of Consular Affairs, and what equipment should be requested from other sources. (Action: CA)

Nonimmigrant visa applications must be submitted electronically through the Internet. Applicants can make corrections but must have access to the Internet to do so. The staff cannot make corrections to visa applications. The chancery is located in an area somewhat remote from public transportation. The closest shopping area does not contain an Internet café, and applicants are prohibited from bringing laptops or electronic wireless devices into the consular section. Given the location of this embassy, a dedicated Internet network terminal in the consular section waiting area would be an important customer service tool.

**Informal Recommendation 8:** Embassy Bucharest should install a dedicated Internet network workstation in the consular waiting room.

***Fraud Prevention Unit***

The fraud prevention unit functions well. The unit reviews all incoming visa applications, performs validation studies, and searches U.S. and Romanian resources for business, educational, and familial information, when necessary.

As a member of the unit, the assistant regional security officer for investigations assists the consular section as a law enforcement asset who coordinates with Romanian and U.S. law enforcement entities. This employee does not regularly attend the weekly consular section meeting, which diminishes his integration with the full consular section team.

***Informal Recommendation 9:*** Embassy Bucharest should require the assistant regional security officer for investigations to attend consular section staff meetings.

In addition, the officer spends 2 days per week working with the regional security office and only 3 days per week in the consular section. The memorandum of understanding between the Bureau of Consular Affairs and the Bureau of Diplomatic Security establishes a split between consular work and security work for these positions, with 80 percent of the officer's time dedicated to consular issues.

***Informal Recommendation 10:*** Embassy Bucharest should revise the work requirements statement of the assistant regional security officer for investigations to emphasize his consular fraud prevention responsibilities.

**Resource Management**

<b>Agency</b>	<b>U.S. Direct-Hire Staff</b>	<b>U.S. Local-Hire Staff</b>	<b>Foreign National Staff</b>	<b>Total Staff</b>	<b>Total Funding FY 2011</b>
<b>Department of State</b>					
Diplomatic and Consular Programs	49	3	29	81	\$3,935,100
ICASS	8	6	174	188	\$8,735,000
Public Diplomacy	3	0	17	20	\$2,163,517
Diplomatic Security	2	0	46	48	\$1,388,589
Marine Security	7	0	0	7	\$206,200
Representation	0	0	0	0	\$33,800
<b>Department of Agriculture</b>					
Foreign Agricultural Service	0	0	2	2	\$97,604
<b>Department of Defense</b>					
Defense Attaché Office	12	1	3	16	\$913,620
Office of Defense Cooperation	5	0	4	9	\$245,700
U.S European Command/ U.S. Army in Europe	1	0	1	2	\$216,600
U.S European Command/ U.S. Air Forces in Europe	1	0	0	1	\$122,712
Olmsted Scholarship	2	0	0	2	\$42,000
<b>Department of Justice</b>					
Drug Enforcement Administration	2	0	0	2	\$130,000
Federal Bureau of Investigation	5	0	0	5	\$388,529
Legal Attaché's Office	1	0	0	1	\$642,400
<b>Department of Homeland Security</b>					
U.S. Secret Service	3	1	2	6	\$501,900
<b>Peace Corps</b>	3	0	2	5	\$2,038,700
<b>Foreign Commercial Service</b>	1	0	7	8	\$627,699
<b>Totals</b>	105	11	287	403	\$22,429,670

## **Management Operations**

The greatest challenge for the management section in the last year was the relocation of all mission operations to the NEC. This move was well planned and well executed. Although some residual issues have yet to be resolved, embassy personnel now work in a secure and functional office building. The management section faces another challenge: an almost complete turnover of American management staff, which could affect the section's ability to provide timely and responsive service.

Despite the intense efforts associated with the relocation, the management section maintained an adequate level of support to the mission community. In fact, recent customer surveys indicate a relatively high degree of satisfaction with International Cooperative Administrative Support Services (ICASS). In the 2012 ICASS customer satisfaction survey, the overall average score for ICASS services was higher than both the Bureau of European and Eurasian Affairs and worldwide average scores. Further, the average scores for Embassy Bucharest show a marked improvement over those from the previous 4 years.

The management section is directed by a seasoned management officer. He is well regarded by his staff for creating a positive work environment. Knowledgeable and experienced officers fill key positions in financial management and the information management office. Embassy management recognizes the importance of training to ensure staff productivity and performance and has dedicated substantial funds for training.

## **Financial Management**

The financial management office is directed by an experienced and highly competent financial management officer. In addition to her normal duties, she serves as the embassy's Federal Women's Program coordinator, post language officer, and treasurer of the employee association. Feedback from colleagues and customers indicated a high degree of satisfaction with the financial management office's efficiency and customer service orientation. Average scores for overall financial management operations, as well as for all financial management subfunctions, exceeded comparable scores for both the 2012 ICASS customer survey and OIG's questionnaires.

## ***Vouchering***

Embassy Bucharest outsourced travel voucher processing to the Bureau of the Comptroller and Global Financial Service's Post Support Unit for all mission personnel except the Ambassador and DCM. The Bureau of European and Eurasian Affairs strongly supports this initiative, and has declined to authorize filling a vacant voucher examiner position. The fact that vouchers are no longer processed locally has somewhat eroded the level of customer satisfaction for voucher processing, particularly among other agency personnel. Scores on ICASS questionnaires for voucher services have declined in recent years, possibly because of this change.

### *Cashier Services*

Embassy Bucharest has a Class B cashier and seven subcashiers. Cash counts for the subcashiers are conducted by the respective supervisors, as required. The Class B cashier maintains an authorized advance of (b) (5) an amount that is sufficient to cover normal operational requirements. The Class B cashier also provides accommodation exchange services for the mission community. Department policy requires overseas missions to employ commercial banks or automatic teller machines to provide accommodation exchange when possible. However, Romanian banking laws do not allow banks to provide such services unless the customer has an account with the bank. Embassy management submits the required annual request to the Department justifying the need for in-house accommodation exchange services.

### *International Cooperative Administrative Support Services*

ICASS operates effectively and in accordance with established policies and regulations. The ICASS council is properly constituted and the chair rotates among the respective council members. There is a separate budget subcommittee that reviews financial targets and invoices. ICASS meetings are held at appropriate intervals, with advance agendas and minutes prepared and posted on the embassy's Web page.

### *Travel Advances*

Embassy Bucharest frequently issues travel advances to local employees going on official travel as well as to travelers participating in the mission's numerous invitational travel programs. The justification for use of cash advances is that credit cards are not in common use within Romania, and travelers do not have a government travel card to pay travel expenses. However, most travel advances are issued for international travel in countries where credit cards are in common use, such as Germany and the United States. The inspectors noted that prepaid credit cards may be a viable alternative to cash advances for this travel.

***Informal Recommendation 11:*** Embassy Bucharest should issue prepaid credit cards in place of cash advances for local employee travel.

### **Human Resources**

Customer satisfaction with overall human resources services is somewhat lower than for other management section services. Average scores on the 2012 ICASS customer satisfaction survey were lower than the Bureau of European and Eurasian Affairs and worldwide averages, and also reflected a negative trend from prior year scores. The OIG questionnaires scores indicate a similar rating of overall services, which were well below those of embassies previously inspected. The surveys reflect a higher degree of satisfaction with LE staff services but suggest that improvement is needed in human resources services to American employees. Some customers cited dissatisfaction with the lack of human resources officer engagement in dealing with problems involving eligible family member employment.

***Equal Employment Opportunity***

Embassy Bucharest actively promotes Equal Employment Opportunity (EEO) and diversity within the mission. Respondents to OIG questionnaires indicated a high degree of appreciation for the sensitivity of the executive office to EEO issues. Many specifically cited the manner with which embassy management addressed the gender reassignment of an American staff member as evidence of management’s commitment to diversity in the workplace. An EEO counselor was appointed and received training prior to his arrival, and his designated successor also has received training. An EEO liaison for the LE staff also has been appointed and received formal training. There was one minor deficiency noted in the EEO program. Some work requirements statements for American officers did not include a statement regarding their ongoing responsibility for support and adherence to principles of EEO and diversity.

***Informal Recommendation 12:*** Embassy Bucharest should review the work requirements statements for all American officers and revise those that do not contain an ongoing responsibility to support and adhere to principles of Equal Employment Opportunity and diversity in the workplace.

***Locally Employed Staff Morale***

Working relationships between American and LE staff are marked by close coordination and mutual respect. The overall atmosphere of collegiality contributes to the effectiveness of embassy operations. (b) (5)



***Language-Designated Positions***

There are 21 language-designated positions at Embassy Bucharest. Romanian language is not essential to the work of the mission for a substantial number of Romanian language-designated positions. Eight of the positions are located in the consular section, five are in the political section, four are in the economic section, three are in PAS, and two are in the regional security office. Twenty of the positions are designated 3/3 (general professional level proficiency in reading and speaking). Consular officers routinely use Romanian in their daily work and for public outreach. The public affairs officer occasionally uses Romanian for public speaking. Other officers reported only a marginal need for Romanian language skills. It is not a good use of U.S. Government funds to provide costly language training for positions that do not require it. The embassy has not reviewed its language-designed positions to determine whether the officers need language proficiency to successfully perform their job duties.

**Recommendation 10:** Embassy Bucharest should conduct a comprehensive review of its language-designated positions and amend its submission to the Bureau of Human Resources to reduce the number of positions that are designated for language training. (Action: Embassy Bucharest)

### **General Services**

Overall satisfaction with the general services office is relatively high among American personnel, and the LE staff are capable and service-oriented. The shipping section has a relatively new supervisor, and the procurement section supervisor and deputy recently retired leaving vacant positions. The unit has instituted electronic filing systems for most operations, including the shipping operation, which is now almost entirely paperless.

### ***Housing***

The embassy manages a housing pool of 93 residences, the majority of which are leased. With the completion of the NEC in the northern suburbs of Bucharest, the mission has sought to increase the number of residences in this part of the city. However, newly constructed buildings are often of poor quality. The depressed local real estate market has slowed construction of suitable new properties in the vicinity of the embassy. Embassy employees raised concerns about a lack of timely residential maintenance support and perceived sluggishness on the part of embassy landlords in making required repairs.

The interagency housing board has struggled to reach consensus about the appropriate mix of housing near the embassy and in the city center. The housing assignments process is not well documented in housing board minutes. With the arrival of a new supervisory general services officer, the housing board has an opportunity to revisit the embassy's long-term housing requirements and increase collaboration between the general services office and the mission on housing issues. The OIG team discussed with the Ambassador and DCM the value of using an embassywide forum, such as a town hall meeting, to explain this strategy once it is developed.

***Informal Recommendation 13:*** Embassy Bucharest should develop a housing pool strategy based on the projected needs of the mission and availability of housing, with input from the interagency housing board.

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

The DCM residence includes a swimming pool that does not meet the Department's safety standards. Deficiencies include gates that do not have self-locking mechanisms, a lack of depth markings in the pool, and a lack of required rescue and emergency response equipment within the pool area. The absence of these essential safety features poses a risk of accidental injury or drowning.

**Recommendation 11:** Embassy Bucharest should install all required safety features for the pool at the deputy chief of mission's residence. (Action: Embassy Bucharest)

### *Facilities Maintenance*

The facilities management unit faced myriad challenges associated with the move into the NEC in 2011. The new building greatly improved operational efficiency for all mission elements, but the facilities maintenance staff encountered a much different and more complex set of responsibilities. In order to maintain sophisticated building systems, the facilities manager arranged training for his staff, recruited additional specialists from local engineering schools, and developed a comprehensive preventive maintenance schedule.

Even with the demands associated with the NEC, the facilities maintenance staff met the expectations of mission customers for quality of service. ICASS and OIG surveys indicated a high degree of satisfaction with office building maintenance and a lesser yet still positive assessment of residential maintenance. The early departure of the facilities manager will leave a gap of 6 months before the arrival of his replacement, but mission management is confident that the LE staff will continue to provide quality maintenance support.

### *New Embassy Compound*

Upon moving into the NEC, embassy management noted a number of significant issues with the facility's design and construction quality. The embassy facilities team has devoted a great deal of time and energy to correcting problems. Some of the other projects completed following the move into the new embassy compound include building a secure receiving area in the warehouse, adding a kitchen to the staff and shop areas of the warehouse, resurfacing the outdoor walkways, and enclosing the staircases of the parking garage. A number of remaining problems must be resolved by the mission or the contractor under warranty, including a leaking potable water tank, moisture in the first floor windows that produced ice during the winter, poor quality concrete work, inoperable locks, and a faulty alarm system. The Bureau of Overseas Buildings Operations expects to conduct a post occupancy evaluation program visit in November 2012 to assess comprehensively the embassy's experience in the chancery.

**Recommendation 12:** Embassy Bucharest should prepare a lessons learned cable for the Bureau of Overseas Buildings Operations, providing details and costs for all remedial new embassy compound projects completed thus far by the original contractor, the facilities maintenance staff, or other contractors, the scope and cost of all pending work orders to remedy construction problems, and observations about the design of the facility, including areas for improvement. (Action: Embassy Bucharest)

### *Chief of Mission Residence*

The embassy has occupied the chief of mission residence since 1975 and makes excellent use of the large representational space both inside the house and on the grounds, previously a park. However, the Government of Romania's post-communist property restitution process has divided the property into multiple lots with different owners. This situation has created a number of problems, including disagreements among the three landlords about responsibility for maintenance repairs. The most significant problem is the crumbling stairs on the terrace leading from the house into the garden, which traverse all three properties. The embassy has attempted to negotiate repairs to these stairs, to date unsuccessfully. The owners of one lot in particular are

not interested in leasing the lot, but instead have offered to sell the property to the Department. In an attempt to retain this attractive and functional residence in downtown Bucharest, the embassy is evaluating several possible options, ranging from extending a short-term lease on one of the parcels to purchasing all the properties in question. Embassy management also has consulted with the Bureau of Overseas Buildings Operations, but the OIG team concluded that the embassy and the bureau did not have a common understanding of the facts regarding the property and local real estate law. The two existing leases for the property are due to expire in September 2012 and in 2014, respectively, and the owners of a third lot are eager to sell.

**Recommendation 13:** Embassy Bucharest should prepare a front-channel cable to the Bureau of Overseas Buildings Operations that discusses all viable options regarding the chief of mission residence, including the challenges and benefits of each option, and the embassy's recommended course of action. (Action: Embassy Bucharest)

The owners of the third lot have submitted to the embassy a demand for the payment of approximately \$290,000 in back rent. The owners notified the embassy in 2010 of the change in ownership and the leases the embassy currently holds on the residence property exclude this lot from the description of leased property. The embassy forwarded to the Bureau of Overseas Buildings Operations all prior communication with the owners, but as of the date of this inspection, there had been no resolution of the rental claim and limited progress regarding an agreement with the owners to acquire the property.

**Recommendation 14:** The Bureau of Overseas Buildings Operations, in coordination with the Office of the Legal Adviser and Embassy Bucharest, should determine the liability for back rent and propose a settlement with the owners of the property. (Action: OBO, in coordination with L and Embassy Bucharest)

### *Procurement*

The procurement unit is operating at half-strength following the retirement of the two most experienced members of the unit. A recent visit from the Frankfurt Regional Support Center staff identified a need for improved documentation of sole source decisions, more consistent assignment of contracting officer's representative duties, and expanded use of competed solicitations. The assistant general services officer is actively implementing the recommendations. The OIG team supports these continuing efforts.

The inspectors found 30 pending procurement files from the previous 2 fiscal years, all of which require followup review. Many contain documents indicating that goods and services were received, and the files should thus be closed. The retired procurement agents had managed these files, and the new agents were unfamiliar with them. Their review of the files would identify whether the embassy is still liable for any payments or, alternatively, if funds could be deobligated and the files closed.

**Recommendation 15:** Embassy Bucharest should review all pending procurement files from prior fiscal years and close them when goods and services have been delivered. (Action: Embassy Bucharest)

### ***Property Management***

The warehouse is a spacious, well-designed, and fully equipped facility. The embassy's facilities staff constructed a receiving cage and shelving after occupancy. However, the warehouse quickly filled with the existing inventory plus six new containers of residential furniture that arrived during the inspection.

The embassy is implementing two innovative programs to manage warehouse storage more efficiently. These include use of the European Logistical Support Office's just-in-time furniture program to reduce the lead time for furniture deliveries and a planned program to provide regional warehouse services to Embassy Chisinau. Until the embassy reduces its holdings of residential furniture and appliances in the warehouse, it will not be able to proceed with providing regional warehouse support to Embassy Chisinau.

***Informal Recommendation 14:*** Embassy Bucharest should develop a residential furniture plan to dispose of unnecessary furniture and reduce the inventory of personal property stored in the warehouse.

The property section recently transferred personal property asset records into the Integrated Logistics Management System. The inspectors noted that the warehouse employees were still struggling to make full use of the new system. Although property staff received training when the system was deployed, some employees need further assistance to prepare basic reports.

***Informal Recommendation 15:*** Embassy Bucharest should provide supplemental training for employees using the Integrated Logistics Management System.

### ***Official Vehicles***

The embassy conducted a motor vehicle fleet utilization review shortly before the inspection and found that some vehicles in the fleet were underutilized. In response to this review, the embassy prepared a plan to change chauffeur assignments and promote more efficient scheduling of official government vehicles, to include ride sharing and a reduction in the numbers of dedicated vehicle assignments. However, other alternatives to official vehicle transportation have not been explored. Embassy Bucharest's motor vehicles are driven on average less than 5,000 miles per year. The embassy's proposed replacement cycle calls for replacing all vehicles in the fleet in order to maintain a fleet size of 52 vehicles. The OIG team noted that taxis in Bucharest are plentiful and approved for use by the regional security office.

**Recommendation 16:** Embassy Bucharest should reduce the size of the embassy's motor vehicle fleet to meet official business requirements. (Action: Embassy Bucharest)

The mission vehicle policy is comprehensive and appropriately limits use of the motor pool for official business and other authorized use only, as required by 14 FAM. However, the embassy does not adequately document the purpose of vehicles in the daily vehicle use logs, particularly for vehicles other than those in the motor pool. In a review of more than 2 years of trip tickets entered into the vehicle database, only two records were categorized as "other

authorized use.” More than a thousand trip tickets indicated no category, and most of these did not indicate the purpose of travel in the remarks. Without such information in the records, it was impossible to determine the extent of other authorized use or impermissible use of vehicles.

**Recommendation 17:** Embassy Bucharest should record the purpose of travel in every trip record for the use of official vehicles, including dedicated and non-motor pool assigned vehicles. (Action: Embassy Bucharest)

The OIG team found instances of more than 160 trips by family members of embassy employees over the past several years. For the most part, these trips were likely activities that had a nexus with official embassy business. However, the requests for these trips were not reviewed by the management officer or DCM, as required by the embassy’s motor vehicle policy, but instead were submitted directly to the dispatcher. Official government vehicles may be used by family members only for business purposes, as defined in 14 FAM 433.1. Family members are not permitted to use vehicles for other authorized use except under very limited conditions.

**Recommendation 18:** Embassy Bucharest should require all family member use of official vehicles to be for business purposes and to be personally approved in advance and in writing by the deputy chief of mission. (Action: Embassy Bucharest)

The mission vehicle policy allows use of official vehicles by official residence staff but does not explicitly define this use as limited to trips in preparation for approved representational events, per Department guidance. The mission scheduled motor pool services for use by the official residence staff, but the purpose of this travel was not always recorded in the official vehicle use records. All other transportation of official residence staff is considered staff maintenance per 3 FAM 3251.3 and is part of the usual household expenditures to be provided by the principal officer.

***Informal Recommendation 16:*** Embassy Bucharest should amend the motor vehicle policy to allow use of motor pool services for official residence staff only as allowed by Department of State regulations.

### ***Travel Services***

Embassy Bucharest does not use the Department’s travel management center or have a contract with a local travel agency to provide in-house services, as required by 14 FAM 542 b. The embassy employs two LE staff members to arrange flights, hotels, local transportation, and other needs of official travelers. However, they also devote considerable time and effort to serving the personal travel needs of the embassy community. The OIG team identified 66 international air tickets that the embassy travel office obtained for personal travel by mission personnel in 2011. Although these tickets were not purchased with government funds, the use of local employees for these services is inappropriate.

**Recommendation 19:** Embassy Bucharest should cease the practice of local employees providing personal travel services to embassy personnel. (Action: Embassy Bucharest)

**Recommendation 20:** Embassy Bucharest should contract with a local travel agency to provide travel management services for the mission. (Action: Embassy Bucharest)

### **Information Management**

The information management office is an effective, well-managed operation that generally meets customer needs, as evidenced by high marks in ICASS and OIG questionnaires. The OIG team inspected all facilities, reviewed systems and operating procedures, and assessed the mail room. The inspectors concluded that internal operations are solid and that the section is up-to-date on all standard operating practices. The information management team successfully resolved a variety of technical challenges associated with the NEC move, including an inoperable telephone switch, mislabeling of fiber optic jacks, and delayed installation of a radio antenna on the roof of the chancery. All recommendations from a 2012 Bureau of Information Resource Management computer security assessment have been closed. The OIG team identified membership composition in the local information technology change control board as an area for improvement. The classified annex to this report also contains recommendations concerning information management contingency planning and physical security.

### ***Regionalization of Classified Network Operations***

Embassy Bucharest is one of two Bureau of European and Eurasian Affairs missions participating in a pilot program to regionalize classified network operations and support. The classified regionalization project is intended to better meet business needs by consolidating the classified networks from individual embassies at a regional hub. With less equipment and fewer personnel overseas, the workload and complexity of administering these systems should be reduced. Ultimately, the Department envisions possible reductions in American staffing, which could result in cost savings of approximately \$500,000 annually if an American position were abolished. The embassy expects to implement the program by the end of FY 2012.

### ***Local Information Technology Change Control Board***

Embassy Bucharest has established a local information technology change control board. However, all board members are from the information management office. As specified in 5 FAM 862.2, the local information technology change control board should include other members of the mission community as appropriate. Adding representatives from other sections such as management or public affairs would increase users' awareness and participation in information management decisions, as well as increase the staff's knowledge of its customers' business needs.

***Informal Recommendation 17:*** Embassy Bucharest should appoint representatives from different sections to the local information technology change control board.

## Quality of Life

Morale among the American staff and family members is relatively good, based on the results of the ICASS customer satisfaction survey and OIG questionnaire responses obtained for the inspection. Services such as medical care and dependent education are highly regarded by most respondents, as are the services of the community liaison office and the recreation association. (b) (5)

### Community Liaison Office

Embassy Bucharest has a full-time community liaison office coordinator position, staffed for the past 8 months by a family member who has served in this position at two previous embassies. Based on OIG and ICASS scores, the embassy community approves of her performance. Although scores were somewhat lower for the new employee sponsor program, she recently modified it in response to customer feedback. The office provides the usual range of services, such as outreach to incoming staff and families, cultural and travel programs, and publication of a weekly newsletter. However, the coordinator has not yet offered the community a training course in personal preparedness for emergencies, which is a key responsibility. In view of the embassy's location in an active seismic zone, such a program is important for emergency preparedness.

***Informal Recommendation 18:*** Embassy Bucharest should provide personal preparedness seminars for staff and family members, scheduled as soon as possible after the conclusion of the annual transfer cycle.

The coordinator represents family member interests on various internal embassy committees. Although the coordinator is included on the designation of responsibilities list as a member of the emergency action committee, she has not been included in meetings. The coordinator's participation in emergency action committee meetings is necessary to keep family members adequately informed during a crisis or emergency and is required by Department regulations.

***Informal Recommendation 19:*** Embassy Bucharest should include the community liaison office coordinator in all meetings of the emergency action committee.

### Medical Unit

Embassy Bucharest's medical unit provides quality medical care to American employees and dependents, as well as limited emergency services to LE staff members for on-the-job injuries or illnesses. The medical infrastructure in Romania is inadequate for primary and specialist medical services. London is the medical evacuation point for patients who require secondary care and for those with complex medical problems. The mission community gave very high marks in OIG's questionnaires to the overall quality of medical services provided by the unit. The unit's average score on the 2012 ICASS customer satisfaction survey indicates a similar degree of satisfaction with the health unit.

## **Bucharest Employee Recreation Association**

The Bucharest Employee Recreation Association provides a full range of community services, to include a commissary, cafeteria, and school transportation for children of official American employees. The association reported a net profit of more than \$60,000 and is financially stable. It is in compliance with annual audit, reporting, and liability insurance internal controls. The association has taken actions to ensure that access to packaged duty-free items is limited only to diplomatic personnel.

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

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

The school received high marks from parents in OIG's questionnaires and from the Office of Overseas Schools. Reflecting its origins as a cold war school in which school operations were sheltered under the diplomatic status of the embassy, the school works closely with the embassy on administrative matters. The school has incorporated as a nonprofit corporation under Romanian law in order to more firmly establish its status as a tax-exempt entity independent from the U.S. Government. The school is also in the process of divesting its inventory of motor vehicles registered to the embassy as diplomatic vehicles, but procured with school funds, a practice that was a holdover from the communist era.

The Ambassador appoints all members of the school's board and the DCM serves as chair of the board of directors. The school expects to review in 2012 proposed changes to the school's constitution and governing structure. Though by all accounts the DCM has done a good job representing the embassy's interests, his extensive official workload makes service on the board an inefficient use of his time. At most embassies, the management officer is the Ambassador's representative to the school and carries out such duties on behalf of the embassy.

***Informal Recommendation 20:*** Embassy Bucharest should designate an employee other than the deputy chief of mission to serve as the Ambassador's representative to the (b)(5)(b)(6)

## Management Controls

Embassy Bucharest has an adequate system of management controls in place. The embassy identified no material weaknesses in its 2011 chief of mission statement of management assurance. 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 and indicates appropriate separation of responsibilities to protect against misappropriation of resources. Embassy management has emphasized training for the LE staff, particularly for ICASS staff members with responsibility for resource management. Consular management controls are in good order, with equipment and supplies appropriately stored and inventoried.

### *Gift Registry*

The Ambassador and other embassy personnel receive gifts from the host government, other embassies, and private groups and individuals. Most gifts are relatively inexpensive items, such as calendars or gift baskets containing food or wine, but some may be worth considerably more. Gifts that are worth less than \$350 may be retained for use by the recipient or the mission, but those with an appraised value in excess of that amount must be reported to the Office of Protocol within 60 days of receipt.

Based upon a review of available files during the inspection, Embassy Bucharest has not established a systematic and timely process for registering gifts. There was an attempt to update the registry in preparation for the inspection, but it was incomplete and did not contain such vital information as the valuation of the gifts or the dates of receipt. Without such information, it is not possible to determine whether and when a specific gift must be reported. The lack of an updated gift policy may be attributable to mission officers' uncertainty regarding the regulations.

***Informal Recommendation 21:*** Embassy Bucharest should establish a policy and procedures for the management officer to promptly register all gifts received by mission personnel and to report such gifts as required.

The OIG team noted that some officers who are responsible for managing mission resources did not have specific language in their work requirements statements affirming these responsibilities.

***Informal Recommendation 22:*** Embassy Bucharest should review and revise, as needed, the work requirements statements for all direct-hire employees with responsibility for managing funds or U.S. Government property to include ongoing responsibility for safeguarding such resources against waste, fraud, or mismanagement.

## List of Recommendations

**Recommendation 1:** Embassy Bucharest should establish strategic working groups composed of all appropriate and necessary sections and agencies to pursue the mission's policy objectives. (Action: Embassy Bucharest)

**Recommendation 2:** Embassy Bucharest, in coordination with the Bureau of European and Eurasian Affairs, should streamline the daily report production process. (Action: Embassy Bucharest, in coordination with EUR)

**Recommendation 3:** Embassy Bucharest should implement a strategy for social media engagement, including the integration of social media into the activities of the strategic working groups. (Action: Embassy Bucharest)

**Recommendation 4:** Embassy Bucharest should implement a plan to bring its social media sites into compliance with Department of State regulations on social media. (Action: Embassy Bucharest)

**Recommendation 5:** Embassy Bucharest should construct a covered area adjacent to the embassy compound for consular applicants waiting to process through the consular controlled access entrance. (Action: Embassy Bucharest)

**Recommendation 6:** Embassy Bucharest should comply with all requirements of the worldwide referral policy. (Action: Embassy Bucharest)

**Recommendation 7:** Embassy Bucharest should institute procedures to ensure that cable reports of Visas Viper committee meetings are submitted on time. (Action: Embassy Bucharest)

**Recommendation 8:** Embassy Bucharest should complete an updated inventory of consular information management equipment, including the date of receipt, and request replacement and backup equipment from the Bureau of Consular Affairs. (Action: Embassy Bucharest)

**Recommendation 9:** The Bureau of Consular Affairs should provide updated cable and intranet guidance to Embassy Bucharest regarding the supply and replacement cycles for consular equipment, including servers, what equipment is the responsibility of the Bureau of Consular Affairs, and what equipment should be requested from other sources. (Action: CA)

**Recommendation 10:** Embassy Bucharest should conduct a comprehensive review of its language-designated positions and amend its submission to the Bureau of Human Resources to reduce the number of positions that are designated for language training. (Action: Embassy Bucharest)

**Recommendation 11:** Embassy Bucharest should install all required safety features for the pool at the deputy chief of mission's residence. (Action: Embassy Bucharest)

**Recommendation 12:** Embassy Bucharest should prepare a lessons learned cable for the Bureau of Overseas Buildings Operations, providing details and costs for all remedial new embassy compound projects completed thus far by the original contractor, the facilities

maintenance staff, or other contractors, the scope and cost of all pending work orders to remedy construction problems, and observations about the design of the facility, including areas for improvement. (Action: Embassy Bucharest)

**Recommendation 13:** Embassy Bucharest should prepare a front-channel cable to the Bureau of Overseas Buildings Operations that discusses all viable options regarding the chief of mission residence, including the challenges and benefits of each option, and the embassy's recommended course of action. (Action: Embassy Bucharest)

**Recommendation 14:** The Bureau of Overseas Buildings Operations, in coordination with the Office of the Legal Adviser and Embassy Bucharest, should determine the liability for back rent and propose a settlement with the owners of the property. (Action: OBO, in coordination with L and Embassy Bucharest)

**Recommendation 15:** Embassy Bucharest should review all pending procurement files from prior fiscal years and close them when goods and services have been delivered. (Action: Embassy Bucharest)

**Recommendation 16:** Embassy Bucharest should reduce the size of the embassy's motor vehicle fleet to meet official business requirements. (Action: Embassy Bucharest)

**Recommendation 17:** Embassy Bucharest should record the purpose of travel in every trip record for the use of official vehicles, including dedicated and non-motor pool assigned vehicles. (Action: Embassy Bucharest)

**Recommendation 18:** Embassy Bucharest should require all family member use of official vehicles to be for business purposes and to be personally approved in advance and in writing by the deputy chief of mission. (Action: Embassy Bucharest)

**Recommendation 19:** Embassy Bucharest should cease the practice of local employees providing personal travel services to embassy personnel. (Action: Embassy Bucharest)

**Recommendation 20:** Embassy Bucharest should contract with a local travel agency to provide travel management services for the mission. (Action: Embassy Bucharest)

## 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 Bucharest should develop travel plans for the political and economic sections and include travel within Romania in the work requirements statements of entry-level reporting officers.

***Informal Recommendation 2:*** Embassy Bucharest should develop representational plans for the political and economic sections and include responsibility for representational activities in the work requirements statements of entry-level officers.

***Informal Recommendation 3:*** Embassy Bucharest should create, publish, and maintain a public diplomacy activities calendar on the mission's intranet site that includes all press, cultural, and Information Resource Center events.

***Informal Recommendation 4:*** Embassy Bucharest should reprogram the encumbered public affairs section local staff position, currently vacant, to focus on alumni programming and other critical needs of the section.

***Informal Recommendation 5:*** Embassy Bucharest should move the public affairs section's dedicated Internet network workstation in the cultural unit to the press unit.

***Informal Recommendation 6:*** Embassy Bucharest should update and reissue the mission media policy.

***Informal Recommendation 7:*** Embassy Bucharest should discontinue the internal *Today's Press* publication.

***Informal Recommendation 8:*** Embassy Bucharest should install a dedicated Internet network workstation in the consular waiting room.

***Informal Recommendation 9:*** Embassy Bucharest should require the assistant regional security officer for investigations to attend consular section staff meetings.

***Informal Recommendation 10:*** Embassy Bucharest should revise the work requirements statement of the assistant regional security officer for investigations to emphasize his consular fraud prevention responsibilities.

***Informal Recommendation 11:*** Embassy Bucharest should issue prepaid credit cards in place of cash advances for local employee travel.

***Informal Recommendation 12:*** Embassy Bucharest should review the work requirements statements for all American officers and revise those that do not contain an ongoing

responsibility to support and adhere to principles of Equal Employment Opportunity and diversity in the workplace.

***Informal Recommendation 13:*** Embassy Bucharest should develop a housing pool strategy based on the projected needs of the mission and availability of housing, with input from the interagency housing board.

***Informal Recommendation 14:*** Embassy Bucharest should develop a residential furniture plan to dispose of unnecessary furniture and reduce the inventory of personal property stored in the warehouse.

***Informal Recommendation 15:*** Embassy Bucharest should provide supplemental training for employees using the Integrated Logistics Management System.

***Informal Recommendation 16:*** Embassy Bucharest should amend the motor vehicle policy to allow use of motor pool services for official residence staff only as allowed by Department of State regulations.

***Informal Recommendation 17:*** Embassy Bucharest should appoint representatives from different sections to the local information technology change control board.

***Informal Recommendation 18:*** Embassy Bucharest should provide personal preparedness seminars for staff and family members, scheduled as soon as possible after the conclusion of the annual transfer cycle.

***Informal Recommendation 19:*** Embassy Bucharest should include the community liaison office coordinator in all meetings of the emergency action committee.

***Informal Recommendation 20:*** Embassy Bucharest should designate an employee other than the deputy chief of mission to serve as the Ambassador's representative to the (b)(5)(b)(6)

***Informal Recommendation 21:*** Embassy Bucharest should establish a policy and procedures for the management officer to promptly register all gifts received by mission personnel and to report such gifts as required.

***Informal Recommendation 22:*** Embassy Bucharest should review and revise, as needed, the work requirements statements for all direct-hire employees with responsibility for managing funds or U.S. Government property to include ongoing responsibility for safeguarding such resources against waste, fraud, or mismanagement.

## Principal Officials

	<b>Name</b>	<b>Arrival Date</b>
Ambassador	Mark H. Gitenstein	8/09
Deputy Chief of Mission	Duane C. Butcher	8/11
Chiefs of Sections:		
Management	Brian R. Moran	8/09
Consular	Stephen A. Vann	9/11
Political	David T. Morris	8/09
Economic	Susan P. Garro	8/11
Public Affairs	Patricia H. Guy	7/09
Regional Security	Philip W. Nazelrod	10/11
Other Agencies:		
Department of Defense	Col. Roderick E. Dorsey, Jr.	6/11
Department of Justice	Harry J. Giknavorian	6/08
Foreign Commercial Service	Edwin K. Kirkham	7/08
Federal Bureau of Investigation (Legatt)	Timothy J. O'Malley	7/10
U.S. Peace Corps	Sheila Crowley	2/10
U.S. Secret Service	Darren T. White	11/09

## Abbreviations

DCM	Deputy chief of mission
Department	Department of State
EEO	Equal Employment Opportunity
ICASS	International Cooperative Administrative Support Services
IRC	Information Resource Center
LE	Locally employed
NATO	North Atlantic Treaty Organization
NEC	New embassy compound
OIG	Office of Inspector General
PAS	Public affairs section

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